

HISTORY OF WEDBUSH SECURITIES

How it all started...

In 1955, two young entrepreneurs, Edward Wedbush and Robert Werner, founded Wedbush & Company. Friends since high school, they pooled \$5,000 each to capitalize their new company. Ed Wedbush was fresh from the University of Cincinnati with a degree in mechanical engineering. His portion of the capital was savings earned at part-time jobs as a supermarket checker and student engineer at Wagner Electric in St. Louis, Missouri. Ed had just won a Hughes Aircraft fellowship, allowing him to pursue an MBA degree at UCLA while working part-time at Hughes Aircraft. Ed earned his MBA, and began studying for a PhD in engineering, all while teaching part-time at UCLA and nurturing his upstart brokerage business.

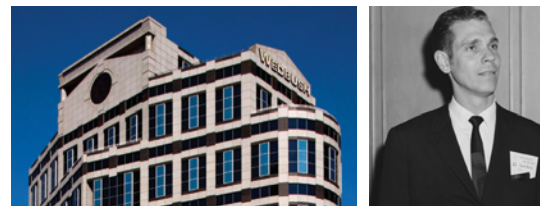
Wedbush opened its first office in 1957 in the Crenshaw district of Los Angeles. Wedbush & Co.'s growth flourished in the Southern California area and in 1960 Robert Werner, preferring St. Louis to Los Angeles, sold his interest in the firm to Ed.

For more than a decade, Wedbush & Co. focused on retail securities sales. In 1969, Wedbush & Co. expanded into the wholesale business through the acquisition of Los Angeles based Noble Cooke & Co., for \$150,000 financed through a stock swap for 15% of Wedbush securities. This transaction not only enhanced Wedbush & Co.'s existing trading and market making functions, but added a Pacific Exchange specialist operation, a Honolulu sales office, an institutional sales office and a new name – Wedbush, Noble & Cooke (WNC).

In 1971, with a company net worth in excess of \$1 million, Ed determined it was time to link to the center of the securities business through membership in the New York Stock Exchange, the Depository Trust Company and the National Securities Clearing Corporation.

In 1972, WNC made a strategic decision to expand into correspondent services, executing and clearing for other brokerage firms. This new venture was an immediate success. By managing this business internally, WNC was able to provide faster, more efficient order service to itself and to smaller broker dealers.

In 1975, WNC acquired the investment banking activity of one of California's oldest firms, William R. Staats & Co., with financial roots dating back to 1887, when it underwrote some of the first bonds used to construct the Los Angeles streetcar system. With this acquisition, WNC added new capabilities, most notably the Investment Banking group.



IMPORTANT DATES:

- 1955** Wedbush & Company founded by Edward Wedbush and Robert Werner
- 1957** First Wedbush office opened in the Crenshaw district of Los Angeles, CA
- 1961** Julius B. Feldhorn joined Wedbush, shortly followed by son Earl I. Feldhorn
- 1969** Acquired Noble, Cooke & Co.
- 1970** Enrolled in Securities Investor Protection Corporation (SIPC)
- 1971** Became a member of the New York Stock Exchange (NYSE)
- 1972** Began self-clearing and clearing for other firms
- 1975** Acquired William R. Staats & Co., Inc. and held the first annual Wedbush Picnic
- 1980** Formed Wedbush Capital Partners: Public & Private Equity Investments
- 1988** Acquired Morgan, Olmstead, Kennedy & Gardner
- 1995** Launched ClientLink™
- 1999** Launched EInvestment Bank
- 2000** Launched BrokerInsight™
- 2006** Ranked #1 Liquidity Provider by NASDAQ Listed Securities and Ed Wedbush named Ernst & Young Entrepreneur of the Year - Los Angeles
- 2008** Opened Wedbush Bank, acquired assets of Peacock, Hislop, Staley & Given as well as First Wall Street Corporation and rang the NASDAQ Opening Bell
- 2009** Acquired assets of Pacific Growth Equities and rang the NYSE Opening Bell

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WNC's growth continued. In 1985, it maintained 20 sales offices, an institutional sales group, OTC market makers, four Pacific Stock Exchange specialist posts and an Investment Banking group. In 1986, the Board of Directors changed the company name to Wedbush Securities (WS), to identify it as a full service securities firm.

In 1988, WS acquired the business of Morgan, Olmstead, Kennedy & Gardner and became Wedbush Morgan Securities (WMS). This acquisition brought expanded trading and research capabilities, as well as four retail brokerage offices that combined with existing offices to further enhance customer service.

During the 1990s, WMS introduced a variety of new services to its clients. In 1995, ClientLink™ was launched offering online client account access. In 1997, the firm introduced Client Banking, which made loans on restricted securities. In 1999, WMS launched EInvestment Bank, offering online client access to initial public offerings. In 2001, the company launched online investing, and opened an additional Public Finance office in San Diego, CA.

The turn of the century brought new and innovative accomplishments to WMS. In 2000, BrokerInsight™, a highly reliable and secure workstation for order entry, portfolio valuation and account management was launched. In 2006, WMS became the #1 Liquidity Provider on NASDAQ and has maintained a top position. In 2008 and 2009, WMS acquired the assets of Peacock, Hislop, Staley & Given, First Wall Street Corporation and Pacific Growth Equities, as well as rang both the NYSE and NASDAQ Opening Bells. In 2009, the firm simplified its name by changing back to Wedbush Securities (WS).

The founding and growth of WS is an American entrepreneurial success story. Today, WS is the largest securities firm and investment bank headquartered on the West Coast, with almost 1,000 employees in over 90 offices. Through advanced technology, client financial safety, persistence and hard work, Wedbush Securities has a bright future.



Edward Wedbush is Founder and President of Wedbush Securities. Ed holds a Bachelor of Science degree in Mechanical Engineering from the University of Cincinnati and a Masters of Business Administration from the University of California, Los Angeles. Ed has previously held Membership positions on the SIFMA (formerly SIA) Board of Directors, Nominating Committee of National Securities Clearing Corporation and a Chairman position on the NYSE Regional Firms Advisory Committee. Ed currently holds membership positions on the Regional Firms Committee of SIFMA and Board of Trustees for University of Cincinnati Foundation. In 2004, Ed was recipient of the Lifetime Achievement in Entrepreneurship Award from the University of Cincinnati, and in 2006, was awarded Ernst & Young's Entrepreneur of the Year for Greater Los Angeles. Ed is married to Jean and has three children: Gary, Eric and Leigh Ann. His personal interests include tennis and swimming.