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6

7  
8 **UNITED STATES OF AMERICA**  
**Before The**  
9 **SECURITIES AND EXCHANGE COMMISSION**

10  
11 In the Matter of the Application of  
12 WEDBUSH SECURITIES, INC. and  
13 EDWARD WILLIAM WEDBUSH

14 For Review of Disciplinary Action Taken by  
15 FINRA

**APPLICATION OF WEDBUSH  
SECURITIES INC. AND EDWARD  
WILILAM WEDBUSH FOR REVIEW OF  
FINRA DISCIPLINARY ACTION**

**[Re FINRA Disciplinary Proceeding  
No. 200700904044]**

**[SEC Rule 420]**

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17  
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19 Pursuant to Rule 420(a)(i) of the SEC Rules of Practice, please take notice that  
20 Applicants Wedbush Securities Inc. and Edward William Wedbush (collectively, "Applicants")  
21 hereby apply for review by the Commission of a final disciplinary sanction by FINRA. The  
22 determination of which Applicants complain is the Decision of the National Adjudicatory Council  
23 dated December 11, 2014 (the "Decision")<sup>1</sup>, in the FINRA Office of Hearing Officers proceeding  
24 entitled *Department of Enforcement v. Wedbush Securities and Edward William Wedbush*,  
25 Disciplinary Proceeding No. 20070094044 (Hearing Officer Lawrence B. Bernard).

26 Pursuant to Rule 420(c), a brief statement of the errors alleged in the determination,  
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28 <sup>1</sup> To the extent necessary to preserve all rights on appeal, Applicants also complain of the underlying Extended Hearing Panel Decision of the FINRA Office of Hearing Officers, dated August 2, 2012 (the "OHO Decision").

1 and the supporting reasons therefor, is a follows:

2 The finding that Applicants failed to reasonably supervise regulatory reporting is  
3 erroneous in that, among other reasons, it is inconsistent with the evidence, in particular with  
4 respect to: Applicants' dedication to compliance and regulatory reporting; Mr. Wedbush's role  
5 with respect to the regulatory reporting and the supervision thereof; the firm's regulatory reporting  
6 procedures; and the alleged failings of the Business Conduct department.

7 The finding that Applicants' corrective measures were untimely and insufficient is  
8 erroneous in that, among other reasons, it is inconsistent with the evidence.

9 The finding that Applicants received a fair hearing is erroneous in that it is  
10 inconsistent with the evidence presented at the hearing and comparable precedent. The Decision  
11 does not account for outright errors in the underlying OHO Decision. The determination that no  
12 distinction exists between a fine and a suspension is erroneous on its face and is inconsistent with  
13 the FINRA Sanctions Guidelines and the evidence at the hearing, and resulted in a denial of due  
14 process for Applicant Edward Wedbush. The determination that a "de novo" review cured all  
15 potential prejudice with respect to a fair hearing and selective prosecution is erroneous, for among  
16 other reasons, the fact that it fails to account for evidence that does not exist in the record because  
17 Applicants were denied a reasonable opportunity to present it.

18 The sanctions issued against Applicants are erroneous in that they are inconsistent  
19 with the evidence presented at the hearing and the FINRA Sanction Guidelines.

20 As noted in the Notice of Appearance and Designation of Address for Service, filed  
21 contemporaneously herewith, Applicants can be served through their counsel at the following  
22 address: John L. Erikson, Jr., Wedbush Securities Inc., Legal Department, [REDACTED]

23 [REDACTED].

24  
25  
26 Dated: January 8, 2015

Respectfully Submitted,

27 By:   
JOHN L. ERIKSON, JR.  
28 Attorney for Applicants Wedbush Securities  
Inc. and Edward Wedbush

