BrokerCheck Report

JOHN GREG SCHMIDT

CRD# 708094

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Please be aware that fraudsters may link to BrokerCheck from phishing and similar scam websites, trying to steal your personal information or your money. Make sure you know who you're dealing with when investing, and contact FINRA with any concerns.

For more information read our investor alert on imposters.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
    - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
    - information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at https://www.adviserinfo.sec.gov. In the alternative, you may search the IAPD website directly or contact your state securities regulator at http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.
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Thank you for using FINRA BrokerCheck.

Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org

For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.

JOHN G. SCHMIDT

CRD# 708094

This broker is not currently registered.

Report Summary for this Broker

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications

This broker is not currently registered.

This broker has passed:

- 1 Principal/Supervisory Exam
- 3 General Industry/Product Exams
- 2 State Securities Law Exams

Registration History

This broker was previously registered with the following securities firm(s):

B **WELLS FARGO ADVISORS FINANCIAL NETWORK, LLC**
CRD# 11025
DAYTON, OH
12/2006 - 11/2017

B **STIFEL, NICOLAUS & COMPANY, INCORPORATED**
CRD# 793
DAYTON, OH
05/2002 - 12/2006

B **FIRST UNION SECURITIES, INC.**
CRD# 19616
ST. LOUIS, MO
10/1999 - 05/2002

Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

Are there events disclosed about this broker? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	3
Criminal	1
Civil Event	1
Customer Dispute	8
Termination	1

Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at
https://www.adviserinfo.sec.gov

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Broker Qualifications

Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.

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Broker Qualifications

Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

This individual has passed 1 principal/supervisory exam, 3 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam		Category	Date
B	General Securities Principal Examination	Series 24	03/26/2007

General Industry/Product Exams

Exam		Category	Date
B	Securities Industry Essentials Examination	SIE	11/07/2017
B	General Securities Representative Examination	Series 7	12/14/1985
B	Registered Representative Examination	Series 1	04/22/1980

State Securities Law Exams

Exam		Category	Date
IA	Uniform Investment Adviser Law Examination	Series 65	06/01/2006
B	Uniform Securities Agent State Law Examination	Series 63	06/19/1981

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.

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Broker Qualifications

Professional Designations

This section details that the representative has reported **1** professional designation(s).

Certified Financial Planner

This representative holds or did hold **1** professional designation(s) that may have been used to qualify as an Investment Advisor representative. Please check with the appropriate designation authority for verification that the designation is still in effect. The contact information for these professional designation authorities can be found on the website for the North American Securities Administrators Association at http://www.nasaa.org

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Registration and Employment History

Registration History

The broker previously was registered with the following firms:

	Registration Dates	Firm Name	CRD#	Branch Location
B	12/2006 - 11/2017	WELLS FARGO ADVISORS FINANCIAL NETWORK, LLC	11025	DAYTON, OH
B	05/2002 - 12/2006	STIFEL, NICOLAUS & COMPANY, INCORPORATED	793	DAYTON, OH
B	10/1999 - 05/2002	FIRST UNION SECURITIES, INC.	19616	ST. LOUIS, MO
B	04/1996 - 10/1999	FIRST UNION CAPITAL MARKETS CORP.	6124	CHARLOTTE, NC
B	03/1990 - 04/1996	PAINEWEBBER INCORPORATED	8174	WEEHAWKEN, NJ
B	09/1986 - 03/1990	PRUDENTIAL-BACHE SECURITIES INC.	7471	NEW YORK, NY
B	05/1980 - 10/1986	IDS LIFE INSURANCE COMPANY	6321	
B	05/1980 - 10/1986	IDS MARKETING CORPORATION	6363	
B	05/1980 - 10/1986	IDS FINANCIAL SERVICES INC.	6320	

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

Employment	Employer Name	Position	Investment Related	Employer Location
05/2009 - Present	WELLS FARGO ADVISORS FINANCIAL NETWORK LLC	REGISTERED REP	Y	DAYTON, OH, United States

Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

No information reported.

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Registration and Employment History

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Disclosure Events

What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

2. **Certain thresholds must be met before an event is reported to CRD, for example:**
   - A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
   - A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least $5,000.
   -
3. **Disclosure events in BrokerCheck reports come from different sources:**
   - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
   -
4. **There are different statuses and dispositions for disclosure events:**
   - A disclosure event may have a status of *pending, on appeal,* or *final.*
     - A "pending" event involves allegations that have not been proven or formally adjudicated.
     - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
     - A "final" event has been concluded and its resolution is not subject to change.
   - A final event generally has a disposition of *adjudicated, settled* or *otherwise resolved.*
     - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
     - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
     - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Pending	Final	On Appeal
Regulatory Event	0	3	0
Criminal	0	1	0
Civil Event	0	1	0
Customer Dispute	0	8	N/A
Termination	N/A	1	N/A

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Disclosure Event Details

When evaluating this information, please keep in mind that a discloure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Regulatory - Final

This type of disclosure event may involve (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of a broker's authority to act as an attorney, accountant, or federal contractor.

Disclosure 1 of 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Suspension
Date Initiated:	03/19/2021
Docket/Case Number:	19-02197
Employing firm when activity occurred which led to the regulatory action:	N/A
Product Type:	No Product
Allegations:	Respondent Schmidt failed to comply with an arbitration award or settlement agreement or to satisfactorily respond to a FINRA request to provide information concerning the status of compliance.
Current Status:	Final
Resolution:	Letter

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Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	03/19/2021
Sanctions Ordered:	Suspension
If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?	No
(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?	

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(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Sanction 1 of 1

Sanction Type:	Suspension
Capacities Affected:	All Capacities
Duration:	Indefinite
Start Date:	03/19/2021
End Date:	

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Regulator Statement	Pursuant to Article VI, Section 3 of FINRA By-Laws, and FINRA Rule 9550, Respondent Schmidt is suspended on March 19, 2021 for failure to comply with an arbitration award or settlement agreement or to satisfactorily respond to a FINRA request to provide information concerning the status of compliance.

Disclosure 2 of 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Other: N/A
Date Initiated:	03/08/2019
Docket/Case Number:	3-19025
Employing firm when activity occurred which led to the regulatory action:	
Product Type:	No Product
Allegations:	SEC Admin Release 34-85277; IA Release 40-5122, March 8, 2019: The SEC deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940 against John Gregory Schmidt. In anticipation of the institution of these proceedings, Respondent Schmidt has submitted an Offer of Settlement which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings and the findings contained herein, which are admitted, Respondent Schmidt consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions. On the basis of this Order and Respondent's Offer, the Commission finds that on February 19, 2019, a final judgment was entered by consent against Schmidt, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder in the Civil Action Number 3:18-cv-320, in the United States District Court for the Southern District of Ohio.
Current Status:	Final

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Resolution:	Order
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	03/08/2019
Sanctions Ordered:	Bar (Permanent)
If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?	No
(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?	

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(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Sanction 1 of 2

Sanction Type:	Bar (Permanent)
Capacities Affected:	Penny stock
Duration:	Indefinite
Start Date:	03/08/2019
End Date:	

Sanction 2 of 2

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Sanction Type:	Bar (Permanent)
Capacities Affected:	Any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or NRSRO
Duration:	Indefinite
Start Date:	03/08/2019
End Date:	
Regulator Statement	In view of the foregoing, the Commission deems it appropriate, in the public interest to impose the sanctions agreed to in Respondent Schmidt's Offer. Accordingly, it is hereby ordered pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Schmidt be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization ("NRSRO"); and Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Schmidt be, and hereby is barred from participating in any offering of a penny stock. Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors.

Reporting Source:	Firm
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Bar
Date Initiated:	03/08/2019
Docket/Case Number:	3-19025
Employing firm when activity occurred which led to the regulatory action:	Stifel, Nicolaus & Company, Incorporated and Wells Fargo Clearing Services, LLC
Product Type:	No Product
Allegations:	Allegations were that between 2003 and October 2017, Schmidt misappropriated over $1.16 million from accounts belonging to seven of his retail brokerage customers and transferred that cash to at least ten other customers whose accounts were experiencing shortfalls.
Current Status:	Final
Resolution:	Order

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Resolution Date:	03/08/2019
Sanctions Ordered:	Bar (Permanent) Other: bar from association with any broker, dealer, investment advisor, municipal securities dealer, municipal advisor, transfer agent, and nationally recognized statistical rating organization; bar from participating in any offering of a penny stock
If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?	No
(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?	

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(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Sanction 1 of 1

Sanction Type:	Bar (Permanent)
Capacities Affected:	All Capacities
Duration:	Indefinite
Start Date:	
End Date:	

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Disclosure 3 of 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Suspension
Date Initiated:	11/29/2017
Docket/Case Number:	2017056103801
Employing firm when activity occurred which led to the regulatory action:	N/A
Product Type:	No Product
Allegations:	Respondent Schmidt failed to respond to FINRA request for information.
Current Status:	Final
Resolution:	Letter
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	03/05/2018
Sanctions Ordered:	Bar (Permanent)
If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?	No

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(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?

(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

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(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Sanction 1 of 2

Sanction Type:	Bar (Permanent)
Capacities Affected:	All Capacities
Duration:	Indefinite
Start Date:	03/05/2018
End Date:	

Sanction 2 of 2

Sanction Type:	Suspension
Capacities Affected:	All Capacities
Duration:	n/a
Start Date:	12/26/2017
End Date:	03/04/2018

Regulator Statement Pursuant to FINRA Rule 9552(h) and in accordance with FINRA's Notice of Suspension and Suspension from Association letters dated November 29, 2017, and December 26, 2017, respectively, on March 5, 2018, Schmidt is barred from association with any FINRA member in any capacity. Respondent failed to request termination of his suspension within three months of the date of the Notice of Suspension; therefore, he is automatically barred from association with any FINRA member in any capacity.

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Reporting Source:	Firm
Regulatory Action Initiated By:	Financial Industry Regulatory Authority (FINRA)
Sanction(s) Sought:	Suspension
Date Initiated:	11/29/2017
Docket/Case Number:	2017056103801
Employing firm when activity occurred which led to the regulatory action:	N/A
Product Type:	No Product
Allegations:	Respondent failed to respond to FINRA request for information
Current Status:	Final
Resolution:	Letter issued under FINRA Rule 9552
Resolution Date:	03/05/2018
Sanctions Ordered:	Bar (Permanent) Suspension
If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?	No

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(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?

(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

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(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Sanction 1 of 2

Sanction Type:	Bar (Permanent)
Capacities Affected:	All Capacities
Duration:	Indefinite
Start Date:	
End Date:	

Sanction 2 of 2

Sanction Type:	Suspension
Capacities Affected:	All Capacities
Duration:	90 days
Start Date:	12/26/2017
End Date:	03/24/2018

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Criminal - Final Disposition

This type of disclosure event involves a criminal charge against the broker that has resulted in a conviction, acquittal, dismissal, or plea. The criminal matter may pertain to any felony or certain misdemeanor offenses, including bribery, perjury, forgery, counterfeiting, extortion, fraud, and wrongful taking of property.

Disclosure 1 of 1

Reporting Source:	Regulator
Formal Charges were brought in:	State Court
Name of Court:	Montgomery County Court of Common Pleas
Location of Court:	Dayton, Ohio
Docket/Case #:	2018 CR 04108
Charge Date:	12/27/2018
Charge(s) 1 of 5	
Formal Charge(s)/Description:	Theft From an Elderly or Disabled Adult (Greater than $150,000)
No of Counts:	2
Felony or Misdemeanor:	Felony
Plea for each charge:	No contest.
Disposition of charge:	Convicted
Charge(s) 2 of 5	
Formal Charge(s)/Description:	Telecommunications Fraud (>$150,000 but < $1,000,000)
No of Counts:	1
Felony or Misdemeanor:	Felony
Plea for each charge:	No Contest
Disposition of charge:	Convicted
Charge(s) 3 of 5	
Formal Charge(s)/Description:	Forgery (Uttering)
No of Counts:	1
Felony or Misdemeanor:	Felony

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Plea for each charge:	No Contest
Disposition of charge:	Convicted
Charge(s) 4 of 5	
Formal Charge(s)/Description:	Fraud or Deceit by Investment Adviser (>$150,000)
No of Counts:	1
Felony or Misdemeanor:	Felony
Plea for each charge:	No Contest
Disposition of charge:	Convicted
Charge(s) 5 of 5	
Formal Charge(s)/Description:	Forgery (Spurious)
No of Counts:	123
Felony or Misdemeanor:	Felony
Plea for each charge:	No Contest
Disposition of charge:	Convicted
Current Status:	Final
Status Date:	06/25/2019
Disposition Date:	06/25/2019
Sentence/Penalty:	5 Years Incarceration, beginning 6/25/2019. Restitution of $34,446. 5 Years of Post-Release Control.
Regulator Statement	For more information, see the Montgomery County (OH) Clerk of Courts website, Case No. 2018 CR 04108.

Reporting Source:	Firm
Formal Charges were brought in:	State Court
Name of Court:	Montgomery County Court of Common Pleas
Location of Court:	Montgomery County, OH
Docket/Case #:	2018CR04108

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Charge Date:	12/27/2018
Charge(s) 1 of 1	
Formal Charge(s)/Description:	theft from an elderly or disabled adult (Count 1), theft from an elderly or disabled adult (Count 2), telecommunications fraud (Count 3), forgery (Count 4), forgery (Count 5), fraud or deceit by an investment adviser (Count 6), and forgery (Counts 7-128)
No of Counts:	128
Felony or Misdemeanor:	Felony
Plea for each charge:	No Contest
Disposition of charge:	Convicted
Current Status:	Final
Status Date:	06/27/2019
Disposition Date:	06/27/2019
Sentence/Penalty:	Sentence issued on June 25, 2019: imprisonment and confinement for five years, supervision by parole board for five years after release from imprisonment, and restitution of $34,446.60

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Civil - Final

This type of disclosure event involves (1) an injunction issued by a court in connection with investment-related activity, (2) a finding by a court of a violation of any investment-related statute or regulation, or (3) an action brought by a state or foreign financial regulatory authority that is dismissed by a court pursuant to a settlement agreement.

Disclosure 1 of 1

Reporting Source:	Regulator
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Relief Sought:	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Injunction Monetary Penalty other than Fines
Date Court Action Filed:	09/25/2018
Product Type:	No Product
Type of Court:	Federal Court
Name of Court:	United States District Court for the Southern District of Ohio
Location of Court:	Dayton, Ohio
Docket/Case #:	3:18cv320
Employing firm when activity occurred which led to the action:	
Allegations:	The United States Securities and Exchange Commission (the "SEC" or "Commission") alleges that for the past 35 years, Defendant John Gregory Schmidt has been a registered representative associated with a series of broker-dealers, including the past 11 years with a large, SEC-registered broker-dealer. ("Broker A"). Over his career, Schmidt attracted a loyal base of retail brokerage customers who trusted Schmidt to guide their financial decisions as they approached retirement. From at least 2003 through 2017, Schmidt betrayed his customers' trust by perpetrating a classic fraudulent scheme: he robbed Peter to pay Paul. Schmidt - acting without customer authorization - repeatedly sold securities belonging to some of his brokerage customers and secretly transferred the sale proceeds to cover shortfalls in the accounts of other customers In total, between 2003 and October 2017, Schmidt misappropriated over $1.16 million from accounts belonging to seven customers (the "Misappropriation Customers") and transferred that cash to at least ten other customers whose accounts were experiencing shortfalls (the "Shortfall Customers"). During Schmidt's scheme, the Shortfall Customers' periodic withdrawals were

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exhausting their assets. Rather than tell those customers the truth about their dwindling funds, Schmidt (a) sent them fake account statements that grossly overstated their account balances and (b) falsely assured the Shortfall Customers that their investment returns could fund their withdrawals without jeopardizing their principal.
Schmidt's secret shifting of funds amongst customer accounts allowed the Shortfall Customers to continue to make withdrawals and prevented them from discovering Schmidt's lies about their investments and account balances.
In executing his fraud, Schmidt deceived his clients, submitted fraudulent deposit information to Broker A, and sent fraudulent withdrawal forms to the issuers of annuities owned by his customers.
Schmidt's customer-victims were particularly vulnerable. Most were elderly retirees with little to no financial expertise. Several of Schmidt's victims were suffering from Alzheimer's disease or other forms of dementia. At least five of Schmidt's victims passed away during the course of his fraud.
Schmidt's scheme was profitable. From February 2013 through October 2017, Schmidt received over $230,000 in commissions from customers who were either the source of, or recipient of, misappropriated funds.
By making material misrepresentations and omissions to investors, and by misappropriating over $1.16 million of client assets, Schmidt has committed securities fraud in violation of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 thereunder and Section 17(a) of the Securities Act of 1933 (the "Securities Act").

Current Status: Final

Resolution: Judgment Rendered

Resolution Date: 02/19/2019

Sanctions Ordered or Relief Granted: Civil and Administrative Penalty(ies)/Fine(s)
Disgorgement
Injunction
Monetary Penalty other than Fines

Capacities 1 of 1

Capacities Affected: n/a

Duration: permanent

Start Date: 02/19/2019

End Date:

Monetary Sanction 1 of 3

Monetary Sanction: Disgorgement

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Total Amount:	$235,614.00
Portion against individual:	235614
Date Paid:	
Portion Waived:	No
Amount Waived:	

Monetary Sanction 2 of 3

Monetary Sanction:	Monetary Fine
Total Amount:	$864,301.00
Portion against individual:	864301
Date Paid:	
Portion Waived:	No
Amount Waived:	

Monetary Sanction 3 of 3

Monetary Sanction:	prejudgment interest on disgorgement
Total Amount:	$35,049.00
Portion against individual:	35049
Date Paid:	
Portion Waived:	No
Amount Waived:	

Regulator Statement

On February 19, 2019, a final judgment, by consent, was entered against John Gregory Schmidt wherein he was permanently restrained and enjoined from violating, directly or indirectly, Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.
Schmidt is liable for disgorgement of $235,614 together with prejudgment interest thereon in the amount of $35,049, for a total of $270,663.
Schmidt shall also pay a civil penalty in the amount of $864,301 to the Securities and Exchange Commission.

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Customer Dispute - Settled

This type of disclosure event involves a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit containing allegations of sale practice violations against the broker that resulted in a monetary settlement to the customer.

Disclosure 1 of 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Wells Fargo Advisors Financial Network, LLC
Allegations:	The representative for the client verbally alleged that moneys were misappropriated from annuity investments owned by the client. (3/16/2007-9/7/2012)
Product Type:	No Product
Alleged Damages:	$0.00
Is this an oral complaint?	Yes
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	02/26/2018
Complaint Pending?	No
Status:	Settled
Status Date:	04/23/2018
Settlement Amount:	$309,778.20
Individual Contribution Amount:	$0.00

Disclosure 2 of 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Wells Fargo Advisors FInancial Network, LLC
Allegations:	Client verbally alleged that his financial advisor created false account statements and that the financial advisor performed unauthorized liquidations in his variable

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annuity. (12/1/2006-11/1/2017)

Product Type:	Annuity-Variable
Alleged Damages:	$0.00
Is this an oral complaint?	Yes
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	01/11/2018
Complaint Pending?	No
Status:	Settled
Status Date:	12/18/2018
Settlement Amount:	$280,000.00
Individual Contribution Amount:	$0.00

Disclosure 3 of 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Wells Fargo Advisors
Allegations:	Power of attorney for client verbally alleged that unauthorized withdrawals were made from his accounts and his variable annuity by the financial advisor and that his account was traded excessively. (12/1/2006-10/25/2017)
Product Type:	No Product
Alleged Damages:	$0.00
Is this an oral complaint?	Yes
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

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Date Complaint Received:	10/25/2017
Complaint Pending?	No
Status:	Settled
Status Date:	12/13/2018
Settlement Amount:	$850,000.00
Individual Contribution Amount:	$0.00

Disclosure 4 of 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Wells Fargo Advisors Financial Network
Allegations:	Customer verbally alleged that registered representative provided written and verbal misrepresentations regarding the value of the customer's investments. (3/27/2007-10/27/2017)
Product Type:	Annuity-Variable
Alleged Damages:	$0.00
Is this an oral complaint?	Yes
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	10/27/2017
Complaint Pending?	No
Status:	Settled
Status Date:	03/16/2018
Settlement Amount:	$199,443.90
Individual Contribution Amount:	$0.00

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Disclosure 5 of 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Wells Fargo Financial Network, LLC
Allegations:	Representative for clients alleged that funds were misappropriated from his client's accounts. (2/16/2011-5/21/2016)
Product Type:	No Product
Alleged Damages:	$0.00
Alleged Damages Amount Explanation (if amount not exact):	Alleged damages, not specified, believed to be $5,000 or more.
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	01/05/2018
Complaint Pending?	No
Status:	Settled
Status Date:	01/23/2019
Settlement Amount:	$704,342.67
Individual Contribution Amount:	$0.00

Disclosure 6 of 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Wells Fargo Advisors
Allegations:	Attorney for client alleged FA had absconded with monies belonging to client. (2/23/2012-10/27/2017)

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Product Type:	No Product
Alleged Damages:	$5,000.00
Alleged Damages Amount Explanation (if amount not exact):	unspecified, but believe to be in excess of $5,000.
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	12/04/2017
Complaint Pending?	No
Status:	Settled
Status Date:	03/12/2018
Settlement Amount:	$167,059.22
Individual Contribution Amount:	$0.00

Disclosure 7 of 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Wells Fargo Advisors
Allegations:	Attorney for client alleged FA had absconded with monies belonging to client. (12/13/2006-10/24/2017)
Product Type:	No Product
Alleged Damages:	$0.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

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Customer Complaint Information

Date Complaint Received:	12/04/2017
Complaint Pending?	No
Status:	Settled
Status Date:	06/22/2018
Settlement Amount:	$1,500,000.00
Individual Contribution Amount:	$0.00

Disclosure 8 of 8

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	STIFEL NICOLAUS & CO., INC.
Allegations:	CLAIMANTS ALLEGE, NEGLIGENCE, FRAUD, BREACH OF FIDUCIARY DUTY, BREACH OF CONTRACT, MALPRACTICE AND DETRIMENTAL RELIANCE.
Product Type:	Mutual Fund
Alleged Damages:	$500,000.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	07-02803
Date Notice/Process Served:	10/09/2007
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	08/26/2009
Monetary Compensation Amount:	$80,000.00
Individual Contribution Amount:	$32,500.00
Firm Statement	PURSUANT TO THE SETTLEMENT AGREEMENT WELLS FARGO TO PAY

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$32,500 TO CLAIMANTS. SCHMIDT TO PAY $32,500 AND STIFEL NICOLAUS & COMPANY, INC. TO PAY $15,000.

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	STIFEL NICOLAUS & COMPANY, INC.
Allegations:	CLAIMANTS ALLEGE NEGLIGENCE, FRAUD, BREACH OF FIDUCIARY DUTY, BREACH OF CONTRACT, MALPRACTICE AND DETRIMENTAL RELIANCE.
Product Type:	Mutual Fund
Alleged Damages:	$500,000.00

Customer Complaint Information

Date Complaint Received:	10/09/2007
Complaint Pending?	No
Status:	Evolved into Arbitration/CFTC reparation (the individual is a named party)
Status Date:	10/09/2007
Settlement Amount:	
Individual Contribution Amount:	

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	07-02803
Date Notice/Process Served:	10/09/2007
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	08/26/2009
Monetary Compensation Amount:	$80,000.00
Individual Contribution Amount:	$32,500.00

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Broker Statement	PURSUANT TO THE SETTLEMENT AGREEMENT WELLS FARGO TO PAY $32,500 TO CLAIMANTS. SCHMIDT TO PAY $32,500 AND STIFEL NICOLAUS & COMPANY, INC TO PAY $15,000

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Employment Separation After Allegations

This type of disclosure event involves a situation where the broker voluntarily resigned, was discharged, or was permitted to resign after being accused of (1) violating investment-related statutes, regulations, rules or industry standards of conduct; (2) fraud or the wrongful taking of property; or (3) failure to supervise in connection with investment-related statutes, regulations, rules, or industry standards of conduct.

Disclosure 1 of 1

Reporting Source:	Firm
Employer Name:	Wells Fargo Advisors Financial Network, LLC.
Termination Type:	Discharged
Termination Date:	10/24/2017
Allegations:	Wells Fargo Advisors Financial Network disaffiliated with Mr. Schmidt after allegations of unauthorized money movement between clients, and after the Firm was notified of an allegation of the existence of inaccurate account statements which appear not to have been generated or approved by the Firm.
Product Type:	No Product

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End of Report

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