

BrokerCheck Report

Jason Roberts Coles

CRD# 2632270

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

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.

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.

Jason R. Coles

CRD# 2632270

Currently employed by and registered with the following Firm(s):

IA CENTAURUS FINANCIAL, INC.
 9870 RESEARCH DRIVE
 IRVINE, CA 92618
 CRD# 30833
 Registered with this firm since: 08/09/2017

B CENTAURUS FINANCIAL, INC.
 9870 RESEARCH DRIVE
 IRVINE, CA 92618
 CRD# 30833
 Registered with this firm since: 08/09/2017

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 registered with:**

- 1 Self-Regulatory Organization
- 24 U.S. states and territories

This broker has passed:

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

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

- IA FINANCIAL WEST GROUP**
 CRD# 16668
 RENO, NV
 11/2011 - 08/2017
- B FINANCIAL WEST GROUP**
 CRD# 16668
 IRVINE, CA
 11/2011 - 08/2017
- IA TORREY PINES SECURITIES, INC.**
 CRD# 17120
 SAN DIEGO, CA
 10/2010 - 11/2011

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	1
Customer Dispute	3



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 individual is currently registered with 1 SRO and is licensed in 24 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **CENTAURUS FINANCIAL, INC.**

Main Office Address: **2300 E. KATELLA AVENUE
SUITE #200
ANAHEIM, CA 92806**

Firm CRD#: **30833**

	SRO	Category	Status	Date
B	FINRA	General Securities Representative	Approved	08/09/2017
B	FINRA	Invest. Co and Variable Contracts	Approved	08/09/2017

	U.S. State/ Territory	Category	Status	Date
B	Alabama	Agent	Approved	11/02/2023
B	Arizona	Agent	Approved	08/09/2017
IA	Arizona	Investment Adviser Representative	Approved	08/10/2017
B	California	Agent	Approved	08/09/2017
IA	California	Investment Adviser Representative	Approved	08/10/2017
IA	Colorado	Investment Adviser Representative	Approved	09/12/2017
B	Colorado	Agent	Approved	09/21/2017
B	Delaware	Agent	Approved	08/19/2024
IA	Delaware	Investment Adviser Representative	Approved	08/19/2024
B	Florida	Agent	Approved	08/30/2017
IA	Florida	Investment Adviser Representative	Approved	08/30/2017

Broker Qualifications



Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
B	Georgia	Agent	Approved	04/22/2024
IA	Georgia	Investment Adviser Representative	Approved	04/22/2024
B	Idaho	Agent	Approved	10/14/2022
IA	Idaho	Investment Adviser Representative	Approved	10/14/2022
B	Illinois	Agent	Approved	09/29/2023
IA	Illinois	Investment Adviser Representative	Approved	09/29/2023
B	Indiana	Agent	Approved	11/09/2017
IA	Indiana	Investment Adviser Representative	Approved	02/05/2025
B	Louisiana	Agent	Approved	08/09/2017
IA	Louisiana	Investment Adviser Representative	Approved	08/10/2017
B	Missouri	Agent	Approved	03/24/2025
B	Montana	Agent	Approved	08/07/2023
IA	Montana	Investment Adviser Representative	Approved	08/07/2023
B	Nevada	Agent	Approved	08/18/2017
IA	Nevada	Investment Adviser Representative	Approved	08/30/2017
IA	New York	Investment Adviser Representative	Approved	08/06/2024
B	New York	Agent	Approved	08/08/2024
B	Ohio	Agent	Approved	03/21/2022
IA	Ohio	Investment Adviser Representative	Approved	03/21/2022
B	Oklahoma	Agent	Approved	03/20/2024
IA	Oklahoma	Investment Adviser Representative	Approved	03/20/2024



Broker Qualifications

Employment 1 of 1, continued

	U.S. State/ Territory	Category	Status	Date
B	Oregon	Agent	Approved	08/23/2017
IA	Oregon	Investment Adviser Representative	Approved	08/23/2017
B	Tennessee	Agent	Approved	08/01/2023
B	Texas	Agent	Approved	08/09/2017
IA	Texas	Investment Adviser Representative	Approved	08/09/2017
B	Virginia	Agent	Approved	07/09/2019
IA	Virginia	Investment Adviser Representative	Approved	07/09/2019
B	Washington	Agent	Approved	08/22/2017
IA	Washington	Investment Adviser Representative	Approved	08/22/2017
B	West Virginia	Agent	Approved	01/16/2025
B	Wyoming	Agent	Approved	10/19/2017

Branch Office Locations

CENTAURUS FINANCIAL, INC.
 9870 RESEARCH DRIVE
 IRVINE, CA 92618



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. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

This individual has passed 0 principal/supervisory exams, 3 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	10/01/2018
B General Securities Representative Examination	Series 7	03/12/1997
B Investment Company Products/Variable Contracts Representative Examination	Series 6	06/29/1995

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	03/29/1999
B Uniform Securities Agent State Law Examination	Series 63	07/05/1995

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/.

Broker Qualifications



Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

	Registration Dates	Firm Name	CRD#	Branch Location
IA	11/2011 - 08/2017	FINANCIAL WEST GROUP	16668	IRVINE, CA
B	11/2011 - 08/2017	FINANCIAL WEST GROUP	16668	IRVINE, CA
IA	10/2010 - 11/2011	TORREY PINES SECURITIES, INC.	17120	IRVINE, CA
B	09/2010 - 11/2011	TORREY PINES SECURITIES, INC.	17120	SAN DIEGO, CA
IA	04/2008 - 08/2010	COOPER MCMANUS	111458	IRVINE, CA
B	04/2008 - 08/2010	SECURITIES AMERICA, INC.	10205	IRVINE, CA
B	03/2004 - 01/2008	WELLS FARGO INVESTMENTS, LLC	10582	COSTA MESA, CA
IA	03/2004 - 01/2008	WELLS FARGO INVESTMENTS, LLC	10582	COSTA MESA, CA
IA	04/1999 - 02/2004	STRATEGIC ADVISERS, INC.	104555	IRVINE, CA
B	07/1995 - 01/2004	FIDELITY BROKERAGE SERVICES LLC	7784	SMITHFIELD, RI

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
08/2017 - Present	CENTAURUS FINANCIAL, INC	REGISTERED REPRESENTATIVE	Y	ANAHEIM, CA, United States
11/2011 - 08/2017	FINANCIAL WEST GROUP	REGISTERED REPRESENTATIVE	Y	WESTLAKE VILLAGE, CA, United States



Registration and Employment History

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.

1. COLES CAPITAL MANAGEMENT, NON INVESTMENT RELATED, DBA ONLY, FOR BRANDING PURPOSES ONLY.

JASON ROBERTS COLES, LIFE AND TERM INSURANCE SALES, NON INVESTMENT RELATED SINCE 3/2008 AND I SPEND APPROX. ONE HOUR PER MONTH ON THIS ACTIVITY.

SAN JUAN FINANCIAL, NON INVESTMENT RELATED AND I SPEND APPROX. TWO HOURS PER MONTH ON THIS ACTIVITY. RESEARCH COST BASIS FOR SCHEDULE D's ON TAX RETURNS.

2. DAVID CLEMENT AKA DRC TRUST

POSITION: trustee NATURE: signing off on wire's from his trust to his corporate account or requesting via bank reps to move money from his Living Trust to his corporate account. INVESTMENT RELATED: No NUMBER OF HOURS: 1 SECURITIES TRADING HOURS: 0 START DATE: 11/01/2025

ADDRESS: 86 Magnolia Gardens Dr, Covington LA 70435, United States

DESCRIPTION: David is a family friend who travels internationally. David wants me to help approve transfers out of his DRC Trust account at Resource Bank in New Orleans, Louisiana to his corporate account via wire on bank assisted transfers a couple times a quarter.

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.
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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.
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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	1	0
Customer Dispute	0	3	N/A



Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure 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 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	07/13/2010
Docket/Case Number:	2007010593501
Employing firm when activity occurred which led to the regulatory action:	WELLS FARGO INVESTMENTS, LLC
Product Type:	Other: FLOATING RATE FUND SHARES
Allegations:	NASD RULE 2110: COLES EFFECTED THREE SET OF TRANSACTIONS BY CAUSING TEN JOURNAL ENTRY TRANSFERS OF CASH AND/OR SECURITIES BETWEEN CUSTOMER ACCOUNTS WITHOUT EMPLOYING HIS MEMBER FIRM'S TRADING SYSTEM, ALLOWING THE CUSTOMERS TO EXCHANGE CASH OR SECURITIES FOR SECURITIES WITHOUT UTILIZING PROPER FIRM ORDER-ENTRY PROCEDURES FOR THE PURCHASE OR SALE OF SECURITIES BY CUSTOMERS, CAUSING HIS FIRM TO ISSUE INACCURATE STATE AND FEDERAL TAX REPORTING DOCUMENTS TO CUSTOMERS, AND CAUSING OPERATIONS ERRORS, IN CONNECTION WITH TWO OF THE TRANSACTIONS, WHICH RESULTED IN CUSTOMER HARM. THE FIRM DID NOT PERFORM A SALES SUPERVISORY REVIEW AT



THE TIME THE TRANSACTIONS OCCURRED BECAUSE THEY DID NOT APPEAR ON THE FIRM'S SALES AND PURCHASE BLOTTER, WHICH IS THE FIRM'S TOOL FOR INITIAL SUPERVISORY REVIEW, BUT RATHER, THE TRANSACTIONS APPEARED ON THE FIRM'S JOURNAL ENTRY BLOTTER, WHICH WAS NOT USED FOR SALES PRACTICE REVIEW. IN ADDITION, THE TRANSACTIONS WERE NOT REPORTED TO THE MARKETPLACE IN THE ORDINARY COURSE OF THE FIRM'S BUSINESS.

Current Status:

Final

Resolution:

Acceptance, Waiver & Consent(AWC)

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:

07/13/2010

Sanctions Ordered:

Civil and Administrative Penalty(ies)/Fine(s)
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?



(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:	ONE MONTH
Start Date:	08/16/2010
End Date:	09/15/2010

**Monetary Sanction 1 of 1**

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)

Total Amount: \$5,000.00

Portion Levied against individual: \$5,000.00

Payment Plan:

Is Payment Plan Current: No

Date Paid by individual: 07/21/2010

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, COLES CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE HE IS FINED \$5,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR ONE MONTH. THE SUSPENSION IS IN EFFECT FROM AUGUST 16, 2010, THROUGH SEPTEMBER 15, 2010.

Reporting Source: Broker

Regulatory Action Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)

Sanction(s) Sought: Civil and Administrative Penalty(ies)/Fine(s)
Suspension

Date Initiated: 07/13/2010

Docket/Case Number: [2007010593501](#)

Employing firm when activity occurred which led to the regulatory action: WELLS FARGO INVESTMENTS, LLC

Product Type: Other: FLOATING RATE FUND

Allegations: THE REPRESENTATIVE CAUSED THE FIRM TO EFFECT SECURITIES TRANSACTIONS BETWEEN PUBLIC CUSTOMERS THROUGH JOURNAL ENTRIES RATHER THAN THE FIRM'S TRADING SYSTEM. THIS AVOIDED APPLICABLE SURRENDER FEES AND REDEMPTION PERIOD



RESTRICTIONS. THE FIRM DID NOT PERFORM A SALES SUPERVISORY REVIEW AT THE TIME THE TRANSACTIONS OCCURRED BECAUSE THEY DID NOT APPEAR ON THE FIRM'S SALES AND PURCHASE BLOTTER AND THE TRANSACTIONS WERE NOT REPORTED TO THE MARKETPLACE IN THE ORDINARY COURSE OF THE FIRM'S BUSINESS. THIS PRACTICE FURTHER CAUSED THE FIRM TO ISSUE INACCURATE STATE AND FEDERAL TAX REPORTING DOCUMENTS TO CUSTOMERS. THE FOREGOING INVOLVES VIOLATIONS OF NASD CONDUCT RULE 2110.

Current Status:	Final
Resolution:	Acceptance, Waiver & Consent(AWC)
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:	07/13/2010
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	ALL CAPACITIES
Duration:	1 MONTH
Start Date:	08/16/2010
End Date:	09/15/2010
Monetary Sanction 1 of 1	
Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$5,000.00
Portion Levied against individual:	\$5,000.00
Payment Plan:	
Is Payment Plan Current:	
Date Paid by individual:	07/21/2010



Was any portion of penalty waived? No

Amount Waived:



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 3

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: WELLS FARGO INVESTMENTS, LLC.

Allegations: COMPLAINT ALLEGED MISREPRESENTATIONS DURING THE RECOMMENDATION OF HFLIX (PURCHASED ON MARCH 29, 2007) AND ALLEGED THE SALE OF HFLIX ON SEPTEMBER 12, 2007 AND THE PURCHASE OF EATONVANCE LTD INCOME AUCTION RATION PRD ON SEPTEMBER 17, 2007 WERE UNAUTHORIZED.

Product Type: Mutual Fund(s)

Alleged Damages: \$30,000.00

Customer Complaint Information

Date Complaint Received: 10/05/2007

Complaint Pending? No

Status: Settled

Status Date: 01/03/2008

Settlement Amount: \$20,000.00

Individual Contribution Amount: \$14,286.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: WELLS FARGO INVESTMENTS, LLC.

Allegations: COMPLAINT ALLEGED MISREPRESENTATIONS DURING THE RECOMMENDATION OF HFLIX (PURCHASED ON MARCH 29, 2007) AND ALLEGED THE SALE OF HFLIX ON SEPTEMBER 12, 2007 AND THE PURCHASE OF EATON VANCE LTD INCOME AUCTION RATE PRD ON SEPTEMBER 17, 2007 WERE UNAUTHORIZED.

Product Type: Mutual Fund(s)



Alleged Damages: \$30,000.00

Customer Complaint Information

Date Complaint Received: 10/05/2007

Complaint Pending? No

Status: Settled

Status Date: 01/03/2008

Settlement Amount: \$20,000.00

Individual Contribution Amount: \$14,286.00

Broker Statement

CLIENTS DEPOSITED \$900,000 INTO THEIR INVESTMENT ACCOUNT WITH A 18 MONTH TO 2 YEAR TIME FRAME. CLIENT RECEIVED PROSPECTUS AND MONTHLY STATEMENTS. CLIENTS WERE GOING TO USE THE MONEY TO RENOVATE THEIR PROPERTY. UNFORTUNATELY, DO TO HIGH COST OF MATERIALS, CLIENTS WANTED TO HOLD OFF INDEFINITELY ON THE RENOVATION.

IN THE FIRST MEETING, AS PER THE COMPLAINT STATES, CLIENT WAS OFFERED A MONEY MARKET POSITION OR FLOATING RATE MUTUAL FUND. CLIENT CHOSE TO USE FLOATING RATE MUTUAL FUND WITH FULL KNOWLEDGE OF RISK AND TIMEFRAMES FOR THE PORTFOLIO. AT NO TIME DID I EVER STATE THAT FLOATING RATE MUTUAL FUNDS WERE PRINCIPAL PROTECTED. CLIENT ACKNOWLEDGES THAT SHE WAS OFFERED A MONEY MARKET ACCOUNT.

SEPTEMBER 12 DURING A CONVERSATION AT A SEMINAR, CLIENT SAID THEY WERE POSSIBLY NEEDING THE MONEY IN SIX MONTHS. IT WAS INVESTED FOR A LONGER TIME HORIZON UNTIL THE CLIENT MENTIONED THE POSSIBLE NEED FOR THE MONEY. THE LICENSED BANKER WAS PRESENT FOR THE CONVERSATION. CLIENTS WERE EXPLAINED THE NEED TO REALLOCATE THEIR PORTFOLIO AND A LOSS WOULD BE INCURRED.

CLIENTS UNDERSTOOD AND AUTHORIZED THE MOVE TO AUCTION RATE PREFERRED SECURITIES. CLIENT AGREED TO THE TRADE. CLIENT WAS MAILED A CONFIRMATION OF THE TRANSACTION ON SEPTEMBER 13, 2007

DURING AN INSURANCE REVIEW ON SEPTEMBER 13, 2007 I CONFIRMED WITH CLIENT TIMEFRAMES FOR THE MONEY. I CONFIRMED THE OLD POSITION WAS NOT PROPER FOR A SHORT TERM TIME FRAME. IN THIS FACE TO FACE MEETING, CLIENT CONFIRMED THE MOVE INTO A SAFER



POSITION WAS PROPER.

CLIENT MADE NO MENTION OF BEING UNHAPPY UNTIL SHE LOOKED AT HER STATEMENT THE NEXT MONTH AFTER WE MOVED OUT OF THE HIGHER RISK POSITION. CLIENT WAS UPSET THAT THE HIGHER RISK POSITION HAD MOVED UP WHILE HER EXISTING POSITION HAD NOT MOVED AT ALL.

Disclosure 2 of 3

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: WELLS FARGO INVESTMENTS, LLC.

Allegations: CLIENT ALLEGES MISREPRESENTATION RELATING TO A 6/13/2006 MUTUAL FUND INVESTMENT AND ALLEGED AN UNAUTHORIZED MUTUAL FUND PURCHASE ON JULY 30, 2007. THE FIRM HAS MADE A GOOD FAITH DETERMINATION THAT THE DAMAGES FROM THE ALLEGED CONDUCT WOULD NOT BE LESS THAN \$5,000.

Product Type: Mutual Fund(s)

Alleged Damages: \$0.00

Customer Complaint Information

Date Complaint Received: 09/19/2007

Complaint Pending? No

Status: Settled

Status Date: 01/07/2008

Settlement Amount: \$7,500.00

Individual Contribution Amount: \$5,000.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: WELLS FARGO INVESTMENTS, LLC.

Allegations: CLIENT ALLEGED MISREPRESENTATION RELATING TO A 6/13/2006 MUTUAL FUND INVESTMENT AND ALLEGED AN UNAUTHORIZED MUTUAL FUND



PURCHASE ON JULY 30, 2007. THE FIRM HAS MADE A GOOD FAITH DETERMINATION THAT THE DAMAGES FROM THE ALLEGED CONDUCT WOULD NOT BE LESS THAN \$5,000.

Product Type: Mutual Fund(s)

Alleged Damages: \$0.00

Customer Complaint Information

Date Complaint Received: 09/19/2007

Complaint Pending? No

Status: Settled

Status Date: 01/07/2008

Settlement Amount: \$7,500.00

Individual Contribution Amount: \$5,000.00

Broker Statement

CLIENT HAD POSITION IN HIS ACCOUNT FOR THIRTEEN MONTHS. CLIENT RECEIVED HIS PROSPECTUS AND RECEIVED MONTHLY STATEMENTS.

CLIENT TOOK MONEY OUT OF HIS HOUSE AND INVESTED \$300,000 IN A MEXICO LAND DEAL. THE DEAL TURNED INTO SCAM AND CLIENT WAS UNABLE TO RECEIVE BACK THE PROCEEDS FROM HIS INVESTMENTS. CLIENT WANTED TO FLIP THE MONEY IN HIS MEXICAN LAND DEAL AND PAY OFF HIS HOME LOAN AND INVEST THE PROCEEDS THAT WERE LEFT OVER.

CLIENT WAS VERY UPSET ABOUT LOSING THE MONEY IN THE MEXICAN LAND DEAL. CLIENT CASHED OUT OF HIS INVESTMENT ACCOUNT TO PAY OFF THE HOME EQUITY LINE. THE ORIGINAL INVESTMENT WAS TO USE FOR LONG TERM INVESTMENTS FOR RETIREMENT.

CLIENT NEVER SAID TO MOVE HIS MONEY INTO A PRINCIPAL PROTECTED ACCOUNT. CLIENT WANTED OUT OF THE EQUITY MARKETS BUT WANTED BETTER RETURNS THAN A MONEY MARKET. CLIENT CONTINUED TO HAVE LONG TERM HORIZON FOR THE PORTFOLIO.

CLIENT WAS A TECHNICAL TRADER IN HIS DAY TRADING ACCOUNT. CLIENT HAD TRADED EQUITY AND FIXED INCOME POSITIONS IN HIS FULL SERVICE ACCOUNT. CLIENT IS VERY AWARE OF HOW THE MARKETS WORK BOTH ON THE EQUITY AND FIXED INCOME SIDE OF THE MARKETS.

CLIENT SAW ON TV WHAT HE PERCEIVED AS A TOTAL MELTDOWN IN THE



CREDIT MARKETS, HE ASKED TO GO INTO SHORT TERM PAPER WITH HEAVY GOVERNMENT AND HIGH QUALITY PAPER IN IT. CLIENT WAS PROVIDED A PROSPECTUS ON THE SHORT TERM BOND PORTFOLIO; HOWEVER, WITH CONTINUED VOLATILITY IN THE SHORT TERM PAPER MARKET, CLIENT WANTED TO GET OUT.

CLIENT PERCEIVED THAT NOTHING WAS SAFE. THE CLIENT CLOSED OUT HIS ENTIRE ACCOUNT AND PAID OFF WHAT HE OWED ON THE EQUITY LINE HE HAD LOST IN THE MEXICAN LAND SCHEME.

CLIENT IS GRASPING AT DIFFERENT WAYS TO ASSIST IN RECOVERING HIS THREE HUNDRED THOUSAND HE LOST IN THE MEXICO LAND SCHEME.

CLIENT SAYS MY INSTRUCTIONS TO SELL HIS FLOATING MUTUAL FUND ACCOUNT CAME FROM THE "INVESTMENT DIVISION" OF WELLS FARGO. WE DO NOT HAVE A "INVESTMENT DIVISION" THAT PROVIDES BUY/SELL RECOMMENDATIONS.

Disclosure 3 of 3

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: WELLS FARGO INVESTMENTS, LLC.

Allegations: COMPLAINT RECEIVED FROM CLIENT'S ATTORNEY STATES THAT "IT HAS COME TO OUR ATTENTION THAT SUBSTANTIAL FUNDS AND SECURITIES MAY HAVE BEEN MISAPPROPRIATED AND JOURNALLED OUT OF THE CLIENT'S ACCOUNT INTO THE ACCOUNTS OF OTHER UNKNOWN INDIVIDUALS."

Product Type: Mutual Fund(s)

Alleged Damages: \$0.00

Customer Complaint Information

Date Complaint Received: 08/28/2007

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 02/25/2008

Settlement Amount:



**Individual Contribution
Amount:**

Arbitration Information

**Arbitration/Reparation Claim
filed with and Docket/Case
No.:** FINRA DISPUTE RESOLUTION CASE NO. 08-00390

Date Notice/Process Served: 02/25/2008

Arbitration Pending? No

Disposition: Settled

Disposition Date: 12/31/2008

**Monetary Compensation
Amount:** \$80,000.00

**Individual Contribution
Amount:** \$0.00

Firm Statement

I DENY ALL ALLEGATIONS. CLIENT AUTHORIZED FUNDS TO BE JOURNALLED OUT AND SECURITIES WERE UNQUESTIONABLY DELIVERED TO ACCOUNT IN CONSIDERATION FOR FUNDS. CLIENT BOUGHT APPROXIMATELY \$7.5 MILLION TO HIS PCS RELATIONSHIP. CLIENT STATED HE HAD \$180 MILLION IN PROPERTY AND LIQUID ASSETS. THE MONEY HE INVESTED WITH PCS WAS TO PROVIDE INCOME FOR HIS MONTHLY EXPENSES AND HAVE LIQUIDITY IN CASE HE WOULD EVER NEED TO PURCHASE PROPERTY. CLIENT WAS PRESENTED BY THIRD PARTY AND MYSELF ABOUT USING FLOATING RATE INCOME PORTFOLIO'S TO RECEIVE HIGHER INTEREST. CLIENT WAS SPECIFICALLY PROVIDED WITH PROSPECTUS INFORMATION AND EXPLAINED HOW FLOATING RATE PORTFOLIO'S COULD CREATE HIGHER INTEREST WITHOUT GIVING UP LIQUIDITY. CLIENT FELT FLOATING RATE PORTFOLIOS WERE IN LINE WITH HIS OVERALL OBJECTIVE FOR HIS ACCOUNTS. IN REGARDS TO THE JOURNALING OF ASSETS INTO HIS ACCOUNT, [OTHER FIRM EMPLOYEE] APPROACHED ME WITH A CLIENT NEEDING OUT OF HIS MAINSTAY PORTFOLIO. I AGAIN APPROACHED THE CLIENT WITH THIS OPPORTUNITY. KEEPING IN MIDE HIS GOALS AND STRATEGIES IN HIS ACCOUNT, CLIENT SIGNED THE FORM TO JOURNAL OVER THIS MAINSTAY POSITION WHICH WE DID COMPLETE. CLIENT SIGNED AN ADDITIONAL FORM AUTHORIZING ADDITIONAL JOURNALS OF THE MAINSTAY POSITION. A FEW WEEKS LATER I HAD A SITUATION WITH [THIRD PARTY] WHERE SHE HAD A CLIENT WHO WAS IN NEED OF EXITING THE HIGHLAND FLOATING RATE FUND BEFORE THE TENDER DATE. I APPROACHED CLIENT WITH THIS OPPORTUNITY TO TAKE ON THIS POSITION IN HIS ACCOUNT. THE HIGHLAND FUND WAS IN LINE WITH HIS EXISTING POSITIONS IN HIS



ACCOUNTS AND CONTAINED SIMILAR HOLDING AS HIS EXISTING POSITION. CLIENT SIGNED THE AUTHORIZATION TO JOURNAL FORM AND WE MOVED THE SECURITIES TO HIS ACCOUNT. A FEW MONTHS LATER, CLIENT COMPLAINED ABOUT THE PERFORMANCE OF HIS ACCOUNT. CLIENT DID NOT AT THIS TIME COMPLAIN ABOUT ANY UNAUTHORIZED POSITION IN HIS ACCOUNT. NO PROFIT OR COMMISSION WAS MADE FROM THIS JOURNAL. CLIENT HAD NO NEGATIVE REPERCUSSIONS FROM THESE TRANSACTIONS.

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: WELLS FARGO INVESTMENTS, LLC.

Allegations: COMPLAINT RECEIVED FROM CLIENT'S ATTORNEY STATES THAT "IT HAS COME TO OUR ATTENTION THAT SUBSTANTIAL FUNDS AND SECURITIES MAY HAVE BEEN MISAPPROPRIATED AND JOURNALLED OUT OF THE CLIENT'S ACCOUNTS INTO THE ACCOUNTS OF OTHER UNKNOWN INDIVIDUALS."

Product Type: Mutual Fund(s)

Alleged Damages: \$0.00

Customer Complaint Information

Date Complaint Received: 08/28/2007

Complaint Pending? No

Status: Arbitration/Reparation

Status Date: 02/25/2008

Settlement Amount:

Individual Contribution Amount:

Arbitration Information

Arbitration/Reparation Claim filed with and Docket/Case No.: FINRA DISPUTE RESOLUTION CASE NO. 08-00390

Date Notice/Process Served: 02/25/2008

Arbitration Pending? No



Disposition: Settled

Disposition Date: 12/31/2008

Monetary Compensation Amount: \$80,000.00

Individual Contribution Amount: \$0.00

Broker Statement

I WAS NOT A PARTY TO THE SETTLEMENT AND DID NOT CONTRIBUTE TO THE SETTLEMENT IN ANY WAY. THE SETTLEMENT WAS MOTIVATED BY WELLS FARGO'S YEAR-END TAX CONSIDERATIONS AND DOES NOT, IN MY OPINION, REFLECT ANY WRONG DOING BY ME. MY POSITION REGARDING THE COMPLAINT IS AS FOLLOWS I DENY ALL ALLEGATIONS. CLIENT AUTHORIZED FUNDS TO BE JOURNALLED OUT AND SECURITIES WERE UNQUESTIONABLY DELIVERED TO ACCOUNT IN CONSIDERATION FOR FUNDS. A FEW MONTHS LATER, CLIENT COMPLAINED ABOUT THE PERFORMANCE OF HIS ACCOUNT. CLIENT DID NOT AT THIS TIME COMPLAIN ABOUT ANY UNAUTHORIZED POSITION IN HIS ACCOUNT. NO PROFIT OR COMMISSION WAS MADE FROM THIS JOURNAL. CLIENT HAD NO NEGATIVE REPERCUSSIONS FROM THESE TRANSACTIONS.

End of Report



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