UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF MICHIGAN

- SOUTHERN DIVISION

MOUAYAD SHAMMAMI,
Plaintiff,

v.

ALFRED ALLOS, STUART BURCHARD, and
BROAD STREET SECURITIES,

Defendants, Jointly and Severally.
_______________________________________/

DONALD D. SULLIVAN
Attorney for Plaintiff
P.O. Box 308
New Hudson, MI 48165
(248) 491-6777
Fax: (248) 491-7485
Email: Dsulli15@hotmail.com
[57627]_______________________________/

COMPLAINT

NOW COMES, the Plaintiff, MOUAYAD SHAMMAMI, by and through his undersigned attorney of record, and for his COMPLAINT for ILLEGAL CHURNING UNDER SECTION 10B SECURITIES EXCHANGE ACT OF 1934 (SEC RULE 10b-5), FRAUD, CONVERSION, MICHIGAN UNIFORM SECURITIES ACT MCL 451.2501, , BREACH OF CONTRACT, BREACH OF FIDUCIARY DUTY, SECTION 20(a) CONTROL PERSON LIABILITY, VIOLATION OF THE MICHIGAN CONSUMER PROTECTION ACT ACCOUNTING, and UNJUST ENRICHMENT, states the following:

JURISDICTIONAL ALLEGATIONS

1. At all pertinent times hereto the Plaintiff, MOUAYAD SHAMMAMI, was a resident of the City of Hazel Park, County of Wayne and State of Michigan.
2. At all pertinent times hereto the Defendant Alfred Allos was a resident of the City of Commerce Township, County of Oakland and the State of Michigan, residing at 8415 Hummingbird Drive, Commerce, MI 48382.
3. At all pertinent time hereto the Defendant Stuart Burchard was a resident of the City of San Francisco, County of San Francisco, State of California, residing at 2030 Vallejo Street, No. 1001, San Francisco, CA 94123.
4. At all times pertinent hereto the Defendant Broad Street Securities was foreign corporation incorporated in the State of Nevada and operating within the State of Michigan as a securities and stock brokerage firm having a registered address of 355 S. Old Woodward, Ste. 108, Birmingham, MI 48009. The registered agent is Stuart Burchard who is listed on the Articles of Incorporation as the President.
5. Federal jurisdiction is founded under 28 U.S.C. §1331 as this cause of action involves a federal question under the Securities Exchange Act of 1934. Pendent jurisdiction over common law and state law claims is asserted.
6. That a previous case was filed on October 3, 2007, in the present court, Case No.: 2:07-cv-14214, and which was dismissed *without* prejudice pursuant to an Order Compelling Arbitration on February 13, 2008.
7. That Plaintiff initiated the arbitration through the Financial Institutions National Regulatory Administration (FINRA) filed on May 8, 2008, and proceeded against Broad Street Securities, Pershing LLC., and Bank of New York Mellon.

8. That in preparation for the June 9, 2009, arbitration of this matter, Defendant Alfred Allos filed an affidavit on May 23, 2009 (**Exhibit A**) from which it was determined that he intentionally concealed the value and activity in the Plaintiff's account.
9. That on May 14, 2009, (**Exhibit B**) Broad Street Securities by its attorney of record sought an adjournment of the arbitration scheduled for June 9, 2009, by reason of the declining health of Mary Mada.
10. That unbeknownst to the Plaintiff, on March 27, 2009, an Order of Summary Suspension had already been issued by the Michigan Office of Financial and Insurance Regulation (**Exhibit C**), and yet, Broad Street Securities continued to act without any notice to Plaintiff of its suspension by counsel or either of its principals, President/Defendant Stuart Burchard, or Mary Mada, Vice President.
11. That the arbitration hearing was adjourned at the request of Broad Street Securities and its attorney until October 6, 2009.
12. That leading up to the October 6, 2009, arbitration hearing neither Defendant Broad Street Securities, its principals, nor its attorneys responded to numerous discovery requests and at no time was any notice of withdrawal received from its attorneys.
13. At the October 6, 2009, arbitration hearing no representative nor attorney for Broad Street appeared, and only upon the information received from a newly-assigned arbitrator, Anthony Bove, was it determined that Mary Mada was deceased as of September 15, 2009.
14. Plaintiff moved to adjourn and filed a motion for leave to file an Amended Statement of Claim naming the President of Broad Street Securities, Stuart Burchard, and Alfred Allos personally which was granted on October 30, 2009 (**Exhibit D**)

15. Plaintiff served its Amended Statement of Claim (*Mouayad Shammami v. Broad Street Securities, Inc., Mary Mada, deceased, Alfred Allos, and Stuart Burchard)* on Defendant Burchard with the assistance of FINRA on or about January 21, 2010, in accordance with FINRA arbitration rules.

16. Plaintiff was unable to serve upon Defendant Allos nor was FINRA able to assist in serving him because Defendant Allos had returned to his country of origin (Iraq) and provided no current information to FINRA.

17. That Defendant Burchard neither filed his Uniform Submission Statement or answered the statement of claim, and on January 27, 2011, the Plaintiff moved for entry of Default Judgment in the amount of $208,572.60 plus costs and fees consistent with its expert opinion on damages. **(Exhibit E)**

18. That in response to the Plaintiff's motion for entry of default judgment, Defendant Burchard issued a written response on February 14, 2011 (**Exhibit F**) which indicated that he had "recently relinquished my licenses" because of "deficiencies in conjunction with a firm audit."

19. At no time during the pendency of the arbitration in this matter did FINRA provide notice that any of the respondents, Broad Street, Burchard, or Allos had their licenses or membership suspended, revoked or relinquished.

20. And, despite the absence of a meritorious defense, FINRA administratively denied the motion and during a pre-trial hearing on April 6, 2011, the arbitration was finally set to be heard on May 10, 2011.

21. That on May 4, 2011, yet another motion to adjourn the arbitration was filed by Defendant Burchard without apparent good cause, and upon discussing the matter in

person with the Plaintiff consideration was given to re-file the present lawsuit as the Defendants have forfeited their right to arbitration in order to prevent against the further creation of delay and hardship upon the Plaintiff.

22. That on May 5, 2011, the Plaintiff contacted undersigned counsel with news that Defendant Allos had recently returned from Iraq, was living in Commerce Township, Michigan, and providing an address for him.

23. That the Defendants in the present action, Alfred Allos, Stuart Burchard, and Broad Street Securities, are no longer members of NASD or FINRA and are no longer entitled to arbitration as their memberships have been revoked or suspended.

COMMON ALLEGATIONS

24. Plaintiff restates and incorporates each preceding paragraph as though fully restated herein.

25. Plaintiff, Mouayad Shammami, entered into an agreement with the Defendant Broad Street Securities for asset management and investment advice for a securities, equities and or a stock portfolio from on or about July 29, 2002, to June 30, 2007.

26. Plaintiff, Mouayad Shammami, was warranted by the Defendant Broad Street Securities that he would be dealt with fairly in accordance with the standards of the profession and that the Defendant Broad Street maintained a soundness of acumen in its financial management and investment advice.

27. Plaintiff, Mouayad Shammami, informed Defendant Broad Street Securities that his investment objectives were intended for conservative capital preservation objectives, and not intended for high risk or speculation, but that

only after Allos made unauthorized trades and incurred huge losses under some purported "Day Trading Authority" did Defendants Burchard, Allos and Mada act in concert to change his investment purposes in concealment.

28. Only after the Defendant, Broad Street, Aloos, and Mada discovered that unauthorized trades and churning were being conducted on the Plaintiff's account and trades which were actively concealed from him, did the Defendant, particularly Mada, perpetrate a fraud upon the Plaintiff by having him backdate or provide after-the-fact authorization veiled in the form of a change of objectives to "profit and speculative" for trades previously made from July 29, 2002, to November 21, 2005, under different objectives and which could not have been authorized after-the-fact as a matter of law as well as in fact because of the active concealment.
29. The Defendant Broad Street Securities represented that it possessed the requisite skill, care and expertise to control, manage and operate the investment portfolio of the Plaintiff so as to carry out his legitimate investment objectives. Plaintiff lacked the degree of sophistication as that the Defendant represented as possessing with respect to trading securities.
30. The Defendant Broad Street Securities had a legal duty under the Michigan Uniform Securities Act and the Securities Exchange Act of 1934 and other applicable regulations to obtain specific information so as to determine the investment objectives of the Plaintiff and not to unilaterally solicit an amendment of those investment objectives after speculative trading and churning had in fact occurred on the Plaintiff's account under prior objectives.

31. The Defendant Broad Street Securities by its agents and employees exercised dominion of control over the equities account of the Plaintiff in a manner which exceeded representations or limitations on the authority made by the Defendant.

32. The account of Plaintiff did not provide for discretionary investment by the brokerage firm and any such investments were to be according to the Plaintiff's specific requests and/or objectives.

33. That in breach of Section 10b and contract, as well as the commission of a fraud and conversion, Defendant's employees, Allos and Mada, incurred significant losses upon the Plaintiff's account by making trades which were not in fact requested by the Plaintiff and for which there exists no other explanation other than illegal churning.

34. That Defendant Broad Street and Allos did engage in hundreds of unauthorized and inexplicable trades, opening and closing positions without any gains on the same day while incurring commissions, and closing out other positions despite the incurrence of losses when directed by Plaintiff to hold said stocks in his portfolio; for example, and by no way a limitation on May 3, 2006, Plaintiff purchased 1000 shares of Taser International (TSR) at a price of 10.54 per share, and then on May 19, 2006, sold 900 shares at 9.20 per share incurring over $1000.00 in losses of which Allos claims 500 were solicited sales by him, and 400 were unsolicited which makes no sense at all.

35. That replete through Plaintiff's account are similarly inexplicable transactions which should have been flagged by Defendant Burchart and Mada, such as on

February 2, 2005, 600 shares of "Ask Jeeves Inc." was purchased at a cost of $17,156.50, and sold on the very same day for a significant loss (-$833.54).

36. Notwithstanding the Plaintiff's objectives, the Defendant Broad Street Securities engaged in hundreds of unauthorized and excessive solicited sales, margin purchases, short sales and other transactions of a duplicitous, repetitive and non-beneficial nature for the specific and apparent purpose of churning the Plaintiff's account so as to create excessive commissions for Broad Street Securities, its employees and agents all of which is evidenced by a pattern or practice evidenced.

37. Defendant Broadstreet, Burchard, Allos and Mada collectively, admitted to the Plaintiff to having churned his securities, in particular on one occasion in the Defendant Broadstreet offices in the presence of Defendant's witnesses when the Plaintiff requested to purchase additional Lear and General Motors stock, was informed that Defendant had already disposed of that stock without his consent, contrary to his position and incurring losses.

38. The Defendant Broad Street Securities, Burchard and Allos shared in the profits from the overtrading and churning of the Plaintiff's account by way of excessive commissions and service charges.

39. That the Defendant Broad Street, Burchard, and its employee Alfred Allos knew or should have known of the conduct of subordinates in the exercise of due care furthered a pattern, scheme or pattern of fraud or deception by excessive trading disproportionate to the size of the account to generate

commission constituting constructive fraud under SEC Rule 10b-5, 17 CFR §240.10b-5.

40. The Plaintiff was in fact deceived and relied upon the integrity of the broker, its underwriters and parent brokerage house.

41. The Plaintiff was unaware that excessive trades were being conducted as the same were actively concealed from him or disguised within apparently legitimate account statements or omissions of trade notices required to be delivered by contract and law for each trade.

42. That Plaintiff was offered $14,000.00 by the Defendants Broad Street, and Allos as acknowledged in Exhibit A.

43. The Plaintiff refused to accept the $14,000.00 offered to him because from January 1, 2005, to December 2006, the Plaintiff's account lost well over Seventy Five Thousand ($75,000.00) Dollars in principal value in addition to the commissions and service charges, as well as the value of the account would have but for this illegal churning all of which represent compensable losses of the Plaintiff and for which an accounting is requested.

44. These communications made regarding the Plaintiff's demand for recoupment were made directly to Broad Street, Aloos and Mada, pursuant to the sales contract and included requests for the Defendant's voluntary agreement to resort to alternative dispute resolution and arbitration clauses thereunder, however, in breach of the contract the Defendant refused to voluntarily submit to arbitration, provide an accounting or respond in willful breach of contract

so as to vitiate any such ADR remedies and entitle the Plaintiff direct remedy through the lawsuit claimed herein.

SECURITIES FRAUD (UNLAWFUL CHURNING)

VIOLATION OF SECURITIES EXCHANGE ACT OF 1934

SECTION 10(b)

45. Plaintiff restates and incorporates by reference each of the preceding paragraphs as though fully restated herein.
46. As promulgated in the Security Exchange Commission Rule 10b-5 (17 C.F.R. §10b-5), and 15 U.S.C.A. §78(c) (17 C.F.R. §240.15c-7) *see also Blue Chip Stamps v. Manor Drug Stores*, 421 U.S. 723, 95 S.Ct. 1917(1975), the foregoing factual allegations are hereupon premised in this cause of action and are being filed thereunder.
47. Plaintiff relied upon the Defendants Broad Street, Burchard and Allos, their apparent and ostensible agents to fairly and with requisite skill care and expertise carry out the objectives and protect the financial interests of the Plaintiff according to the purposes of the Security Exchange Act of 1934.
48. In defiance of the laws under the Act and in breach of its contractual and fiduciary duties to the Plaintiff, the Defendants engaged in deceptive and fraudulent practices, particularly churning of the Plaintiffs account to cause excessive commissions and service charges, and investment in bonds and

stocks marketed or tied to other interests of the Defendants and its brokerage house with motivations other than those safeguarding the Plaintiff.

49. In defiance of the laws under the Act and in breach of its contractual and fiduciary duties to the Plaintiff, the Defendants engaged in deceptive and fraudulent practices, particularly the solicitation of the Plaintiff to make purchases of stocks by margin, to sell stocks short or to investment in other products that Defendant Pershing and Mellon had an ownership interest.

50. In defiance of the laws under the Act and in breach of its contractual and fiduciary duties to the Plaintiff, the Defendants engaged in deceptive and fraudulent practices, particularly the dissemination of false and misleading statements as to expected return or the financial soundness of certain investments so as to induce the Plaintiff to make unwarranted or excessive trades, or trades which would benefits interests of the brokerage house and its underwriter as opposed to the securing the interests of the Plaintiff.

51. That Defendants engaged a manipulative, deceptive and fraudulent device or contrivance by contending that the Plaintiff authorized certain trades or characterized the Plaintiff's status so as to give the false appearance that the Plaintiff authorized certain trades which in fact he did not.

52. In particular, after Defendant Broad Street, Burchard and Mada discovered that its agent Aloos and others had committed the churning of Plaintiff's account, it unilaterally solicited the Plaintiff's signature on a change in objectives formso as to shield itself from liability for trades previously made

without his authority or contrary to more conservative objectives in place at the time of those trades.

53. Defendant Broad Street's solicitation of an after-the-fact authorization of the Plaintiff's previously churned account, which Defendant Burchard knew or should have known in the exercise of due care, or upon which he had actual or constructive notice, without specifically notifying the Plaintiff of the reason for his signature upon the contrived form is direct evidence of precisely the prohibited contrivance, fraudulent device or artifice which falls within the purview of Section 10b.

54. That Defendants engaged a manipulative, deceptive and fraudulent device or contrivance to cause the appearance that the Plaintiff was in control of his own account when in fact he was reliant upon the advice and expertise of the Defendants.

55. That Defendants engaged a manipulative, deceptive and fraudulent device or contrivance to cause the appearance that the Plaintiff was unreasonable, uncooperative, irresponsible, ignorant or reckless so as to shield the Defendants from its liability from mismanagement.

56. That each of the foregoing deceptive and fraudulent practices involved dissemination of false and misleading information by telephone and by mail, as well as the concealment of information by failure to send such items by mail, in the commission of such practices effecting the Plaintiff's interstate commerce with the New York Stock Exchange and others.

57. That the Defendants by accepting commissions and applying those commission to the gross receipts of its enterprise is engaged in a joint enterprise through salesmanship, device and artifice to induce the Plaintiff and others to make trades in the advancement of the Defendants collective profits.

58. That the Defendants, by inducing trades, disseminating false information, making trades without the approval of a person having a non-discretionary account, disguising trades, falsely alleging trades as unsolicited when in fact they are solicited, failure to identify a proprietary interest of the brokerage house in prospective purchases, excessive trading, churning, and other such fraudulent, deceptive devices and artifices are liable for the damages consequential, compensatory, punitive and statutory, as well as costs and attorney fees to this Plaintiff.

FRAUD, CONVERSION DECEIT AND MISREPRESENTATION

59. Plaintiff restates and incorporates by reference each of the preceding paragraphs as though fully restated herein.

60. Plaintiff was a party to a contract with the Defendant, Broad Street, Burchard and Allos which provided him with asset management, securities brokerage and investments among other things.

61. Defendants knowingly misrepresented material terms, conditions and the performance of its obligations with the intent to deceive, or otherwise concealed terms, conditions or its breach or malfeasance in the performance of its obligations with the intent to deceive the Plaintiff.

62. Defendants knew, or reasonably should have known, that the Plaintiff would rely upon the representations of the Defendants by virtue of the special skill and expertise that the Defendants published and in fact intended that the Plaintiff would rely upon those representations.

63. Plaintiff in fact relied upon the representations of the Defendants and otherwise acted or deferred from taking action in reliance on those representations.

64. Plaintiff in fact acted or deferred from taking action based on facts known to him which were incomplete, deceptive or false to his detriment.

65. As direct evidence of Defendant Broad Street, Burchard and Allos' notice of questionable activity in the Plaintiff's account, it solicited a change in objectives form and an after-the-fact authorization for unsound and unauthorized trades made for the sole purpose of incurring a commission and which in fact resulted in substantial losses to the Plaintiff.

66. That Defendants collectively knew or should have known of the illegal churning in the Plaintiff's account and had a fiduciary duty to notify him of the suspected churning, but instead in a fraudulent, deceptive design or artifice, created a document for which no consideration was received which attempted illegally to waive the Plaintiff's right to remedies for unauthorized trades previously committed and for which he was without actual notice.

67. The Defendant's attempt to ask the Plaintiff to authorize each and every trade that had previously been made on his account was deceptive, without any consideration and not authorized under the Securities Exchange Commission

Act of 1934, nor anywhere is such a form contained in the standard set of forms or regulations anticipated by the code.

68. The self-made change in objectives form is clearly the contrivance described in Section 10b and is evidence of an illegal attempt to waive, disclaim or prejudice a legal right to which the Plaintiff was entitled and was not received for consideration but merely to shield the Defendants from illegal activity that it knew or should have known was ongoing.

69. Defendants made representations as to the soundness of certain investments and the sale of certain investments which it knew or should have known would result in the financial detriment of the Plaintiff which is a common law fraud outside of violations under 10(b), *see* IDS v. First of Michigan 533 F.2d 340 (6^{th} Cir. 1976).

70. Defendants undertook the contractual obligation to preserve the assets of the Plaintiff and to advise him according to his stated financial investment objectives as a material part of the contract.

71. Defendants knowingly induced and solicited the Plaintiff to make certain investments which they knew or should have known were not in the interest of asset preservation or stated investment objectives.

72. Defendants knowingly induced and solicited trades from the Plaintiff in market securities in which the Defendants possessed a pecuniary interest in addition to the commission and service charges from which it benefit by each trade solicited and which were knowingly inapposite of its obligations to the Plaintiff.

73. Defendants Broad Street, Allos, Burchard, Mada, and others executed trades on behalf of the Plaintiff without explicit or implied authority to do so pursuant to the terms of the contract and according to the standards of the profession.

74. Defendants, in particular, but not limited to stock brokers Allos, Burchard and others solicited unsound investment advice which they knew or should have known would be relied upon by the Plaintiff and work to his financial detriment for their own financial gain and to the financial benefit of brokerage houses offering certain stocks for trade.

75. Defendant Broad Street by its agents did convert the property of the Plaintiff to its own by engaging in hundreds of unauthorized trades to produce a commission and service charges with the intent to permanently deprive the Plaintiff of his money for which the Plaintiff is entitled to an award of treble or triple damages under MCL §600.2919a.

76. As a direct, natural and proximate result of the misrepresentations of the Defendants and concealment of material fact, the Plaintiff in fact relied upon to his detriment and incurred significant financial losses and related damages.

MICHIGAN UNIFORM SECURITIES ACT

77. Plaintiff restates and incorporates by reference each of the preceding paragraphs as though fully stated in this paragraph.

78. That Defendant Broad Street and their actual or ostensible agent, including but not limited to Burchard and Allos, are regulated providers and licensed

securities brokers subject to the regulations and prohibitions contained in the Michigan Uniform Securities Act, MCL §451.2501 *et seq.*.

79. The Plaintiff had dealings with each of these Defendants by way of a relationship governed under said Act for the trading of securities and investment advice.

80. Defendants, individually and collectively, violated the Michigan Uniform Securities Act including, but not limited to each of the following ways:

    a. Misrepresenting the scope and material conditions of the services being provided to the Plaintiff.

    b. Misrepresenting the obligations and duties owed to the Plaintiff under the Act and by the terms of any and all agreements under which the Plaintiff and Defendants are in privity of contract.

    c. Misrepresenting the soundness of certain investments and the pecuniary interest of Defendants in securities traded.

    d. Falsely and fraudulently contending that trades were specifically requested by the Plaintiff when in fact Plaintiff made no such requests.

    e. Falsely and fraudulently engaging in excessive overtrading and churning of the Plaintiff's equities account over which the Defendant and its agent exercised control contrary to the investment objectives of the Plaintiff.

    f. Falsely and fraudulently engaging contending that certain trades were made by the Plaintiff when in fact they were not placed by the Plaintiff.

g. Falsely and fraudulently documenting certain trades which may have been authorized by the Plaintiff as unsolicited, when in fact they were solicited.

h. Failure to notify the Plaintiff of a stock broker's ownership or pecuniary interest in stocks marketed or solicited for trading to the Plaintiff.

i. Failure to deliver trade slips to the Plaintiff or fraudulently discarding certain trade slips to prevent the Plaintiff from identifying overtrading and churning of his account.

j. Exercising dominion or control over the Plaintiff's account and trading thereof beyond the conditions set forth in his agreement or those anticipated under the act.

k. Failure to notify or communicate to the Plaintiff the existence of clearly existing warning signs and actual evidence of overtrading of his account.

l. Knowingly engaging in repetitive, unsound and financially detrimental transactions on the Plaintiff's account for the purpose of generating commissions, service charges or unlawful promotion or volume in the sale of stocks in which Defendant maintained a pecuniary interest.

m. Realizing that illegal churning, incurrence of losses by clearly unsound trades, and unauthorized trades were being conducted on Plaintiff's account, contrived a change of objectives form evidenced for the sole purpose of waiving or disclaiming the Plaintiff's remedies.

n. Failing to fully inform the reason for the request for his signature on the clearly contrived form which the Defendants knew or should have known existed.

o. Attempting to manipulate the Plaintiff into ratifying previously unauthorized trades according to the contrived form contained in without discharging its ethical and contractual duties to the Plaintiff that unauthorized, unsound or trades clearly outside of his objectives were made to his financial detriment.

81. As a direct, natural and proximate result of the violations of the Michigan Uniform Securities Act as delineated above or as may be discovered hereinafter, the Plaintiff lost significant value of his stock portfolio, incurred expenses, service charges and losses and lost the value of unrealized potential capital gains for which he is entitled to recover, in addition to penalty interest, prejudgment interest, costs and attorney fees.

BREACH OF CONTRACT

82. Plaintiff restates and incorporates by reference each of the preceding paragraphs as though fully restated herein.

83. Plaintiff entered into a contract for financial asset management, stock market advice and securities trading with the Defendant Broad Street.

84. Pursuant to the terms and conditions of the agreement by and between the Plaintiff and Defendant Broad Street and Pershing, the Defendants were obligated to provide trading slips to the Plaintiff for transactions made on his account.

85. In breach of that duty under the contract, the Defendants did not in fact provide trading slips for hundreds of trades made on his account which were not authorized by the Plaintiff or otherwise made contrary to his investment objectives.
86. Defendant agreed to preserve the equities of the Plaintiff and not to make trades to his financial detriment or without his express assent.
87. In contravention of that contractual duty, the Defendants by its agents engaged in hundred of unauthorized transactions without the express request or at the direction of the Plaintiff.
88. Defendant promised not to incur unwarranted, excessive or usurious fees and commissions in the handling of his account either expressly, impliedly or by operation of securities laws.
89. In contravention of those duties expressly, impliedly or constructively imposed upon the contract, the Defendants by its agents did cause to be charged excessive commissions, service fees and charges.
90. Defendant promised to protect the financial interests of the Plaintiff and provide sound financial advice.
91. Defendants breached that agreement by making numerous trades for losses, making sales immediately after purchases the commissions and fees for which depleted even minimal gains and failed to retain stocks so as to realize the full potential of gains while the value of a stock continued to rise.
92. Defendant agreed to communicate honestly with the Plaintiff and keep him informed of activity in his account.

93. Defendant did not in fact communicate and to the extent it communicated, it did so by misrepresenting activity in his account and losses incurred.

94. As a direct, natural and proximate consequence of the breach of these Defendants obligation referenced herein and those discovered during the course of discovery, the Plaintiff lost the value of principal and potential income from his account, including the incurrence of losses, commissions and service fees which would not have otherwise resulted but for the breach of the contract.

BREACH OF FIDUCIARY DUTY

95. Plaintiff restates and incorporates by reference each of the preceding paragraphs as though fully restated herein.

96. Defendant Broad Street as licensed stock broker and underwriter of the sale of certain securities pursuant to a contract for financial management services with the Plaintiff did undertake specific fiduciary duties to protect the financial interests of the Plaintiff.

97. Those fiduciary duties bound the Defendants as well as its employees, supervisors and each and every one of them to undertake such requisite care and expertise as would a reputable, honest and reasonable asset planning professional to fulfill its fiduciary duties to the Plaintiff.

98. In breach of its fiduciary duties to the Plaintiff as expressed by contract, those implied or imposed by law, the Defendants did breach its fiduciary duty in each of the following ways, including but not limited to:

    a. Failure to inform the Plaintiff of activity on his account.

b. Failure to advise the Plaintiff of the incurrence of sales for a loss, commissions and service charges.

c. Failure to inform the Plaintiff of purchases of equities.

d. Failure to notify the Plaintiff of transactions on his account.

e. Ultra vires activity or actions which the Defendants knew or should have known were contrary to the financial interest of Plaintiff.

f. Conflicts of interest in the solicitation for sale of unsound stocks to incur commissions or increase the volume of trades on stocks in which the Defendants possessed a pecuniary interest.

g. Breach of trust in that the Plaintiffs stock portfolio was rendered useless to him and caused him hardship from having the account frozen or isolated under fear that said unauthorized activity would continue.

h. Failure to monitor or supervise an account evidencing unlawful and detrimental financial activity.

i. Failure to take action to preserve, secure or remedy the account after notification by the Plaintiff that a fraud had be committed.

99. As a direct, natural and proximate result of the Defendants breach of fiduciary duties to the Plaintiff, the Plaintiff did suffer compensable losses in his stock portfolio, loss of principal, loss of prospective gain, incurred excessive commissions, and service charges.

CONTROL PERSON LIABILITY UNDER §20(a)

100. Plaintiff restates and incorporates each preceding paragraph by reference as though fully restated herein.

101. That pursuant to Section 20(a) of the Security Exchange Act of 1934, Defnedant Burchard was in a position to prevent the losses and the illegality of activity at Broad Street, with Defendant Allos, and Mada by his own admissions.

102. That Defendant Burchard lacks a good faith defense to his claims that he was unaware of the significant losses being incurred in the Plaintiff's account, and yet he attempts to justify those losses based on his own knowledge.

103. That Defendant Burchard as President of Broad Street Securities, directly or indirectly controlled the Defendant Alfred Allos who is in violation of the Security Exchange Act (10b) and is jointly and severally liable to the Plaintiff for his losses.

104. That Defendant Burchard had legally enforceable control over Defendant Allos and participated in creating an environment rampant for a lack of discipline, policy or practices for identifying and discouraging illegal trading activities, such as churning of client accounts.

105. That the Defendant knew or reasonably should have known based on the significant losses occurring in the Plaintiff's account, the turnover ratio, the amount of commissions generated, and complaints by the Plaintiff and others including FINRA and the Michigan OFIR Commission of unlawful activity ongoing and failed to take appropriate remedial action.

VIOLATION OF THE CONSUMER PROTECTION ACT

106. Plaintiff restates and incorporates by reference each of the preceding paragraphs as though fully restated herein.

107. That under the Michigan Consumer Protection Act, the Defendant Broad Street and Pershing advertised the sale of certain goods or services, namely financial asset planning packages, stock, commodities and equities.

108. Materially false statements of fact were contained in said advertisements which were intended by the Defendants to be relied upon by the Plaintiff, and were in fact relied upon by the Plaintiff to his financial detriment.

109. Among those false advertisements were that professionals employed by the Defendants were licensed, bonded and possessed the requisite skill, care and expertise to provide high quality investment packages.

110. Upon information and belief, certain employees of the Defendants were not in fact licensed, bonded or having possessed the requisite skill, care and expertise to provide the high quality investment packages marketed.

111. Upon information and belief, certain employees of the Defendants offered advice and undertook responsibilities which only a Stock Broker Series Seven (7) licensed broker could engage when in fact no such licensure existed.

112. Defendants advertised asset growth statistics to the Plaintiff which were false and misleading.

113. Defendants advertised recommendations and client testimonials which were false and misleading.

114. Defendant Broad Street advertised that it has "no quotas" and are under "no sales pressure from the company (Pershing, Mellon) to include any specific investment in a Client's portfolio," which is false and misleading.

115. Defendant Broad Street advertised that it provides "continuous value-added service," and provides a detailed "identification of needs and goals," which is false and misleading.

116. As evidence of the foregoing it is clear that Defendant Broad Street, Pershing and Mada in particular, unilaterally sought to change the investment objectives of the Plaintiff and seek his ratification of each and every previous trade on his account despite their actual or constructive knowledge of the illegality of certain trades, which was false and misleading.

117. As a direct, natural and proximate result of the Plaintiff's reliance on these false advertisements, he was lead to believe that his needs and goals would be met and that his portfolio would continuously add value, however, because of the falsity of those representations his goals were not achieved and no value was added.

118. To the contrary, the Defendants by its agents under the apparent pressure to sell Pershing and Mellon stocks so as to increase volume without any apparent concern for the potential growth of Plaintiff's assets, did engage in a pattern or practice evidencing the misuse of Plaintiff's account to achieve a quota.

ACTION FOR AN ACCOUNTING

119. Plaintiff restates and incorporates by reference each of the preceding paragraphs as though fully restated herein.

120. Pursuant to the terms of the contract for professional services or financial asset management by a licensed Series Seven (7) Stock Broker, the Defendants undertook a duty to account for each and every sale occurring on the account of the Plaintiff.

121. As part of Plaintiff's complaint is that many of the hundreds of unauthorized transactions were not evidenced by trading slips, notices or reflected on account statements.

122. Furthermore, because of the sophistication of the manipulation of the Plaintiff's account to conceal by the Defendants the unauthorized trading scheme or practices, the Defendants must be ordered to provide a complete accounting of all commissions, service charges and each and every transaction made on this account.

123. Furthermore, because of the nature of the damages alleged involve the sale of stocks without express authority of the Plaintiff or otherwise churning of his account contrary to his sound investment objectives, a detailed analysis of the loss of prospective gain requires that the Defendants provide such an accounting.

UNJUST ENRICHMENT

124. Plaintiff restates and incorporates by reference each and every preceding paragraph as though fully restated herein.

125. That the Defendants Broad Street, Burchard and Alfred Allos shared in the profits from excessive trades and commissions to the detriment of the Plaintiff.

126. That the Plaintiff did not order the trades for which commissions were generated, and yet the commissions were deducted from his account.

127. That Defendants should not be allowed to retain the amounts received by them as the same would be inequitable

DAMAGES

128. Plaintiff restates and incorporates each preceding paragraph as though fully restated herein.

129. As a direct, natural and proximate result the Plaintiff did incur consequential and compensatory damages which were reasonably foreseeable, as follows:

A. Actual losses of $208,572.60 from his brokerage account.

B. Losses of prospective gains from stocks which were not bought or sold as directed.

C. Arbitration costs.

D. Attorney fees.

E. Costs

F. Interest.

WHEREFORE, the Plaintiff prays for judgment of in an amount commensurate herewith and for such further relief as the court deems fair and just.

JURY DEMAND

NOW COMES, the Plaintiff and prays for trial by a jury of his peers on all issues triable as of right.

May 6, 2011

DONALD D. SULLIVAN
P.O. Box 308
New Hudson, MI 48165
(248) 491-6777
Dsulli15@hotmail.com
[57627]