



## IAPD Report

# JOHN MICHAEL MENDOLA

CRD# 2891416

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**i** 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.



## 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 MICHAEL MENDOLA (CRD# 2891416)

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 **03/05/2024**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
<b>B</b>	KOVACK SECURITIES INC.	CRD# 44848	08/31/2007
<b>IA</b>	KOVACK ADVISORS, INC.	CRD# 140808	08/31/2007

### QUALIFICATIONS

This representative is currently registered in **2** SRO(s) and **5** 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>IA</b>	WELLS FARGO INVESTMENTS, LLC	10582	PORTLAND, OR	02/10/2006 - 07/23/2007
<b>B</b>	WELLS FARGO INVESTMENTS, LLC	10582	PORTLAND, OR	05/02/2001 - 07/23/2007
<b>B</b>	WELLS FARGO SECURITIES INC.	17438	SAN FRANCISCO, CA	06/25/1997 - 05/02/2001

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	3
Customer Dispute	2
Termination	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 5 jurisdiction(s) and 2 SRO(s) through his or her employer(s).

### Employment 1 of 2

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

	Regulator	Registration	Status	Date
<b>B</b>	FINRA	General Securities Representative	Approved	08/31/2007
<b>B</b>	Nasdaq Stock Market	General Securities Representative	Approved	08/31/2007
<b>B</b>	Arizona	Agent	Approved	09/20/2007
<b>B</b>	California	Agent	Approved	10/16/2020
<b>B</b>	Oregon	Agent	Approved	08/31/2007
<b>B</b>	Utah	Agent	Approved	09/10/2019
<b>B</b>	Washington	Agent	Approved	09/05/2007

### Branch Office Locations

**RK ADVISORS**  
Hood River, OR

### Employment 2 of 2

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



## Qualifications

Regulator	Registration	Status	Date
<b>IA</b> Oregon	Investment Adviser Representative	Approved	08/31/2007

### Branch Office Locations

**KOVACK ADVISORS, INC.**  
Hood River, OR



## 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, 2 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
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 General Securities Representative Examination (S7)	Series 7	06/23/1997
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#### State Securities Law Exams

Exam	Category	Date
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 Uniform Investment Adviser Law Examination (S65)	Series 65	04/23/1998
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 Uniform Securities Agent State Law Examination (S63)	Series 63	08/01/1997
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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
IA	02/10/2006 - 07/23/2007	WELLS FARGO INVESTMENTS, LLC	CRD# 10582	PORTLAND, OR
B	05/02/2001 - 07/23/2007	WELLS FARGO INVESTMENTS, LLC	CRD# 10582	PORTLAND, OR
B	06/25/1997 - 05/02/2001	WELLS FARGO SECURITIES INC.	CRD# 17438	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
08/2007 - Present	KOVACK ADVISORS, INC	IINVESTMENT 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 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) 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 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	3
Customer Dispute	2
Termination	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 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



**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:** 12/02/2009

**Sanctions Ordered:** Suspension

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** SALESPERSON AND INVESTMENT ADVISOR REPRESENTATIVE

**Duration:** 45 DAYS

**Start Date:** 12/02/2009

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

**Regulator Statement** 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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**Reporting Source:** Individual

**Regulatory Action Initiated By:** OREGON DIVISION OF FINANCIAL REGULATION

**Sanction(s) Sought:** Suspension

**Date Initiated:** 11/20/2009

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

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

**Product Type:** Other: N/A

**Allegations:** 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.

**Current Status:** Final

**Resolution:** Consent

**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:** 12/02/2009

**Sanctions Ordered:** Suspension



**Sanction 1 of 1**

**Sanction Type:** Suspension  
**Capacities Affected:** SALESPERSON AND INVESTMENT ADVISOR REPRESENTATIVE  
**Duration:** 45 days  
**Start Date:** 12/02/2009  
**End Date:** 01/15/2010

**Broker Statement** 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**

**Reporting Source:** Regulator  
**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

**URL for Regulatory Action:**

**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 ADVISOR REPRESENTATIVE LICENSES ON 1-16-2010 WITH EXHIBIT A, "AGREEMENT FOR CONDITIONAL SECURITIES SALESPERSON AND INVESTMENT ADVISOR REPRESENTATIVE LICENSES IN OREGON REQUIRING HEIGHTENED SUPERVISION."



**Reporting Source:** Individual

**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

**Allegations:** THE DIRECTOR DETERMINED THAT THE PUBLIC INTEREST IS SERVED BY CONDITIONING 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.

**Broker Statement** 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**

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Other: N/A

**Date Initiated:** 10/27/2009

**Docket/Case Number:** [2007009877901](#)

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

**Product Type:** Debt-Municipal  
Equity Listed (Common & Preferred Stock)  
Mutual Fund



Unit Investment Trust  
Other: UNSPECIFIED EQUITIES

**Allegations:**

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.

**Current Status:**

Final

**Resolution:**

Acceptance, Waiver & Consent(AWC)

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?**

No

**Resolution Date:**

10/27/2009

**Sanctions Ordered:**

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

<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	ANY CAPACITY
<b>Duration:</b>	TWO MONTHS
<b>Start Date:</b>	11/16/2009
<b>End Date:</b>	01/15/2010

**Monetary Sanction 1 of 2**

<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$10,000.00
<b>Portion Levied against individual:</b>	\$10,000.00
<b>Payment Plan:</b>	
<b>Is Payment Plan Current:</b>	
<b>Date Paid by individual:</b>	01/20/2010
<b>Was any portion of penalty waived?</b>	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.

**Reporting Source:** Individual  
**Regulatory Action Initiated By:** FINRA  
**Sanction(s) Sought:** Suspension



<b>Date Initiated:</b>	10/27/2009
<b>Docket/Case Number:</b>	<a href="#">2007009877901</a>
<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
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	ANY CAPACITY
<b>Duration:</b>	TWO MONTHS
<b>Start Date:</b>	11/16/2009
<b>End Date:</b>	01/15/2010
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$10,000.00
<b>Portion Levied against individual:</b>	\$10,000.00
<b>Payment Plan:</b>	
<b>Is Payment Plan Current:</b>	
<b>Date Paid by individual:</b>	



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



## Customer Dispute

This section provides information regarding a customer dispute that was reported to the Investment Adviser Registration Depository (IARD) by the Investment Adviser Representative (IAR), an investment adviser and/or securities firm, and/or a securities regulator. The event may include a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit that contains allegations of sales practice violations against the individual.

The customer dispute may be pending or may have resulted in a civil judgment, arbitration award, monetary settlement, closure without action, withdrawal, dismissal, denial, or other outcome.

### Disclosure 1 of 2

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** WELLS FARGO SECURITIES INC.

**Allegations:** CLIENT ALLEGED SUITABILITY IN THE INVESTMENT OF VARIABLE ANNUITY.

**Product Type:** Annuity(ies) - Variable

**Alleged Damages:** \$8,030.00

### Customer Complaint Information

**Date Complaint Received:** 09/26/2001

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 01/11/2002

**Settlement Amount:** \$2,500.00

**Individual Contribution Amount:** \$2,500.00

### Disclosure 2 of 2

**Reporting Source:** Individual

**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 ACOUNT 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.



### 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:** 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:**

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**Reporting Source:** Individual  
**Firm 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 AUTORIZATION. 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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