

BrokerCheck Report

EDWARD EARL MATTHES

CRD# 2788055

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Broker Qualifications	2 - 3
Registration and Employment History	5 - 6
Disclosure Events	7

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:

- o 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
- o 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.



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.](http://www.finra.org)

Thank you for using FINRA BrokerCheck.

EDWARD E. MATTHES

CRD# 2788055

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:

- 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):

- B MUTUAL OF OMAHA INVESTOR SERVICES, INC.**
CRD# 611
OCONOMOWOC, WI
04/2012 - 03/2019
- B THRIVENT INVESTMENT MANAGEMENT INC.**
CRD# 18387
OCONOMOWOC, WI
06/2006 - 02/2012
- B MML INVESTORS SERVICES, INC.**
CRD# 10409
CHESTERFIELD, MO
03/2006 - 05/2006

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	5
Investigation	1
Civil Event	1
Customer Dispute	15
Termination	2

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>

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.



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 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	07/26/2001
B Investment Company Products/Variable Contracts Representative Examination	Series 6	09/19/1996

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	04/19/2002
B Uniform Securities Agent State Law Examination	Series 63	08/16/1996

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
B 04/2012 - 03/2019	MUTUAL OF OMAHA INVESTOR SERVICES, INC.	611	OCONOMOWOC, WI
B 06/2006 - 02/2012	THRIVENT INVESTMENT MANAGEMENT INC.	18387	OCONOMOWOC, WI
B 03/2006 - 05/2006	MML INVESTORS SERVICES, INC.	10409	CHESTERFIELD, MO
B 05/1999 - 03/2006	THRIVENT INVESTMENT MANAGEMENT INC.	18387	MINNEAPOLIS, MN
B 09/1996 - 12/1997	AAL CAPITAL MANAGEMENT CORPORATION	18387	MINNEAPOLIS, MN

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
03/2012 - Present	MUTUAL OF OMAHA INVESTOR SERVICES, INC	REGISTERED REPRESENTATIVE	Y	OMAHA, NE, United States
02/2012 - Present	MUTUAL OF OMAHA	INSURANCE AGENT	N	OCONOMOWOC, WI, United States
05/2006 - 02/2012	THRIVENT FINANCIAL FOR LUTHERANS	FINANCIAL REPRESENTATIVE	Y	APPLETON, WI, United States
05/2006 - 02/2012	THRIVENT INVESTMENT MANAGEMENT INC	REGISTERED REPRESENTATIVE	Y	OCONOMOWOC, WI, 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.

Registration and Employment History



Other Business Activities, continued

INSURANCE AGENT: Start Date: 1999; Non-Investment Related; Insurance Lines: Life, Health, and Annuity; Approximately 40-60 hours per week.

Board member; YMCA AT PABST FARMS (NON-PROFIT ORGANIZATION); Start Date: 05/2012; Non-Investment Related; Address: 1750 E Valley Road; Oconomowoc, WI 53066; Approximately 5 hours per month; 2 hours per month during trading hours; DUTIES INCLUDE ATTENDING MONTHLY BOARD OF DIRECTORS MEETINGS AND RELATED FUNCTIONS THROUGHOUT THE YEAR. PARTICIPATE IN DISCUSSIONS WITH OTHER BOARD MEMBERS AND STAFF ON MATTERS PERTINENT TO THE FUNCTION OF THE FACILITY ACCORDING TO THE BY-LAWS OF THE YMCA.

President- Downtown Oconomowoc Business Association; Start Date: 12/2018; Non-Investment Related; Approximately 20-25 hours per month (8 hours per month devoted during normal business/trading hours; Duties include attending membership meeting and Board of Directors meetings and functions that the Association organizes throughout the year.



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:**
 - o A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
 - o 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.
 - o
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o 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.
 - o
4. **There are different statuses and dispositions for disclosure events:**
 - o 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.
 - o 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	5	0
Civil Event	0	1	0
Customer Dispute	0	15	N/A
Investigation	1	N/A	N/A
Termination	N/A	2	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 5

Reporting Source:	Regulator
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Other: N/A
Date Initiated:	02/03/2020
Docket/Case Number:	3-19686
Employing firm when activity occurred which led to the regulatory action:	N/A
Product Type:	No Product
Allegations:	SEC Admin Release 34-88114; IA Release 5440, February 3, 2020: The Securities and Exchange Commission ("Commission") 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 ("Exchange Act") and Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") against Edward E. Matthes. On January 30, 2020, a judgment was entered by consent against Matthes, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Edward E. Matthes, Civil Action Number 2:20-cv-00125, in the United States District Court for



the Eastern District of Wisconsin.

Current Status:

Final

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:

02/03/2020

Sanctions Ordered:

Bar (Permanent)
Other: Penny Stock Bar

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 2

Sanction Type:	Bar (Permanent)
Capacities Affected:	Participating in any offering of a penny stock
Duration:	Indefinite
Start Date:	02/03/2020

End Date:

Sanction 2 of 2



Sanction Type:	Bar (Permanent)
Capacities Affected:	broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or NRSRO
Duration:	Indefinite
Start Date:	02/03/2020
End Date:	
Regulator Statement	Respondent Matthes has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Accordingly, it is hereby ordered that Matthes be, and hereby is barred from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization (NRSRO); and Matthes be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Disclosure 2 of 5

Reporting Source:	Firm
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Other: Order of Permanent Injunction
Date Initiated:	01/28/2020
Docket/Case Number:	2:20-cv-00125
Employing firm when activity occurred which led to the regulatory action:	Mutual of Omaha Investor Services, Inc.
Product Type:	Annuity-Variable Insurance Other: Fictitious Fixed Investments, Managed Accounts
Allegations:	The SEC alleged that the representative defrauded 26 customers out of approximately \$2.4 million. According to the SEC's complaint, the representative convinced his customers to invest in what he described as a safe investment that



would earn a guaranteed minimum yield of 4% per year. As alleged in the complaint, the purported investment did not exist and the representative stole approximately \$1.4 million for his personal use. The representative allegedly stole an additional \$1 million by making unauthorized sales and withdrawals from his customers' variable annuities. To cover up his fraud, the representative allegedly created fake account statements and paid approximately \$170,000 in Ponzi-like payments to customers.

The SEC charged the representative with violating the antifraud provisions of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940.

Current Status: Final
Resolution: Order
Resolution Date: 02/03/2020
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?

Yes

(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?

Yes



(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

No

(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?

No

Sanction 1 of 1

Sanction Type: Bar (Permanent)

Capacities Affected: All Capacities

Duration: Permanent

Start Date: 02/03/2020

End Date:



Firm Statement

On February 3, 2020, the SEC issued an 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 ("Order") subsequent to the acceptance of an Offer of Settlement submitted by the representative. Pursuant to the Order, the representative is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical organization. In addition, the Order stipulates that the representative is barred from participating in any offering of a penny stock.

Disclosure 3 of 5

Reporting Source:	Regulator
Regulatory Action Initiated By:	Wisconsin
Sanction(s) Sought:	Bar Cease and Desist
Date Initiated:	05/10/2019
Docket/Case Number:	S-239626
URL for Regulatory Action:	https://www.wdfi.org/_resources/indexed/site/newsroom/admin_orders/2019/Summary-Order.pdf
Employing firm when activity occurred which led to the regulatory action:	Mutual of Omaha
Product Type:	Insurance
Allegations:	Respondent misappropriated over \$1 million from his insurance clients, created fictitious investments and fictitious account summary forms
Current Status:	Final
Resolution:	Order
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Resolution Date:	05/10/2019



Sanctions Ordered: Bar (Permanent)
Cease and Desist

Sanction 1 of 1

Sanction Type: Bar (Permanent)

Capacities Affected: all capacities

Duration: permanent

Start Date: 05/10/2019

End Date:

Reporting Source: Firm

Regulatory Action Initiated By: State of Wisconsin Department of Financial Institutions Division of Securities

Sanction(s) Sought: Bar
Cease and Desist
Revocation

Date Initiated: 05/10/2019

Docket/Case Number: S-239626 (LX)

Employing firm when activity occurred which led to the regulatory action: Mutual of Omaha Investor Services, Inc.

Product Type: No Product

Allegations: On May 10, 2019, The State of Wisconsin Department of Financial Institutions Division of Securities issued a Summary Order to Cease and Desist and for Permanent Bar of Investment Adviser and Registered Representative Registrations ("Order") against the representative. The state concluded that Matthes misappropriated at least \$1,036,552.64 from six insurance clients' annuities by effecting withdrawals into his personal bank account. It was further concluded that Matthes created fictitious account statements and solicited customers to liquidate preexisting securities to invest in a "fixed" investment that did not exist. The Order indicated that between June 2013 and March 2019, at least twenty people invested approximately \$1,372,960.36 in the fictitious fixed investment. The state concluded that Matthes had deposited customer funds into his personal bank accounts for his own personal expenses. The State of Wisconsin Department of Financial Institutions Division of Securities concluded that the representative violated Wis. Stat 551.412(4)(m) and Wis.



Admin. Code DFI-Sec. 4.06(2)(b)-(c) and (i) when he took custody of customer funds and used the funds for his own personal expenses and use; purported to effect securities transactions which were not recorded on the books and records of his employing broker-dealer and failing to disclose such transactions and receive proper authorization prior to effecting them; and violated FINRA Rules 2020 and 2150(a).

Matthes violated Wis. Stat. 551.412(4)(m) and Wis. Admin Code DFI-Sec. 5.06(20) and Wis. Stat 551.501(2) when he made untrue statements of a material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

Matthes violated Wis. Stat. 551.412(4)(e)(3) when he was permanently barred by FINRA from associated with any broker-dealer member in any capacity on March 22, 2019.

Current Status: Final
Resolution: Order
Resolution Date: 05/10/2019
Sanctions Ordered: Bar (Permanent)
 Cease and Desist
 Revocation

Sanction 1 of 1

Sanction Type: Bar (Permanent)
Capacities Affected: Any Capacity
Duration: Permanent
Start Date:
End Date:

Firm Statement

It was ordered that Matthes shall cease and desist offering securities in Wisconsin, all exemptions from registration set forth in Ch. 551 were revoked, Matthes is prohibited from violating Ch. 551, and permanently barred from future registration under Ch. 551 in any capacity, pursuant to Wis. Stat. 551.412(3).

Disclosure 4 of 5

Reporting Source: Regulator
Regulatory Action Initiated By: FINRA



Sanction(s) Sought:

Date Initiated: 03/22/2019

Docket/Case Number: [2019061857901](#)

Employing firm when activity occurred which led to the regulatory action: Mutual of Omaha Investor Services, Inc.

Product Type: No Product

Allegations: Without admitting or denying the findings, Matthes consented to the sanction and to the entry of findings that he failed to provide documents and information requested by FINRA in connection to an investigation that FINRA initiated based on an external tip.

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: 03/22/2019

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?

(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: 03/22/2019
End Date:

Reporting Source: Firm
Regulatory Action Initiated By: Financial Industry Regulatory Authority
Sanction(s) Sought: Bar
Date Initiated: 03/19/2019
Docket/Case Number: [2019061857901](#)
Employing firm when activity occurred which led to the regulatory action: Mutual of Omaha Investor Services, Inc.
Product Type: No Product



Allegations: On March 7, 2019, FINRA initiated an investigation based on an external tip. On March 8, 2019, FINRA staff sent a request to the representative for documents and information pursuant to FINRA Rule 8210. As stated in his counsel's phone call with FINRA staff on March 18, 2019, Matthes acknowledges that he received FINRA's request and will not produce the requested documents and information. By refusing to provide documents and information pursuant to FINRA Rule 8210, Matthes violated FINRA Rules 8210 and 2010.

Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/22/2019

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?



(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: Any capacity

Duration:

Start Date: 03/22/2019

End Date:



Disclosure 5 of 5

Reporting Source:	Broker
Regulatory Action Initiated By:	STATE OF MISSOURI, OFFICE OF SECRETARY OF STATE, SECURITIES DIVISION
Sanction(s) Sought:	Civil and Administrative Penalty(ies)/Fine(s) Other: DISGORGEMENT OF COMMISSIONS, SUSPENSION FROM SELLING VARIABLE ANNUITIES FOR A 2 MONTH PERIOD.
Date Initiated:	03/30/2006
Docket/Case Number:	NONE
Employing firm when activity occurred which led to the regulatory action:	THRIVENT INVESTMENT MANAGEMENT, INC.
Product Type:	Annuity-Variable
Allegations:	ALLEGED UNSUITABLE SALE OF A VARIABLE ANNUITY TO A MISSOURI RESIDENT; ALLEGED INVESTMENT OF 85-90% OF LIQUID NET ASSETS INTO A VARIABLE ANNUITY TO THE SAME MISSOURI RESIDENT.
Current Status:	Final
Resolution:	Settled
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:	05/05/2006
Sanctions Ordered:	Monetary Penalty other than Fines
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	VARIABLE ANNUITY SALES ONLY
Duration:	60 DAYS
Start Date:	03/10/2006



End Date: 05/10/2006

Monetary Sanction 1 of 1

Monetary Related Sanction: Monetary Penalty other than Fines

Total Amount: \$7,308.00

Portion Levied against individual: \$7,308.00

Payment Plan: NONE

Is Payment Plan Current:

Date Paid by individual: 05/31/2006

Was any portion of penalty waived? No

Amount Waived:



Investigation

This type of disclosure event involves any ongoing formal investigation by an entity such as a grand jury state or federal agency, self-regulatory organization or foreign regulatory authority. Subpoenas, preliminary or routine regulatory inquiries, and general requests by a regulatory entity for information are not considered investigations and therefore are not included in a BrokerCheck report.

Disclosure 1 of 1

Reporting Source:	Firm
Initiated By:	Federal Bureau of Investigation
Notice Date:	03/15/2019
Details:	The FBI is investigating alleged misappropriation of funds by Matthes.
Is Investigation pending?	Yes



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: 01/28/2020

Product Type: Other: funds

Type of Court: Federal Court

Name of Court: U.S. District Court for the Eastern District of Wisconsin

Location of Court: Eastern District of Wisconsin

Docket/Case #: 2:20-cv-00125

Employing firm when activity occurred which led to the action:

Allegations: The United States Securities and Exchange Commission ("Commission") alleges between April 2013 and March 2019, Defendant Edward E. Matthes defrauded 26 of his mostly elderly retail brokerage customers and investment advisory clients out of approximately \$2.4 million. During that time period, Matthes worked as a registered representative and investment adviser representative with a nationwide financial services firm dually registered with the Commission as a broker-dealer and investment adviser ("Registered Entity A"). Matthes lied to his customers and clients in order to convince them to invest in what he described as a safe investment offered by Registered Entity A that would earn a guaranteed minimum yield of 4% per year. Matthes then convinced his customers and clients to transfer approximately \$1.4 million to him to fund the investments at Registered Entity A. Matthes' statements were false. In reality, the purported investment did not exist. Matthes did not invest his customers' and clients' money and instead stole it for his personal use. To cover up his fraud, Matthes created and provided several of his customers and clients with fake account statements on Registered Entity A letterhead. Matthes stole an additional \$1 million from his brokerage customers by making



unauthorized sales and withdrawals from variable annuity contracts that they held in accounts with him. Matthes spent the misappropriated funds on personal expenses, including home renovation expenses, car payments, and luxury items, and also used approximately \$170,000 to make Ponzi-like payments to certain investors to keep his fraudulent scheme alive.

By engaging in this conduct, Matthes violated Section 17(a) of the Securities Act of 1933 (the "Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act").

Current Status: Final

Resolution: Judgment Rendered

Resolution Date: 01/30/2020

Sanctions Ordered or Relief Granted: Injunction
Other: restrained, disgorgement; prejudgment interest, civil penalty and undertakings

Capacities 1 of 1

Capacities Affected: N/A

Duration: Permanent

Start Date: 01/30/2020

End Date:

Regulator Statement

On January 30, 2020 a final judgment as to Edward Matthes was issued. It is hereby ordered, adjudged, and decreed that Matthes is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder. Matthes is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act"). Matthes is permanently restrained and enjoined from violating Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act"). Matthes shall pay disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty. The Court shall determine the amounts of the disgorgement and civil penalty upon motion of the Commission. Matthes shall comply with all of the undertakings and agreements set forth therein.



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 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Mutual of Omaha Investor Services, Inc
Allegations:	Client through personal representative alleged that the representative misappropriated funds by diverting client's assets for the representative's personal use.
Product Type:	No Product
Alleged Damages:	\$5,000.00
Alleged Damages Amount Explanation (if amount not exact):	amount is greater than \$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:	04/09/2019
Complaint Pending?	No
Status:	Settled
Status Date:	08/12/2019
Settlement Amount:	\$190,923.34
Individual Contribution Amount:	\$0.00

Disclosure 2 of 14

Reporting Source:	Firm
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Employing firm when activities occurred which led to the complaint: Mutual of Omaha Investor Services, Inc.

Allegations: The client alleged that the representative misappropriated funds by diverting assets into his own bank account. The client provided documentation including a copy of a check deposited into the representative's bank account and a fictitious account statement.

Product Type: No Product

Alleged Damages: \$86,228.00

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: 04/11/2019

Complaint Pending? No

Status: Settled

Status Date: 05/10/2019

Settlement Amount: \$87,584.95

Individual Contribution Amount: \$0.00

Disclosure 3 of 14

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Mutual of Omaha Investor Services, Inc.

Allegations: The client alleged that funds he intended to place with Mutual of Omaha were not invested. The client provided documentation including copies checks written directly to the representative that were deposited into the representative's personal bank account.

Product Type: No Product

Alleged Damages: \$100,000.00



Alleged Damages Amount Explanation (if amount not exact): This is an estimated amount.

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: 03/29/2019

Complaint Pending? No

Status: Settled

Status Date: 10/14/2019

Settlement Amount: \$93,333.53

Individual Contribution Amount: \$0.00

Disclosure 4 of 14

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: Mutual of Omaha Investor Services, Inc.

Allegations: The clients alleged that the representative misappropriated funds by diverting assets into his own bank account. The clients provided documentation including copies of checks deposited into the representative's bank account and fictitious account statements.

Product Type: No Product

Alleged Damages: \$174,057.91

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:	03/27/2019
Complaint Pending?	No
Status:	Settled
Status Date:	05/22/2019
Settlement Amount:	\$182,483.10
Individual Contribution Amount:	\$0.00

Disclosure 5 of 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Mutual of Omaha Investor Services, Inc.

Allegations: The clients alleged that the representative misappropriated funds by diverting assets into his own bank account. The clients provided documentation including copies of checks deposited into the representative's bank account and fictitious account statements.

Product Type:	No Product
Alleged Damages:	\$170,587.00
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:	03/21/2019
Complaint Pending?	No
Status:	Settled
Status Date:	05/13/2019
Settlement Amount:	\$188,347.92
Individual Contribution Amount:	\$0.00



Disclosure 6 of 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Mutual of Omaha Investor Services, Inc.
Allegations:	The client alleged that the representative deposited a check intended for an IRA rollover into his own bank account for the representative's own personal use. The client provided a copy of the check deposited into the representative's bank account.
Product Type:	No Product
Alleged Damages:	\$37,000.00
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:	03/21/2019
Complaint Pending?	No
Status:	Settled
Status Date:	05/22/2019
Settlement Amount:	\$40,354.02
Individual Contribution Amount:	\$0.00

Disclosure 7 of 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Mutual of Omaha Investor Services, Inc.
Allegations:	The clients alleged that the representative misappropriated funds by diverting assets into his own bank account. The clients provided documentation including copies of checks deposited into the representative's bank account and copies of fictitious account statements.



Product Type:	No Product
Alleged Damages:	\$512,950.53
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:	03/15/2019
Complaint Pending?	No
Status:	Settled
Status Date:	05/07/2020
Settlement Amount:	\$569,549.16
Individual Contribution Amount:	\$0.00

Disclosure 8 of 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Mutual of Omaha Investor Services, Inc.

Allegations: The client alleged that the representative misappropriated funds by diverting assets into his own bank account. The client provided documentation including copies of checks deposited into the representative's bank account and a fictitious account statement.

Product Type:	No Product
Alleged Damages:	\$55,000.00
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: 03/14/2019
Complaint Pending? No
Status: Settled
Status Date: 05/02/2019
Settlement Amount: \$59,026.16
Individual Contribution Amount: \$0.00

Disclosure 9 of 14

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: Mutual of Omaha Investor Services, Inc.

Allegations: The clients allege that due to the representative's actions, their only source of income is from social security and they do not have funds for any costly expenses. The clients provided documentation that the representative created fictitious account statements and diverted funds into his own bank account.

Product Type: No Product
Alleged Damages: \$232,937.72
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: 04/05/2019
Complaint Pending? No
Status: Settled
Status Date: 08/05/2019
Settlement Amount: \$314,823.87
Individual Contribution Amount: \$0.00



Disclosure 10 of 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Mutual of Omaha Investor Services, Inc.
Allegations:	The client alleged that the representative misappropriated funds by diverting customer assets into his own bank account. The client provided documentation including copies of checks deposited into the representative's bank account and fictitious account statements.
Product Type:	No Product
Alleged Damages:	\$45,590.94
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:	03/20/2019
Complaint Pending?	No
Status:	Settled
Status Date:	05/02/2019
Settlement Amount:	\$50,534.18
Individual Contribution Amount:	\$0.00

Disclosure 11 of 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Mutual of Omaha Investor Services, Inc.
Allegations:	The clients alleged that the representative misappropriated funds by diverting their assets into his own bank account. The clients provided documentation including copies of checks deposited into the representative's bank account and a copy of a fictitious 1099 Form provided by the representative.



Product Type:	No Product
Alleged Damages:	\$354,154.83
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:	03/25/2019
Complaint Pending?	No
Status:	Settled
Status Date:	06/15/2019
Settlement Amount:	\$392,360.82
Individual Contribution Amount:	\$0.00

Disclosure 12 of 14

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Mutual of Omaha Investor Services, Inc.

Allegations: The client alleged that the representative misappropriated funds by diverting assets into his own bank account. The client provided documentation including a copy of a check deposited into the representative's account and a fictitious account statement.

Product Type:	No Product
Alleged Damages:	\$11,000.00
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: 03/28/2019
Complaint Pending? No
Status: Settled
Status Date: 06/16/2019
Settlement Amount: \$11,957.84
Individual Contribution Amount: \$0.00

Disclosure 13 of 14

Reporting Source: Firm
Employing firm when activities occurred which led to the complaint: THRIVENT INVESTMENT MANAGEMENT INC
Allegations: CUSTOMER ALLEGED THAT TRANSFER OF FUNDS FROM HIS INCOME AGREEMENT TO A VARIABLE ANNUITY ISSUED 10/21/2011 WAS NOT SUITABLE. FIRM AGREED TO REVERSE THE PURCHASE OF THE VA AND RE-ESTABLISH THE INCOME AGREEMENT. CUSTOMER ACCEPTED THE OFFER.
Product Type: Annuity-Variable
Alleged Damages: \$19,376.38
Alleged Damages Amount Explanation (if amount not exact): INCOME AGREEMENT'S INITIAL INVESTMENT LESS DISTRIBUTIONS, LESS COMMUTED SURRENDER VALUE.
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: 02/22/2012
Complaint Pending? No
Status: Settled
Status Date: 04/12/2012



Settlement Amount: \$75,892.11

Individual Contribution Amount: \$0.00

Reporting Source: Broker

Employing firm when activities occurred which led to the complaint: THRIVENT INVESTMENT MANAGEMENT, INC

Allegations: CUSTOMER ALLEGES UNSUITABLE TRANSFER OF FUNDS FROM INCOME AGREEMENT TO VARIABLE ANNUITY

Product Type: Annuity-Variable

Alleged Damages: \$19,376.38

Alleged Damages Amount Explanation (if amount not exact): INCOME AGREEMENT'S INITIAL INVESTMENT LESS DISTRIBUTIONS, LESS COMMUTED SURRENDER VALUE.

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: 02/22/2012

Complaint Pending? No

Status: Settled

Status Date: 04/12/2012

Settlement Amount: \$75,892.11

Individual Contribution Amount: \$0.00

Disclosure 14 of 14

Reporting Source: Broker



Employing firm when activities occurred which led to the complaint: THRIVENT INVESTMENT MANAGEMENT

Allegations: CUSTOMER ALLEGES FULL DISCLOSURE WAS NOT MADE BY REGISTERED REPRESENTATIVE. RESEARCH REVEALED NO WRONG-DOING ON REPRESENTATIVES PART.

Product Type: Annuity(ies) - Variable

Alleged Damages: \$6,511.25

Customer Complaint Information

Date Complaint Received: 12/16/2005

Complaint Pending? No

Status: Settled

Status Date: 02/27/2006

Settlement Amount: \$0.00

Individual Contribution Amount: \$0.00



Customer Dispute - Closed-No Action / Withdrawn / Dismissed / Denied

This type of disclosure event involves (1) a consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the individual broker that was dismissed, withdrawn, or denied; or (2) a consumer-initiated, investment-related written complaint containing allegations that the broker engaged in sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities, which was closed without action, withdrawn, or denied.

Disclosure 1 of 1

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	THRIVENT INVESTMENT MANAGEMENT INC
Allegations:	CUSTOMER ALLEGES PRODUCT WAS MISREPRESENTED
Product Type:	Annuity(ies) - Variable
Alleged Damages:	\$9,350.00

Customer Complaint Information

Date Complaint Received:	06/06/2005
Complaint Pending?	No
Status:	Denied
Status Date:	01/09/2006
Settlement Amount:	\$0.00
Individual Contribution Amount:	



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 2

Reporting Source:	Firm
Employer Name:	Mutual of Omaha Investor Services, Inc.
Termination Type:	Discharged
Termination Date:	03/12/2019
Allegations:	The representative was discharged for creating fictitious account statements and diverting customer funds for his own personal use.
Product Type:	No Product

Disclosure 2 of 2

Reporting Source:	Firm
Employer Name:	MML INVESTORS SERVICES, INC.
Termination Type:	Voluntary Resignation
Termination Date:	04/30/2006
Allegations:	STATE OF MISSOURI HAS ALLEGED THAT REPRESENTATIVE MADE AN UNSUITABLE SALE OF A VARIABLE ANNUITY TO A MISSOURI RESIDENT; THEY ALSO ALLEGED MISREPRESENTATION OF THE VARIABLE ANNUITY TO THE SAME MISSOURI RESIDENT. THE TRANSACTION IN QUESTION OCCURRED AT THE REPRESENTATIVE'S PRIOR BROKER/DEALER AFFILIATION.
Product Type:	Annuity(ies) - Variable
Other Product Types:	

Reporting Source:	Broker
Employer Name:	MML INVESTORS SERVICES, INC
Termination Type:	Voluntary Resignation
Termination Date:	04/30/2006
Allegations:	THE STATE OF MISSOURI ALLEGES THAT AN UNSUITABLE SALE OF A



VARIABLE ANNUITY WAS MADE TO A MISSOURI RESIDENT. THE STATE OF MISSOURI ALSO ALLEGES MISREPRESENTATION OF THE VARIABLE ANNUITY TO THE SAME RESIDENT. FURTHER DETAILS OF THE ALLEGATIONS AND RESULTS CAN BE FOUND IN THE REGULATORY ACTION DRP. THIS TRANSACTION OCCURRED WHILE PREVIOUSLY EMPLOYED WITH THRIVENT FINANCIAL FOR LUTHERANS.

Product Type:

Annuity(ies) - Variable

Other Product Types:

Broker Statement

AFTER DISCUSSING AN OPPORTUNITY TO RETURN TO A POSITION WITH THRIVENT FINANCIAL FOR LUTHERANS WITH MANAGING PARTNER, TOM KOPATZ, I VOLUNTARILY RESIGNED FROM MASS MUTUAL. MY DECISION TO RESIGN WAS NOT BASED UPON ANY LEGAL ACTIONS OR RESTRICTIONS PLACED UPON ME. MASS MUTUAL DID NOT PERSUADE, ENCOURAGE OR FORCE ME TO RESIGN IN ANY WAY.

End of Report



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