



IAPD Report

SANFORD MICHAEL KATZ

CRD# 1558898

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Qualifications	2 - 6
Registration and Employment History	7
Disclosure Information	8

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Please contact FINRA with any concerns.



IAPD Information About Representatives

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

What is included in a IAPD report?

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD 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 representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

Where did this information come from?

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

How current is this information?

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

Need help interpreting this report?

For help understanding how to read this report, please consult NASAA's IAPD Tips page <http://www.nasaa.org/IAPD/IARReports.cfm>

What if I want to check the background of an Individual Broker or Brokerage Firm?

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

Are there other resources I can use to check the background of investment professionals?

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>



Report Summary

SANFORD MICHAEL KATZ (CRD# 1558898)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **08/18/2025**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	WELLS FARGO ADVISORS	CRD# 19616	12/18/2015
B	WELLS FARGO CLEARING SERVICES, LLC	CRD# 19616	12/18/2015

QUALIFICATIONS

This representative is currently registered in **6** SRO(s) and **49** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

Note: Not all jurisdictions require IAR registration or may have an exemption from registration.

Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

REGISTRATION HISTORY

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

	FIRM	CRD#	LOCATION	REGISTRATION DATES
B	CREDIT SUISSE SECURITIES (USA) LLC	816	SAN FRANCISCO, CA	10/17/2008 - 12/18/2015
IA	CREDIT SUISSE SECURITIES (USA) LLC	816	SAN FRANCISCO, CA	10/17/2008 - 12/18/2015
B	UBS FINANCIAL SERVICES INC.	8174	SAN FRANCISCO, CA	12/11/2002 - 10/24/2008

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

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

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1



Qualifications

REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is currently registered with **49** jurisdiction(s) and 6 SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **WELLS FARGO ADVISORS**
Main Address: ONE NORTH JEFFERSON AVENUE
MAIL CODE: H0004-05E
ST. LOUIS, MO 63103-2205
Firm ID#: 19616

Regulator	Registration	Status	Date
B Cboe Exchange, Inc.	General Securities Representative	Approved	12/03/2021
B FINRA	General Securities Representative	Approved	12/18/2015
B NYSE American LLC	General Securities Representative	Approved	12/18/2015
B Nasdaq PHLX LLC	General Securities Representative	Approved	12/18/2015
B Nasdaq Stock Market	General Securities Representative	Approved	12/18/2015
B New York Stock Exchange	General Securities Representative	Approved	12/18/2015
B Alabama	Agent	Approved	12/18/2015
B Alaska	Agent	Approved	12/18/2015
B Arizona	Agent	Approved	12/18/2015
B California	Agent	Approved	12/18/2015
IA California	Investment Adviser Representative	Approved	12/18/2015
B Colorado	Agent	Approved	12/18/2015
B Connecticut	Agent	Approved	12/18/2015



Qualifications

Regulator	Registration	Status	Date
B Delaware	Agent	Approved	12/18/2015
B District of Columbia	Agent	Approved	12/18/2015
B Florida	Agent	Approved	12/18/2015
B Georgia	Agent	Approved	12/18/2015
B Hawaii	Agent	Approved	12/18/2015
B Idaho	Agent	Approved	12/18/2015
B Illinois	Agent	Approved	12/18/2015
B Indiana	Agent	Approved	12/18/2015
B Iowa	Agent	Approved	12/18/2015
B Kansas	Agent	Approved	12/18/2015
B Kentucky	Agent	Approved	12/18/2015
B Louisiana	Agent	Approved	12/18/2015
B Maryland	Agent	Approved	12/18/2015
B Massachusetts	Agent	Approved	12/18/2015
B Minnesota	Agent	Approved	12/18/2015
B Mississippi	Agent	Approved	12/18/2015
B Missouri	Agent	Approved	12/18/2015
B Montana	Agent	Approved	12/18/2015
B Nebraska	Agent	Approved	12/18/2015



Qualifications

	Regulator	Registration	Status	Date
B	Nevada	Agent	Approved	12/18/2015
IA	Nevada	Investment Adviser Representative	Approved	07/26/2018
B	New Hampshire	Agent	Approved	12/18/2015
B	New Jersey	Agent	Approved	12/18/2015
B	New Mexico	Agent	Approved	12/18/2015
B	New York	Agent	Approved	12/18/2015
B	North Carolina	Agent	Approved	12/18/2015
B	North Dakota	Agent	Approved	12/18/2015
B	Ohio	Agent	Approved	12/18/2015
B	Oklahoma	Agent	Approved	12/18/2015
B	Oregon	Agent	Approved	12/18/2015
B	Pennsylvania	Agent	Approved	12/18/2015
B	Puerto Rico	Agent	Approved	12/18/2015
B	Rhode Island	Agent	Approved	12/18/2015
B	South Carolina	Agent	Approved	12/18/2015
B	South Dakota	Agent	Approved	12/18/2015
B	Texas	Agent	Approved	12/18/2015
IA	Texas	Investment Adviser Representative	Approved	12/18/2015
B	Utah	Agent	Approved	06/02/2023



Qualifications

Regulator	Registration	Status	Date
B Vermont	Agent	Approved	08/01/2022
B Virgin Islands	Agent	Approved	12/18/2015
B Virginia	Agent	Approved	12/18/2015
B Washington	Agent	Approved	12/18/2015
B West Virginia	Agent	Approved	12/18/2015
B Wisconsin	Agent	Approved	12/18/2015
B Wyoming	Agent	Approved	12/18/2015

Branch Office Locations

WELLS FARGO ADVISORS
555 CALIFORNIA ST 24TH FL
SAN FRANCISCO, CA 94104

WELLS FARGO ADVISORS
925 TAHOE BLVD STE 202
INCLINE VILLAGE, NV 89451

WELLS FARGO ADVISORS
Incline Village, NV

WELLS FARGO ADVISORS
555 CALIFORNIA ST 24TH FL
SAN FRANCISCO, CA 94104



Qualifications

PASSED INDUSTRY EXAMS

This section includes all industry exams that the representative has passed. Under limited circumstances, a representative may attain registration after receiving an exam waiver based on a combination of exams the representative has passed and qualifying work experience. Likewise a new exam requirement may be grandfathered based on a representative's specific qualifying work experience. Exam waivers and grandfathering 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
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No information reported.

General Industry/Product Exams

Exam	Category	Date
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B Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
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B National Commodity Futures Examination (S3)	Series 3	10/10/1986
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B General Securities Representative Examination (S7)	Series 7	09/20/1986
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State Securities Law Exams

Exam	Category	Date
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IA B Uniform Combined State Law Examination (S66)	Series 66	04/05/2018
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B Uniform Securities Agent State Law Examination (S63)	Series 63	10/17/1986
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PROFESSIONAL DESIGNATIONS

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

No information reported.



Registration & Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
B	10/17/2008 - 12/18/2015	CREDIT SUISSE SECURITIES (USA) LLC	CRD# 816	SAN FRANCISCO, CA
IA	10/17/2008 - 12/18/2015	CREDIT SUISSE SECURITIES (USA) LLC	CRD# 816	SAN FRANCISCO, CA
B	12/11/2002 - 10/24/2008	UBS FINANCIAL SERVICES INC.	CRD# 8174	SAN FRANCISCO, CA
IA	12/11/2002 - 10/24/2008	UBS FINANCIAL SERVICES INC.	CRD# 8174	SAN FRANCISCO, CA
B	09/24/1986 - 12/05/2002	GOLDMAN, SACHS & CO.	CRD# 361	NEW YORK, NY

EMPLOYMENT HISTORY

Below is the representative's employment history for up to the last 10 years.

Employment Dates	Employer Name	Position	Investment Related	Employer Location
11/2016 - Present	WELLS FARGO CLEARING SERVICES, LLC	REGISTERED REP	Y	SAN FRANCISCO, CA, United States
12/2015 - 11/2016	WELLS FARGO ADVISORS, LLC	REGISTERED REP	Y	SAN FRANCISCO, CA, United States

OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the representative regarding other business activities the representative 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.

GRAPE GROWER; NON INV RELATED; ST HELENA, CA; AGRICULTURE GRAPE GROWER TO SELL TO WINERIES; 100% OWNER; 5 HRS/MO; 0 DURING TRADING.



Disclosure Summary

Disclosure Information

What you should know about reported disclosure events:

(1) Certain thresholds must be met before an event is reported to IARD, for example:

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event.;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.

(2) Disclosure events in IAPD reports come from different sources:

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, 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 IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

(3) There are different statuses and dispositions for disclosure events:

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
 - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure 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 represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

(4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.



DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1

Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Other: N/A
Date Initiated:	04/04/2017
Docket/Case Number:	3-17900

Employing firm when activity occurred which led to the regulatory action: Credit Suisse Securities (USA) LLC

Product Type: Mutual Fund

Allegations: SEC IA Release 4679, April 4, 2017: The Securities and Exchange Commission (Commission) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act) and Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 (Advisers Act) against Sanford Michael Katz (Katz). These proceedings arise out of breaches of fiduciary duty by Katz in connection with his purchases and recommendations of mutual fund shares for advisory clients. Between January 1, 2009 and January 21, 2014 (the Relevant Period), Katz, then an investment adviser representative at his member firm purchased or held Class A mutual fund shares for advisory clients who were eligible to purchase or hold less expensive institutional share classes of the same mutual funds. A significant difference between Class A shares and institutional share classes is the existence of marketing and distribution fees imposed on Class A shareholders pursuant to Section 12(b) of the Investment Company Act and Rule 12b-1 thereunder (12b-1 fees), typically 25 basis points per year for Class A shares. The 12b-1 fees are paid out of the assets of the fund as a portion of its expense ratio. In this case, the 12b-1 fees were passed through to the



firm, which in turn paid a portion of that amount to its investment adviser representatives, also referred to as Relationship Managers (RMs), including Katz. Thus, 12b-1 fees decreased the value of advisory clients' investments in mutual funds and increased the compensation paid to the firm and its RMs. During the Relevant Period, Katz's practice of putting advisory clients in Class A shares when those clients were eligible for less expensive institutional share classes resulted in the firm collecting approximately \$2.5 million in 12b-1 fees, approximately \$1.1 million of which was paid to Katz. This practice was inconsistent with Katz's fiduciary duty, his representations to clients, and his obligation to obtain best execution for his advisory clients. Katz willfully violated Section 206(2) as a result of the negligent conduct described above.

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:	04/04/2017
Sanctions Ordered:	Cease and Desist Censure Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Monetary Penalty other than Fines
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

Monetary Sanction 1 of 3

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

Total Amount: \$850,000.00

Portion Levied against individual: \$850,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 2 of 3

Monetary Related Sanction: Monetary Penalty other than Fines

Total Amount: \$197,587.38

Portion Levied against individual: \$197,587.38



Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 3 of 3

Monetary Related Sanction: Disgorgement

Total Amount: \$1,124,858.89

Portion Levied against individual: \$1,124,858.89

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement

In anticipation of the institution of these proceedings, Katz has submitted an Offer of Settlement (the Offer) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over it and the subject matter of these proceedings, which are admitted, Katz consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (Order). Katz willfully violated Section 206(2) as a result of the negligent conduct described above. In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Katz's Offer. Accordingly, pursuant to Section 15(b) of the Exchange Act and Sections 203(f) and 203(k) of the Advisers Act, it is hereby ordered that Katz cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act. Katz is censured and shall, within 10 days of the entry of this Order, pay disgorgement of \$1,124,858.89, prejudgment interest of \$197,587.38, and a civil money penalty in the amount of \$850,000 to the Securities and Exchange Commission.

Reporting Source: Firm

Regulatory Action Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Sanction(s) Sought: Other: N/A

Date Initiated: 04/04/2017

Docket/Case Number: 3-17900



Employing firm when activity occurred which led to the regulatory action:	Credit Suisse Securities (USA) LLC
Product Type:	Mutual Fund
Allegations:	Sanford Michael Katz ("Katz") consented, without admitting or denying the findings (except as to jurisdiction), to the issuance of a Securities and Exchange Commission ("SEC") order finding that Katz willfully violated Section 206(2) of the Investment Advisers Act of 1940. The SEC's findings included, among other things, that there were breaches of fiduciary duty and inadequate client representations by Katz related to the purchase or holding, between January 1, 2009 and January 21, 2014, of Class A mutual fund shares (which incurred expenses for rule 12b-1 fees) for advisory clients who were eligible to purchase or hold less expensive share classes of the same mutual funds. As part of the settlement, the SEC censured Katz, issued a cease-and-desist order, and directed katz to pay to the sec \$1,124,858.89 in disgorgement, \$197,587.38 in prejudgment interest, and \$850,000 as a civil penalty.
Current Status:	Final
Resolution:	Order
Resolution Date:	04/04/2017
Sanctions Ordered:	Cease and Desist Censure Civil and Administrative Penalty(ies)/Fine(s) Disgorgement
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

Monetary Sanction 1 of 2

Monetary Related Sanction: Disgorgement

Total Amount: \$1,124,858.89

Portion Levied against individual: \$1,124,858.89

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 2 of 2

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

Total Amount: \$850,000.00

Portion Levied against individual: \$850,000.00

**Payment Plan:****Is Payment Plan Current:****Date Paid by individual:****Was any portion of penalty waived?** No**Amount Waived:**
.....**Reporting Source:** Individual**Regulatory Action Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION**Sanction(s) Sought:** Other: N/A**Date Initiated:** 04/04/2017**Docket/Case Number:** 3-17900**Employing firm when activity occurred which led to the regulatory action:** Credit Suisse Securities (USA) LLC**Product Type:** Mutual Fund

Allegations: SEC IA Release 4679, April 4, 2017: The Securities and Exchange Commission (Commission) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act) and Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 (Advisers Act) against Sanford Michael Katz (Katz). These proceedings arise out of breaches of fiduciary duty by Katz in connection with his purchases and recommendations of mutual fund shares for advisory clients. Between January 1, 2009 and January 21, 2014 (the Relevant Period), Katz, then an investment adviser representative at his member firm purchased or held Class A mutual fund shares for advisory clients who were eligible to purchase or hold less expensive institutional share classes of the same mutual funds. A significant difference between Class A shares and institutional share classes is the existence of marketing and distribution fees imposed on Class A shareholders pursuant to Section 12(b) of the Investment Company Act and Rule 12b-1 thereunder (12b-1 fees), typically 25 basis points per year for Class A shares. The 12b-1 fees are paid out of the assets of the fund as a portion of its expense ratio. In this case, the 12b-1 fees were passed through to the firm, which in turn paid a portion of that amount to its investment adviser representatives, also referred to as Relationship Managers (RMs), including Katz. Thus, 12b-1 fees decreased the value of advisory clients' investments in mutual funds and increased the compensation paid to the firm and its RMs. During the Relevant Period, Katz's practice of putting advisory clients in Class A shares when those clients were eligible for less expensive institutional share classes resulted in the firm collecting approximately \$2.5 million in 12b-1 fees, approximately \$1.1 million of which was paid to Katz. This practice was inconsistent with Katz's fiduciary duty, his representations to clients, and his obligation to obtain best execution for his advisory clients. Katz willfully violated Section 206(2) as a result of the negligent conduct described above.

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:	04/04/2017
Sanctions Ordered:	Cease and Desist Censure Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Monetary Penalty other than Fines
Monetary Sanction 1 of 3	
Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$850,000.00
Portion Levied against individual:	\$850,000.00
Payment Plan:	
Is Payment Plan Current:	
Date Paid by individual:	04/11/2017
Was any portion of penalty waived?	No
Amount Waived:	
Monetary Sanction 2 of 3	
Monetary Related Sanction:	Monetary Penalty other than Fines
Total Amount:	\$197,587.38
Portion Levied against individual:	\$197,587.38
Payment Plan:	
Is Payment Plan Current:	
Date Paid by individual:	04/11/2017
Was any portion of penalty waived?	No
Amount Waived:	
Monetary Sanction 3 of 3	
Monetary Related Sanction:	Disgorgement
Total Amount:	\$1,124,858.89
Portion Levied against individual:	\$1,124,858.89
Payment Plan:	
Is Payment Plan Current:	
Date Paid by individual:	04/11/2017



Was any portion of penalty waived?

No

Amount Waived:

Broker Statement

I voluntarily chose to settle this matter, despite the following facts: 1) There was no allegation of any intentional wrongdoing by me; 2) The settlement recognized that I sought and received approval from my former employer's branch manager, who in turn consulted the legal and compliance departments, for purchases of Class A shares; and 3) The majority of revenue from Class A shares went to my former employer and other members of my team, rather than to me. I voluntarily agreed to the distribution of funds to those impacted, and I look forward to continuing to serve my clients in the years ahead.



End of Report

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