



IAPD Report

JOHN JOSEPH ARNOLD

CRD# 2854371

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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

JOHN JOSEPH ARNOLD (CRD# 2854371)

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 **05/22/2026**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
B	WEDBUSH SECURITIES INC.	CRD# 877	09/21/2016
IA	WEDBUSH SECURITIES INC.	CRD# 877	09/28/2016

QUALIFICATIONS

This representative is currently registered in **21** SRO(s) and **26** 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	RAYMOND JAMES & ASSOCIATES, INC.	705	NEWPORT BEACH, CA	11/04/2013 - 06/27/2016
IA	RAYMOND JAMES & ASSOCIATES, INC.	705	NEWPORT BEACH, CA	11/04/2013 - 06/27/2016
IA	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	7691	NEWPORT BEACH, CA	06/23/2008 - 09/19/2013

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
Termination	1
Financial	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 **26** jurisdiction(s) and 21 SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **WEDBUSH SECURITIES INC.**
Main Address: ATTN: COMPLIANCE DEPT.
225 S. LAKE AVE PENTHOUSE
PASADENA, CA 91101
Firm ID#: 877

Regulator	Registration	Status	Date
B BOX Exchange LLC	General Securities Representative	Approved	09/21/2016
B Cboe BYX Exchange, Inc.	General Securities Representative	Approved	09/21/2016
B Cboe BZX Exchange, Inc.	General Securities Representative	Approved	09/21/2016
B Cboe C2 Exchange, Inc.	General Securities Representative	Approved	09/21/2016
B Cboe EDGA Exchange, Inc.	General Securities Representative	Approved	09/21/2016
B Cboe EDGX Exchange, Inc.	General Securities Representative	Approved	09/21/2016
B Cboe Exchange, Inc.	General Securities Representative	Approved	09/21/2016
B FINRA	General Securities Representative	Approved	09/21/2016
B Investors' Exchange LLC	General Securities Representative	Approved	09/21/2016
B MIAX Sapphire	General Securities Representative	Approved	09/23/2024
B Miami International Securities Exchange, LLC	General Securities Representative	Approved	09/21/2016
B NYSE American LLC	General Securities Representative	Approved	09/21/2016
B NYSE Arca, Inc.	General Securities Representative	Approved	09/21/2016



Qualifications

Regulator	Registration	Status	Date
B NYSE Texas, Inc.	General Securities Representative	Approved	09/21/2016
B Nasdaq GEMX, LLC	General Securities Representative	Approved	09/21/2016
B Nasdaq ISE, LLC	General Securities Representative	Approved	09/21/2016
B Nasdaq MRX, LLC	General Securities Representative	Approved	09/21/2016
B Nasdaq PHLX LLC	General Securities Representative	Approved	09/21/2016
B Nasdaq Stock Market	General Securities Representative	Approved	09/21/2016
B Nasdaq Texas, LLC	General Securities Representative	Approved	09/21/2016
B New York Stock Exchange	General Securities Representative	Approved	09/21/2016
B Arizona	Agent	Approved	07/14/2023
B California	Agent	Approved	09/21/2016
IA California	Investment Adviser Representative	Approved	10/25/2016
B Colorado	Agent	Approved	01/12/2023
B Connecticut	Agent	Approved	05/27/2026
B District of Columbia	Agent	Approved	11/01/2024
B Florida	Agent	Approved	03/28/2025
B Georgia	Agent	Approved	09/28/2016
B Hawaii	Agent	Approved	07/21/2023
B Idaho	Agent	Approved	01/12/2023
B Illinois	Agent	Approved	08/02/2023



Qualifications

Regulator	Registration	Status	Date
B Kansas	Agent	Approved	01/06/2025
B Kentucky	Agent	Approved	01/06/2025
B Maryland	Agent	Approved	10/27/2016
B Minnesota	Agent	Approved	05/31/2023
B Mississippi	Agent	Approved	01/08/2025
B Missouri	Agent	Restricted Approval	03/20/2025
B Montana	Agent	Approved	02/12/2026
B Nevada	Agent	Approved	01/23/2023
B New Jersey	Agent	Approved	05/26/2023
B New Mexico	Agent	Approved	01/07/2025
B New York	Agent	Approved	01/12/2023
B Oregon	Agent	Approved	11/02/2016
B Texas	Agent	Approved	01/06/2025
B Utah	Agent	Approved	07/27/2023
B Virginia	Agent	Approved	09/21/2016
B Washington	Agent	Approved	01/11/2023

Branch Office Locations

WEDBUSH SECURITIES INC.
SAN CLEMENTE, CA



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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 Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
 Futures Managed Funds Examination (S31)	Series 31	08/14/2003
 General Securities Representative Examination (S7)	Series 7	05/01/1997

State Securities Law Exams

Exam	Category	Date
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  Uniform Combined State Law Examination (S66)	Series 66	10/19/2001
 Uniform Securities Agent State Law Examination (S63)	Series 63	06/05/1997

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	11/04/2013 - 06/27/2016	RAYMOND JAMES & ASSOCIATES, INC.	CRD# 705	NEWPORT BEACH, CA
IA	11/04/2013 - 06/27/2016	RAYMOND JAMES & ASSOCIATES, INC.	CRD# 705	NEWPORT BEACH, CA
IA	06/23/2008 - 09/19/2013	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	CRD# 7691	NEWPORT BEACH, CA
B	06/20/2008 - 09/19/2013	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	CRD# 7691	NEWPORT BEACH, CA
IA	01/07/2002 - 07/02/2008	CITIGROUP GLOBAL MARKETS INC.	CRD# 7059	IRVINE, CA
B	12/14/2001 - 07/02/2008	CITIGROUP GLOBAL MARKETS INC.	CRD# 7059	IRVINE, CA
B	10/01/1997 - 12/14/2001	BANC OF AMERICA SECURITIES LLC	CRD# 26091	NEW YORK, NY
B	05/09/1997 - 10/01/1997	MONTGOMERY SECURITIES	CRD# 4357	SAN FRANCISCO, CA

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
09/2016 - Present	WEDBUSH SECURITIES INC.	FINANCIAL ADVISOR	Y	NEWPORT BEACH, CA, United States
11/2013 - 06/2016	RAYMOND JAMES & ASSOCIATES	FINANCIAL ADVISOR	Y	NEWPORT BEACH, 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.

1. ARNOLD WEALTH ADVISORS; INVESTMENT RELATED; SAN CLEMENTE, CA; DBA FOR WEDBUSH SECURITIES BUSINESS; FOUNDER AND PORTFOLIO MANAGER, START: 01/2023; APPROX: 40 HOURS WEEKLY, 40 HOURS WEEKLY DURING BUSINESS HOURS; DUTIES: FINANACIAL ADVISOR. ---
2. GAD Trust; non investment related; Rockville, MD; Successor Trustee for client's trust; Successor Trustee; Start date: 01/23/2024; # of hours approx: 1 Monthly, One hour per quarter during business hours. ---
3. JD Trust; non investment related; Rockville, MD; Revocable Trust; Second Successor Trustee; Start date: 01/2024; # of hours



Registration & Employment History



OTHER BUSINESS ACTIVITIES

approx. 1 yearly, 1 hour per year during business hours; successor trustee ---

4. LifeX Research Corp; Investment Related; Pittsburgh, PA; Research; No position; Start: 12/2025; Approx: 1 hour quarterly, none during business hours; Duties: Provide answers to occasional research questionnaires in order to gain access to group medical insurance plans.



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
Termination	1
Financial	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:	FINRA
Sanction(s) Sought:	Other: n/a
Date Initiated:	10/08/2015
Docket/Case Number:	2013038333001
Employing firm when activity occurred which led to the regulatory action:	Merrill Lynch, Pierce, Fenner & Smith Incorporated

Product Type: No Product

Allegations: Arnold was named a respondent in a FINRA complaint alleging that despite his member firm's requirement that firm personnel verbally confirm all emailed wire instructions, Arnold instructed a firm sales assistant, to process two wire requests, falsely representing to her that he had verbally confirmed each of the wire requests with a customer. In connection with the second wire request, Arnold falsely represented to the sales assistant that the customer needed the wire transfer to pay for medical costs. An imposter posing as the customer of the firm, sent emails to Arnold requesting that the wire transfers totaling \$127,200 be sent to third-party bank accounts. The complaint alleges that Arnold verbally misrepresented to his firm's supervisor, that he had verbally verified a wire request with the customer, when in fact he had not. The complaint also alleges that notwithstanding the firm's letter of authorization requirements for wire requests exceeding \$50,000, and without prompting from the imposter, Arnold structured the impostor's first wire request for \$77,200 by splitting it into two separate transfers executed over two



consecutive business days. By structuring the imposter's wire request to send \$50,000 on one day and the remaining \$27,200 on the next, Arnold circumvented the firm's requirement that he obtain a letter of authorization from the customer to process the \$77,200 wire request. The firm also expressly prohibited its employees from structuring wire transfer requests over consecutive business days to avoid obtaining a letter of authorization. In so doing, Arnold prevented the firm from detecting the true dollar amount of the wire request, the authenticity of the wire request and its ability to supervise such transactions. In addition, in connection with the second wire request, the firm wired \$50,000 out of the customer's account to the third-party bank account, as instructed by the imposter. However, on the next day, the imposter sent Arnold another email requesting an additional wire transfer of \$170,000 to a third-party. For the first time, Arnold called the customer to verbally verify the wire request. During Arnold's ensuing telephone conversation with the customer, Arnold learned that the customer's email account had been hacked and that the customer had not requested either of the wire requests. Arnold subsequently called the firm's supervisor and informed him that the wire requests from the customer's account were fraudulent. During the call with the firm supervisor, Arnold admitted that he had lied to him when he told him that he had verbally verified the wire request with the customer. The firm reimbursed the customer \$127,200 for the fraudulent wire transfers that it had processed from his account. The complaint further alleges that relying on Arnold's misrepresentations, and at his direction, the sales assistant recorded false entries in the firm's firm web-based system concerning Arnold's purported verbal verification of the wire requests, and a fictitious purpose for a wire request, causing the firm to preserve and maintain false books and records, in contravention of Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-3 thereunder.

Current Status:	Final
Resolution:	Decision & Order of Offer of Settlement
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	07/06/2016
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?	No



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

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

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

Sanction 1 of 1

Sanction Type:	Suspension
Capacities Affected:	All Capacities
Duration:	60 days
Start Date:	07/18/2016



End Date: 09/15/2016

Monetary Sanction 1 of 1

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

Total Amount: \$15,000.00

Portion Levied against individual: \$15,000.00

Payment Plan: deferred

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement

Without admitting or denying the allegations, Arnold consented to the sanction and to the entry of findings that despite his member firm's requirement that firm personnel verbally confirm all emailed wire instructions, he instructed a firm sales assistant to process two wire requests, falsely representing to her that he had verbally confirmed each of the wire requests with a customer. In connection with the second wire request, Arnold falsely represented to the sales assistant that the customer needed the wire transfer to pay for medical costs. An imposter posing as the customer of the firm, sent emails to Arnold requesting that the wire transfers totaling \$127,200 be sent to third-party bank accounts. The findings stated that Arnold verbally misrepresented to his firm's supervisor that he had verbally verified a wire request with the customer, when in fact he had not. The findings also stated that notwithstanding the firm's letter of authorization requirements for wire requests exceeding \$50,000, and without prompting from the imposter, Arnold structured the imposter's first wire request for \$77,200 by splitting it into two separate transfers executed over two consecutive business days. By structuring the imposter's wire request to send \$50,000 on one day and the remaining \$27,200 on the next, Arnold circumvented the firm's requirement that he obtain a letter of authorization from the customer to process the \$77,200 wire request. The firm also expressly prohibited its employees from structuring wire transfer requests over consecutive business days to avoid obtaining a letter of authorization. In so doing, Arnold prevented the firm from detecting the true dollar amount of the wire request, the authenticity of the wire request and its ability to supervise such transactions. In addition, in connection with the second wire request, the firm wired \$50,000 out of the customer's account to the third-party bank account, as instructed by the imposter. However, on the next day, the imposter sent Arnold another email requesting an additional wire transfer of \$170,000 to a third-party. For the first time, Arnold called the customer to verbally verify the wire request. During Arnold's ensuing telephone conversation with the customer, Arnold learned that the customer's email account had been hacked and that the customer had not requested either of the wire requests. Arnold subsequently called the firm's supervisor and informed him that the wire requests from the customer's account were fraudulent. During the call with the firm supervisor, Arnold admitted that he had lied to him when he told him that he had verbally verified the wire request with the customer. The firm reimbursed the customer \$127,200 for the fraudulent wire transfers that it had processed from his account. The findings also included that relying on Arnold's misrepresentations, and at his direction, the sales assistant recorded false entries in the firm's firm web-based system concerning Arnold's purported verbal verification of the wire requests, and a fictitious purpose for a wire request, causing the firm to preserve and maintain false books and records, in contravention of Section 17(a) of the Securities Exchange Act of 1934 and Rule

17a-3 thereunder.
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Reporting Source: Individual
Regulatory Action Initiated By: FINRA
Sanction(s) Sought: Other: N/A
Date Initiated: 10/08/2015
Docket/Case Number: 2013038333001
Employing firm when activity occurred which led to the regulatory action: MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

Product Type: No Product

Allegations: Arnold was named a respondent in a FINRA complaint alleging that despite his member firm's requirement that firm personnel verbally confirm all emailed wire instructions, Arnold instructed a firm sales assistant, to process two wire requests, falsely representing to her that he had verbally confirmed each of the wire requests with a customer. In connection with the second wire request, Arnold falsely represented to the sales assistant that the customer needed the wire transfer to pay for medical costs. An imposter posing as the customer of the firm, sent emails to Arnold requesting that the wire transfers totaling \$127,200 be sent to third-party bank accounts. The complaint alleges that Arnold verbally misrepresented to his firm's supervisor, that he had verbally verified a wire request with the customer, when in fact he had not. The complaint also alleges that notwithstanding the firm's letter of authorization requirements for wire requests exceeding \$50,000, and without prompting from the imposter, Arnold structured the impostor's first wire request for \$77,200 by splitting it into two separate transfers executed over two consecutive business days. By structuring the imposter's wire request to send \$50,000 on one day and the remaining \$27,200 on the next, Arnold circumvented the firm's requirement that he obtain a letter of authorization from the customer to process the \$77,200 wire request. The firm also expressly prohibited its employees from structuring wire transfer requests over consecutive business days to avoid obtaining a letter of authorization. In so doing, Arnold prevented the firm from detecting the true dollar amount of the wire request, the authenticity of the wire request and its ability to supervise such transactions. In addition, in connection with the second wire request, the firm wired \$50,000 out of the customer's account to the third-party bank account, as instructed by the imposter. However, on the next day, the imposter sent Arnold another email requesting an additional wire transfer of \$170,000 to a third-party. For the first time, Arnold called the customer to verbally verify the wire request. During Arnold's ensuing telephone conversation with the customer, Arnold learned that the customer's email account had been hacked and that the customer had not requested either of the wire requests. Arnold subsequently called the firm's supervisor and informed him that the wire requests from the customer's account were fraudulent. During the call with the firm supervisor, Arnold admitted that he had lied to him when he told him that he had verbally verified the wire request with the customer. The firm reimbursed the customer \$127,200 for the fraudulent wire transfers that it had processed from his account. The complaint further alleges that relying on Arnold's misrepresentations, and at his direction, the sales assistant recorded false entries in the firm's firm web-based system concerning Arnold's purported verbal verification of the wire requests, and a fictitious purpose for a wire request, causing the firm to preserve and maintain false books and records, in contravention of Section 17(a) of the Securities Exchange Act of 1934 and Rule 17a-3 thereunder.



Current Status: Final

Resolution: Decision & Order of Offer of Settlement

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: 09/15/2016

Sanctions Ordered: Civil and Administrative Penalty(ies)/Fine(s)
Suspension

Sanction 1 of 1

Sanction Type: Suspension

Capacities Affected: All Capabilities

Duration: 60 days

Start Date: 07/18/2016

End Date: 09/15/2016

Monetary Sanction 1 of 1

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

Total Amount: \$15,000.00

Portion Levied against individual: \$15,000.00

Payment Plan:

Is Payment Plan Current: Yes

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Broker Statement

I STRONGLY DISAGREE WITH THE ALLEGATIONS IN THE COMPLAINT AND PLAN TO VIGOROUSLY DEFEND MYSELF AGAINST THE CLAIMS. THE UNDERLYING CIRCUMSTANCES RELATE TO THE PROCESSING OF CERTAIN WIRE TRANSFER FORMS THAT WERE HANDLED BY ADMINISTRATIVE STAFF AND AS TO WHICH I DID NOT RECEIVE MEANINGFUL TRAINING. SADLY, THE REAL WRONGDOER IN THIS MATTER WAS A COMPUTER HACKER WHO DECEIVED MYSELF, MY EMPLOYER AND ITS PARENT COMPANY, ALONG WITH THE COMPLIANCE DEPARTMENTS AND ADMINISTRATIVE STAFF OF MY EMPLOYER AND ITS PARENT COMPANY. WHILE WE WERE ALL UNFORTUNATE VICTIMS OF THE HACKER, THE CLIENT WAS MADE WHOLE FOR ANY LOSSES CAUSED BY THE HACKER.



Termination

This disclosure event involves a situation where the Investment Adviser Representative voluntarily resigned, was discharged or was permitted to resign after allegations were made that accused the Investment Adviser Representative of violating investment-related statutes, regulations, rules or industry standards of conduct; fraud or the wrongful taking of property; or failure to supervise in connection with investment-related statutes, regulations, rules or industry standards of conduct.

Disclosure 1 of 1

Reporting Source: Firm
Firm Name: MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
Termination Type: Discharged
Termination Date: 09/12/2013
Allegations: FAILURE TO PROPERLY VERIFY THE IDENTITY OF A CUSTOMER PRIOR TO EXECUTING A TRANSACTION.
Product Type: No Product

Reporting Source: Individual
Firm Name: MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
Termination Type: Discharged
Termination Date: 09/12/2013
Allegations: FAILURE TO PROPERLY VERIFY THE IDENTITY OF A CUSTOMER PRIOR TO EXECUTING A TRANSACTION.
Product Type: No Product

Broker Statement It should be noted that no sales practice violations or security transactions were involved.



Financial

This disclosure event involves a final bankruptcy, compromise with one or more creditors, or Securities Investor Protection Corporation liquidation that occurred within the last 10 years and that involved the Investment Adviser Representative or an organization/investment adviser that the Investment Adviser Representative controlled that occurred within the last 10 years.

Disclosure 1 of 1

Reporting Source:	Individual
Action Type:	Bankruptcy
Bankruptcy:	Chapter 7
Action Date:	01/13/2017
Organization Investment-Related?	
Type of Court:	Federal Court
Name of Court:	U.S. BANKRUPTCY COURT - CENTRAL DISTRICT OF CALIFORNIA
Location of Court:	SANTA ANA, CALIFORNIA
Docket/Case #:	8:17-bk-10120-MW
Action Pending?	No
Disposition:	Discharged
Disposition Date:	08/25/2017
Broker Statement	DUE TO COSTS ASSOCIATED WITH THE FINRA INVESTIGATION.



End of Report

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