

## BrokerCheck Report

**JOHN MICHAEL MENDOLA**

CRD# 2891416

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



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://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).

**JOHN M. MENDOLA**

CRD# 2891416

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

**IA KOVACK ADVISORS, INC.**  
 Hood River, OR  
 CRD# 140808  
 Registered with this firm since: 08/31/2007

**B KOVACK SECURITIES INC.**  
 Hood River, OR  
 CRD# 44848  
 Registered with this firm since: 08/31/2007

**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:**

- 2 Self-Regulatory Organizations
- 5 U.S. states and territories

**This broker has passed:**

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

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

**IA WELLS FARGO INVESTMENTS, LLC**  
 CRD# 10582  
 SAN FRANCISCO, CA  
 02/2006 - 07/2007

**B WELLS FARGO INVESTMENTS, LLC**  
 CRD# 10582  
 PORTLAND, OR  
 05/2001 - 07/2007

**B WELLS FARGO SECURITIES INC.**  
 CRD# 17438  
 SAN FRANCISCO, CA  
 06/1997 - 05/2001

**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
Customer Dispute	2
Termination	1



## 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 2 SROs and is licensed in 5 U.S. states and territories through his or her employer.**

### Employment 1 of 2

Firm Name: **KOVACK ADVISORS, INC.**  
 Main Office Address: **6451 N. FEDERAL HWY  
 SUITE 1201  
 FT. LAUDERDALE, FL 33308**  
 Firm CRD#: **140808**

	U.S. State/ Territory	Category	Status	Date
IA	Oregon	Investment Adviser Representative	Approved	08/31/2007

### Branch Office Locations

6451 N. FEDERAL HWY  
 SUITE 1201  
 FT. LAUDERDALE, FL 33308

Hood River, OR

### Employment 2 of 2

Firm Name: **KOVACK SECURITIES INC.**  
 Main Office Address: **6451 N. FEDERAL HWY.  
 SUITE 1201  
 FT. LAUDERDALE, FL 33308**  
 Firm CRD#: **44848**

	SRO	Category	Status	Date
B	FINRA	General Securities Representative	Approved	08/31/2007
B	Nasdaq Stock Market	General Securities Representative	Approved	08/31/2007

Broker Qualifications



Employment 2 of 2, continued

SRO	Category	Status	Date
U.S. State/ Territory	Category	Status	Date
B Arizona	Agent	Approved	09/20/2007
B California	Agent	Approved	10/16/2020
B Oregon	Agent	Approved	08/31/2007
B Utah	Agent	Approved	09/10/2019
B Washington	Agent	Approved	09/05/2007

Branch Office Locations

KOVACK SECURITIES INC.  
Hood River, OR



## 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, 2 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>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> General Securities Representative Examination	Series 7	06/23/1997

### State Securities Law Exams

Exam	Category	Date
<b>IA</b> Uniform Investment Adviser Law Examination	Series 65	04/23/1998
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	08/01/1997

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/](http://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>IA</b> 02/2006 - 07/2007	WELLS FARGO INVESTMENTS, LLC	10582	PORTLAND, OR
<b>B</b> 05/2001 - 07/2007	WELLS FARGO INVESTMENTS, LLC	10582	PORTLAND, OR
<b>B</b> 06/1997 - 05/2001	WELLS FARGO SECURITIES INC.	17438	SAN FRANCISCO, CA

### 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
08/2007 - Present	KOVACK ADVISORS, INC	INVESTMENT ADVISOR REPRESENTATIVE	Y	FORT LAUDERDALE, FL, United States
08/2007 - Present	KOVACK SECURITIES, INC	REGISTERED REPRESENTATIVE	Y	FORT LAUDERDALE, FL, 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.

1) FIXED INSURANCE - 3003 DANA LANE, HOOD RIVER, OR 97031; INVESTMENT RELATED; START DATE 3.4.24; FIXED INSURANCE SALES; INSURANCE AGENT; 4 HOURS/MONTH OF TIME SPENT.

## 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	3	0
Customer Dispute	0	2	N/A
Termination	N/A	1	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 3

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	OREGON DIVISION OF FINANCIAL REGULATION
<b>Sanction(s) Sought:</b>	Suspension
<b>Date Initiated:</b>	11/20/2009
<b>Docket/Case Number:</b>	S-09-0067
<b>URL for Regulatory Action:</b>	
<b>Employing firm when activity occurred which led to the regulatory action:</b>	WELLS FARGO INVESTMENTS LLC
<b>Product Type:</b>	Other: N/A
<b>Allegations:</b>	FINRA'S SUSPENSION OF MR. MENDOLA (FROM 11/16/09 TO 01/15/10) PROVIDED GROUNDS FOR OREGON TO SUSPEND MR. MENDOLA'S SECURITIES SALESPERSON AND INVESTMENT ADVISER REPRESENTATIVE LICENSES IN OREGON.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	Yes
<b>Resolution Date:</b>	12/02/2009
<b>Sanctions Ordered:</b>	Suspension
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	SALESPERSON AND INVESTMENT ADVISOR REPRESENTATIVE
<b>Duration:</b>	45 DAYS
<b>Start Date:</b>	12/02/2009
<b>End Date:</b>	01/15/2010
<b>Regulator Statement</b>	ORDER NOTES THAT PARTIES INTEND TO ENTER INTO A HEIGHTENED SUPERVISION AGREEMENT DURING PERIOD OF SUSPENSION TO BE PUT IN PLACE AT END OF SUSPENSION. THIS WAS ADDRESSED IN A SUBSEQUENT ORDER INVOLVING MR. MENDOLA. SEE ORDER ENTERED FOR CONDITIONAL LICENSE IN S-09-0067-2.

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<b>Reporting Source:</b>	Broker
<b>Regulatory Action Initiated By:</b>	OREGON DIVISION OF FINANCIAL REGULATION
<b>Sanction(s) Sought:</b>	Suspension
<b>Date Initiated:</b>	11/20/2009
<b>Docket/Case Number:</b>	S-09-0067
<b>Employing firm when activity occurred which led to the regulatory action:</b>	WELLS FARGO INVESTMENTS LLC
<b>Product Type:</b>	Other: N/A
<b>Allegations:</b>	FINRA'S SUSPENSION OF MR. MENDOLA (FROM LL/16/09 TO 01/15/10) PROVIDED GROUNDS FOR OREGON TO SUSPEND MR. MENDOLA'S SECURITIES SALESPERSON AND INVESTMENT ADVISER



## REPRESENTATIVE LICENSES IN OREGON.

<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	Yes
<b>Resolution Date:</b>	12/02/2009
<b>Sanctions Ordered:</b>	Suspension
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	SALESPERSON AND INVESTMENT ADVISOR REPRESENTATIVE
<b>Duration:</b>	45 days
<b>Start Date:</b>	12/02/2009
<b>End Date:</b>	01/15/2010
<b>Broker Statement</b>	This filing corresponds with the Regulatory Action previously filed by the State of Oregon in 2010. ORDER NOTES THAT PARTIES INTEND TO ENTER INTO A HEIGHTENED SUPERVISION AGREEMENT DURING PERIOD OF SUSPENSION TO BE PUT IN PLACE AT END OF SUSPENSION. THIS WAS ADDRESSED IN A SUBSEQUENT ORDER INVOLVING MR. MENDOLA. SEE ORDER ENTERED FOR CONDITIONAL LICENSE IN S-09-0067-2.

### Disclosure 2 of 3

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	OREGON DIVISION OF FINANCE AND CORPORATE SECURITIES
<b>Sanction(s) Sought:</b>	Other: CONDITIONAL LICENSE
<b>Date Initiated:</b>	01/16/2010
<b>Docket/Case Number:</b>	S-09-0067-2
<b>URL for Regulatory Action:</b>	



**Employing firm when activity occurred which led to the regulatory action:** WELLS FARGO

**Product Type:** No Product

**Allegations:** THE DIRECTOR DETERMINED THAT THE PUBLIC INTEREST IS SERVED BY CONDITIONING MENDOLA'S OREGON LICENSE TO REQUIRE HEIGHTENED SUPERVISION.

**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:** 01/16/2010

**Sanctions Ordered:** Other: CONDITIONAL LICENSE REQUIRING HEIGHTENED SUPERVISION.

**Regulator Statement** OREGON DIVISION OF FINANCE AND CORPORATE SECURITIES ISSUED AN ORDER GRANTING CONDITIONAL SECURITIES SALESPERSON AND INVESTMENT ADVISER REPRESENTATIVE LICENSES ON 1-16-2010 WITH EXHIBIT A, "AGREEMENT FOR CONDITIONAL SECURITIES SALESPERSON AND INVESTMENT ADVISER REPRESENTATIVE LICENSES IN OREGON REQUIRING HEIGHTENED SUPERVISION."

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** OREGON DIVISION OF FINANCE AND CORPORATE SECURITIES

**Sanction(s) Sought:** Other: CONDITIONAL LICENSE

**Date Initiated:** 01/16/2010

**Docket/Case Number:** S-09-0067-2

**Employing firm when activity occurred which led to the regulatory action:** WELLS FARGO

**Product Type:** No Product



<b>Allegations:</b>	THE DIRECTOR DETERMINED THAT THE PUBLIC INTEREST IS SERVED BY CONDITIONING BY CONDITIONING MENDOLA'S OREGON LICENSE TO REQUIRE HEIGHTENED SUPERVISION.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Settled
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	01/16/2010
<b>Sanctions Ordered:</b>	Other: CONDITIONAL LICENSE REQUIRING HEIGHTENED SUPERVISION.
<b>Broker Statement</b>	OREGON DIVISION OF FINANCE AND CORPORATE SECURITIES ISSUED AN ORDER GRANTING CONDITIONAL SECURITIES SALESPERSON AND INVESTMENT ADVISER REPRESENTATIVE LICENSES ON 01-16-2010 WITH EXHIBIT A, "AGREEMENT FOR CONDITIONAL SECURITIES SALESPERSON AND INVESTMENT ADVISER REPRESENTATIVE LICENSES IN OREGON REQUIRING HEIGHTENED SUPERVISION."

### Disclosure 3 of 3

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	10/27/2009
<b>Docket/Case Number:</b>	2007009877901
<b>Employing firm when activity occurred which led to the regulatory action:</b>	WELLS FARGO INVESTMENTS, LLC
<b>Product Type:</b>	Debt-Municipal Equity Listed (Common & Preferred Stock) Mutual Fund Unit Investment Trust Other: UNSPECIFIED EQUITIES



<b>Allegations:</b>	NASD RULES 2110, 2310 AND 2510(B): RESPONDENT JOHN M. MENDOLA EXERCISED DISCRETION IN CUSTOMERS' ACCOUNTS WITHOUT PRIOR WRITTEN AUTHORIZATION FROM THE CUSTOMERS OR WRITTEN ACCEPTANCE OF THE ACCOUNTS AS DISCRETIONARY BY HIS MEMBER FIRM. MENDOLA ALSO MADE UNSUITABLE RECOMMENDATIONS TO CUSTOMERS IN LIGHT OF THEIR EXPERIENCE, INVESTMENT OBJECTIVES, RISK TOLERANCE, FINANCIAL RESOURCES AND CIRCUMSTANCES.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	10/27/2009
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Restitution Suspension
<b>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?</b>	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:** ANY CAPACITY

**Duration:** TWO MONTHS

**Start Date:** 11/16/2009

**End Date:** 01/15/2010

#### **Monetary Sanction 1 of 2**

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

**Total Amount:** \$10,000.00

**Portion Levied against individual:** \$10,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 01/20/2010

**Was any portion of penalty waived?** No

**Amount Waived:**

#### **Monetary Sanction 2 of 2**



**Monetary Related Sanction:** Restitution

**Total Amount:** \$5,600.00

**Portion Levied against individual:** \$5,600.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 01/19/2010

**Was any portion of penalty waived?** No

**Amount Waived:**

**Regulator Statement**

WITHOUT ADMITTING OR DENYING THE FINDINGS, MENDOLA CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, HE IS FINED \$10,000, SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR TWO MONTHS, AND ORDERED TO PAY \$5,600 IN RESTITUTION AND INTEREST TO A CUSTOMER. THE FINE SHALL BE DUE AND PAYABLE EITHER IMMEDIATELY UPON REASSOCIATION WITH A MEMBER FIRM FOLLOWING THE TWO-MONTH SUSPENSION NOTED ABOVE, OR PRIOR TO ANY APPLICATION OR REQUEST FOR RELIEF FROM ANY STATUTORY DISQUALIFICATION RESULTING FROM THIS OR ANY OTHER EVENT OR PROCEEDING, WHICHEVER IS EARLIER. RESTITUTION AMOUNTS ORDERED PURSUANT TO THIS DISCIPLINARY ACTION, ARE DUE AND PAYABLE IMMEDIATELY UPON REASSOCIATION WITH A MEMBER FIRM FOLLOWING THE TWO-MONTH SUSPENSION NOTED ABOVE, OR PRIOR TO ANY APPLICATION OR REQUEST FOR RELIEF FROM ANY STATUTORY DISQUALIFICATION RESULTING FROM THIS OR ANY OTHER EVENT OR PROCEEDING, WHICHEVER IS EARLIER. THE IMPOSITION OF A RESTITUTION ORDER OR ANY OTHER MONETARY SANCTION HEREIN, AND THE TIMING OF SUCH ORDERED PAYMENTS, DOES NOT PRECLUDE CUSTOMERS FROM PURSUING THEIR OWN ACTIONS TO OBTAIN RESTITUTION OR OTHER REMEDIES. IF FOR ANY REASON RESPONDENT CANNOT LOCATE THE CUSTOMER AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, OR SUCH ADDITIONAL PERIOD AGREED TO BY FINRA STAFF, RESPONDENT SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER IS LAST KNOWN TO HAVE RESIDED. RESPONDENT SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA STAFF NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE AWC.



THE SUSPENSION IS IN EFFECT FROM NOVEMBER 16, 2009 THROUGH  
JANUARY 15, 2010.

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<b>Reporting Source:</b>	Broker
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Suspension
<b>Date Initiated:</b>	10/27/2009
<b>Docket/Case Number:</b>	2007009877901
<b>Employing firm when activity occurred which led to the regulatory action:</b>	WELLS FARGO INVESTMENTS, LLC
<b>Product Type:</b>	Debt-Municipal Equity Listed (Common & Preferred Stock) Mutual Fund Unit Investment Trust Other: UNSPECIFIED EQUITIES
<b>Allegations:</b>	NASD RULES 2110,2310 AND 2510(B):RESPONDENT JOHN MENDOLA EXERCISED DISCRETION IN CUSTOMERS ACCOUNTS WITHOUT PRIOR WRITTEN AUTHORIZATION FROM THE CUSTOMERS OR WRITTEN ACCEPTANCE OF THE ACCOUNTS AS DISCRETIONARY BY HIS MEMBER FIRM. MENDOLA ALSO MADE UNSUITABLE RECOMMENDATIONS TO CUSTOMERS IN LIGHT OF THEIR EXPERIENCE, INVESTMENT OBJECTIVES, RISK TOLERANCE, FINANCIAL RESOURCES AND CIRCUMSTANCES.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	10/27/2009
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Restitution



Suspension

**Sanction 1 of 1****Sanction Type:**

Suspension

**Capacities Affected:**

ANY CAPACITY

**Duration:**

TWO MONTHS

**Start Date:**

11/16/2009

**End Date:**

01/15/2010

**Monetary Sanction 1 of 1****Monetary Related Sanction:**

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

**Total Amount:**

\$10,000.00

**Portion Levied against individual:**

\$10,000.00

**Payment Plan:****Is Payment Plan Current:****Date Paid by individual:****Was any portion of penalty waived?**

No

**Amount Waived:****Broker Statement**

WITHOUT ADMITTING OR DENYING THE FINDINGS, MENDOLA CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, HE IS FINED \$10,000, SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR TWO MONTHS, AND ORDERED TO PAY \$5,600 IN RESTITUTION AND INTEREST TO A CUSTOMER. THE FINE SHALL BE DUE AND PAYABLE EITHER IMMEDIATELY UPON REASSOCIATION WITH A MEMBER FIRM FOLLOWING THE TWO-MONTH SUSPENSION NOTED ABOVE, OR PRIOR TO ANY APPLICATION OR REQUEST FOR RELIEF FROM ANY STATUTORY DISQUALIFICATION RESULTING FROM THIS OR ANY OTHER EVENT OR PROCEEDING, WHICHEVER IS EARLIER. RESTITUTION AMOUNTS ORDERED PURSUANT TO THIS DISCIPLINARY ACTION, ARE DUE AND PAYABLE IMMEDIATELY UPON REASSOCIATION WITH A MEMBER FIRM FOLLOWING THE TWO-MONTH SUSPENSION NOTED ABOVE, OR PRIOR TO ANY APPLICATION OR REQUEST FOR RELIEF FROM ANY STATUTORY DISQUALIFICATION RESULTING FROM THIS OR ANY OTHER EVENT OR PROCEEDING, WHICHEVER IS EARLIER. THE IMPOSITION OF A RESTITUTION ORDER OR ANY OTHER MONETARY SANCTION HEREIN, AND



THE TIMING OF SUCH ORDERED PAYMENTS, DOES NOT PRECLUDE CUSTOMERS FROM PURSUING THEIR OWN ACTIONS TO OBTAIN RESTITUTION OR OTHER REMEDIES. IF FOR ANY REASON RESPONDENT CANNOT LOCATE THE CUSTOMER AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN SUCH PERIOD, OR SUCH ADDITIONAL PERIOD AGREED TO BY FINRA STAFF, RESPONDENT SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY, OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER IS LAST KNOWN TO HAVE RESIDED, RESPONDENT SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION TO FINRA STAFF NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF THE AWC. THE SUSPENSION IN EFFECT FROM NOVEMBER 16, 2009 THROUGH JANUARY 15, 2010.



## Customer Dispute - Settled

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

### Disclosure 1 of 1

<b>Reporting Source:</b>	Broker
<b>Employing firm when activities occurred which led to the complaint:</b>	WELLS FARGO SECURITIES INC.
<b>Allegations:</b>	CLIENT ALLEGED SUITABILITY IN THE INVESTMENT OF VARIABLE ANNUITY.
<b>Product Type:</b>	Annuity(ies) - Variable
<b>Alleged Damages:</b>	\$8,030.00

### Customer Complaint Information

<b>Date Complaint Received:</b>	09/26/2001
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	01/11/2002
<b>Settlement Amount:</b>	\$2,500.00
<b>Individual Contribution Amount:</b>	\$2,500.00



## 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:** WELLS FARGO SECURITIES INC.

**Allegations:** CLIENT ALLEGED SWITCHING

**Product Type:** Mutual Fund(s)

**Alleged Damages:** \$6,206.81

### Customer Complaint Information

**Date Complaint Received:** 12/28/2000

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 03/08/2001

**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement**

I MET WITH THE CUSTOMER TO DISCUSS HER ACCOUNT AND HER INVESTMENT OBJECTIVES. SHE EXPLAINED THAT SHE WAS HAPPIER IN MUTUAL FUNDS RATHER THAN INDIVIDUAL SECURITIES. SHE EXPLAINED THAT SHE WAS IN MUTUAL FUNDS PRIOR TO MEETING HER FORMER REP. IN REVIEWING HER INVESTMENT OBJECTIVES, SHE INDICATED THAT SHE NEEDED \$2500-3000/MONTH TO MEET HER INCOME NEEDS, WHICH REQUIRED ABOUT A 15%-20% ANNUALIZED RETURN. I EXPLAINED TO THE CLIENT THAT HER CURRENT PORTFOLIO WAS NOT DISTRIBUTING THE DIVIDENDS NECESSARY TO MEET HER INCOME NEEDS AND WOULD BE DIFFICULT TO MANAGE UNLESS WE SOLD HER STOCKS EVERY MONTH TO RAISE THE REQUIRED CASH. THE CLIENT PREFERRED MUTUAL FUNDS BECAUSE IT ALLOWED FOR SYSTEMATIC REDEMPTIONS. I CLEARLY EXPLAINED TO HER THAT SHE WOULD PAY NEW LOADS IF WE WENT INTO NEW FUND FAMILIES. THE CLIENT REALIZED HER LOFTY INCOME REQUIREMENTS FOR THIS ACCOUNT AND REALIZED SHE NEEDED TO BE



AGGRESSIVE WITH HER OBJECTIVE IN ORDER TO EXTEND HER PRINCIPAL FOR THE MAXIMUM DURATION. THE CLIENT KNEW THAT HER ACCOUNT COULD BE A DEPLETING ASSET BASE BECAUSE 15%-20% ANNUALIZED RETURNS IS HISTORICALLY DIFFICULT TO MEET. THE CLIENT WAS AWARE OF ALL NEW LOADS ON NEW MUTUAL FUND PURCHASES. NEW MUTUAL FUNDS WERE PURCHASED IN DIFFERENT MUTUAL FUNDS IN ORDER TO FULFILL HER AGGRESSIVE PORTFOLIO ALLOCATION, WHICH I BELIEVED WELLS FARGO FUNDS COULD NOT FULFILL. WE EXCHANGED 25% OF HER ASSETS BACK INTO WELLS FARGO FUNDS AT NAV (NO LOAD), SO WE OBVIOUSLY DISCUSSED THE FEE SCHEDULES. SHE COMPLAINED THAT ASSETS WERE NOT REINVESTED NAV, BUT THEY WERE. ALSO, THE CLIENT SIGNED A LETTER OF ACKNOWLEDGEMENT EXTENSIVELY DOCUMENTING THE CHANGES TO THE ACCOUNT, CONTINGENT FEES ASSOCIATED WITH THE CHANGES, AND REASONS FOR MAKING THE CHANGES. I FEEL THAT I MADE SOUND INVESTMENT RECOMMENDATIONS IN ORDER TO FULFILL DIFFICULT INVESTMENT OBJECTIVES IN A COST-EFFICIENT MANNER FOR THE CLIENT AND I FEEL THE CLIENT WAS WELL AWARE OF ALL OF THESE CHANGES.



## 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 INVESTMENTS, LLC.

**Termination Type:** Discharged

**Termination Date:** 07/09/2007

**Allegations:** BROKER EXERCISED DISCRETION AND AFFECTED TRANSACTIONS IN CLIENTS ACCOUNTS WITHOUT WRITTEN AUTHORIZATION.

**Product Type:** Other

**Other Product Types:**

**Reporting Source:** Broker

**Employer Name:** WELLS FARGO INVESTMENTS

**Termination Type:** Discharged

**Termination Date:** 07/09/2007

**Allegations:** EXERCISED DISCRETION WITHOUT WRITTEN FEE IN-LIEU COMMISSION ACCOUNTS.

**Product Type:** Other

**Other Product Types:** INDIVIDUAL STOCKS AND MUTUAL FUNDS AT NAV

**Broker Statement**

A TRADE CORRECTION WAS REQUIRED WHILE I WAS OUT OF THE OFFICE DUE TO A DEBIT BALANCE FROM RECENT MISCALCULATED TRADES. IT WAS DISCOVERED THAT I HAD ACTED WITH DISCRETION WHEN IT WAS REVEALED THAT WE HADN'T SPOKEN BEFORE THOSE TRADES. I HAD EXERCISED DISCRETION AND TRADED THE CLIENTS ACCOUNT WITHOUT WRITTEN AUTHORIZATION. THE CLIENT HAD WANTED ME TO TO USE DISCRETION FROM PAST CONVERSATIONS AND STILL FOLLOW OUR DEFINED INVESTMENT STRATEGY OF MUTUAL FUNDS AND STOCKS IN A FEE BASED ACCOUNT WITH NO COMMISSIONS. THE CLIENT WAS SATISFIED WITH ME AND NO COMPLAINT HOWEVER I DIDN'T FOLLOW THE REGULATIONS AND PUT MYSELF AND THE FIRM AT RISK. I AM VERY SORRY AND DISAPPOINTED IN MYSELF

## End of Report



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