



## IAPD Report

# MICHAEL CLARKE GATES

CRD# 2946780

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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

### MICHAEL CLARKE GATES (CRD# 2946780)

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 **07/24/2025**.

### CURRENT EMPLOYERS

|           | Firm              | CRD#      | Registered Since |
|-----------|-------------------|-----------|------------------|
| <b>B</b>  | LPL FINANCIAL LLC | CRD# 6413 | 05/14/2018       |
| <b>IA</b> | LPL FINANCIAL LLC | CRD# 6413 | 05/14/2018       |

### QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **15** 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> | MORGAN STANLEY            | 149777 | NEWPORT BEACH, CA    | 04/02/2012 - 05/17/2018 |
| <b>B</b>  | MORGAN STANLEY            | 149777 | NEWPORT BEACH, CA    | 03/30/2012 - 05/17/2018 |
| <b>B</b>  | WELLS FARGO ADVISORS, LLC | 19616  | HUNTINGTON BEACH, CA | 01/03/2011 - 04/26/2012 |

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     |
| 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 **15** jurisdiction(s) and 1 SRO(s) through his or her employer(s).

### Employment 1 of 1

Firm Name: **LPL FINANCIAL LLC**  
Main Address: 1055 LPL WAY  
FORT MILL, SC 29715  
Firm ID#: 6413

|           | Regulator  | Registration                      | Status   | Date       |
|-----------|------------|-----------------------------------|----------|------------|
| <b>B</b>  | FINRA      | General Securities Representative | Approved | 05/14/2018 |
| <b>B</b>  | Arizona    | Agent                             | Approved | 05/14/2018 |
| <b>B</b>  | California | Agent                             | Approved | 05/14/2018 |
| <b>IA</b> | California | Investment Adviser Representative | Approved | 05/14/2018 |
| <b>B</b>  | Colorado   | Agent                             | Approved | 10/17/2024 |
| <b>B</b>  | Florida    | Agent                             | Approved | 10/02/2023 |
| <b>B</b>  | Georgia    | Agent                             | Approved | 07/24/2025 |
| <b>B</b>  | Hawaii     | Agent                             | Approved | 07/13/2018 |
| <b>B</b>  | Idaho      | Agent                             | Approved | 02/04/2025 |
| <b>B</b>  | Minnesota  | Agent                             | Approved | 07/28/2025 |
| <b>B</b>  | Missouri   | Agent                             | Approved | 02/26/2025 |
| <b>B</b>  | Ohio       | Agent                             | Approved | 04/03/2019 |
| <b>B</b>  | Oregon     | Agent                             | Approved | 05/14/2018 |



### Qualifications

| Regulator             | Registration                      | Status              | Date       |
|-----------------------|-----------------------------------|---------------------|------------|
| <b>B</b> Pennsylvania | Agent                             | Approved            | 06/08/2021 |
| <b>B</b> Texas        | Agent                             | Approved            | 05/21/2018 |
| <b>IA</b> Texas       | Investment Adviser Representative | Restricted Approval | 05/25/2018 |
| <b>B</b> Utah         | Agent                             | Approved            | 06/13/2018 |
| <b>B</b> Washington   | Agent                             | Approved            | 05/14/2018 |

### Branch Office Locations

**LPL FINANCIAL LLC**  
18800 DELAWARE ST SUITE 1030  
HUNTINGTON BEACH, CA 92648



## 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 |
|------|----------|------|
|------|----------|------|

No information reported.

#### General Industry/Product Exams

| Exam | Category | Date |
|------|----------|------|
|------|----------|------|

|                                                  |     |            |
|--------------------------------------------------|-----|------------|
| Securities Industry Essentials Examination (SIE) | SIE | 10/01/2018 |
|--------------------------------------------------|-----|------------|

|                                                    |          |            |
|----------------------------------------------------|----------|------------|
| General Securities Representative Examination (S7) | Series 7 | 01/27/1998 |
|----------------------------------------------------|----------|------------|

#### State Securities Law Exams

| Exam | Category | Date |
|------|----------|------|
|------|----------|------|

|                                              |           |            |
|----------------------------------------------|-----------|------------|
| Uniform Combined State Law Examination (S66) | Series 66 | 09/01/2004 |
|----------------------------------------------|-----------|------------|

|                                                      |           |            |
|------------------------------------------------------|-----------|------------|
| Uniform Securities Agent State Law Examination (S63) | Series 63 | 02/11/1998 |
|------------------------------------------------------|-----------|------------|

### 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 | 04/02/2012 - 05/17/2018 | MORGAN STANLEY                | CRD# 149777 | NEWPORT BEACH, CA   |
| B  | 03/30/2012 - 05/17/2018 | MORGAN STANLEY                | CRD# 149777 | NEWPORT BEACH, CA   |
| B  | 01/03/2011 - 04/26/2012 | WELLS FARGO ADVISORS, LLC     | CRD# 19616  | HUNTINGTON BEACH, ( |
| IA | 01/03/2011 - 04/26/2012 | WELLS FARGO ADVISORS, LLC     | CRD# 19616  | HUNTINGTON BEACH, ( |
| IA | 09/02/2004 - 01/03/2011 | WELLS FARGO INVESTMENTS, LLC  | CRD# 10582  | NEWPORT BEACH, CA   |
| B  | 04/02/2004 - 01/03/2011 | WELLS FARGO INVESTMENTS, LLC  | CRD# 10582  | NEWPORT BEACH, CA   |
| B  | 05/01/2001 - 04/12/2004 | WM FINANCIAL SERVICES, INC.   | CRD# 599    | IRVINE, CA          |
| B  | 04/19/2000 - 05/18/2001 | CAL FED INVESTMENTS           | CRD# 19631  | SACRAMENTO, CA      |
| B  | 11/10/1998 - 05/01/2000 | WM FINANCIAL SERVICES, INC.   | CRD# 599    | IRVINE, CA          |
| B  | 01/28/1998 - 09/01/1998 | SENTRA SECURITIES CORPORATION | CRD# 10249  | PHOENIX, AZ         |

#### 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                |
|-------------------|---------------------------------------------------|---------------------------|--------------------|----------------------------------|
| 05/2018 - Present | LPL Finacial                                      | Registered Representative | Y                  | Seal Beach, CA, United States    |
| 01/2015 - 05/2018 | MORGAN STANLEY PRIVATE BANK, NATIONAL ASSOCIATION | FINANCIAL ADVISOR         | Y                  | NEW YORK, NY, United States      |
| 03/2012 - 05/2018 | MORGAN STANLEY SMITH BARNEY                       | FA RECRUIT                | Y                  | NEWPORT BEACH, CA, United States |



## Registration & Employment History



### 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) 05/14/2018 - DBA for LPL Business (entity for LPL business) - Gates Group Wealth Management - 100% - SEAL BEACH, CA 90740

2) 6/28/2018 - MJF Financial - Investment Related - At Reported Business Location(s) - DBA for LPL Business (entity for LPL business) - Start Date: 06/26/2018 - 1 Hours Per Month/1 Hours During Trading.

3). 02/15/2019 - No business name - Investment related - At reported business location(s) - Non-Variable Insurance - start date: 12/01/2018 - 1 hr/mo.



## 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     |
| 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 1

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:**

**Date Initiated:** 04/22/2015

**Docket/Case Number:** 2012032384701

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

**Product Type:** Other: UNSPECIFIED SHARES

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, GATES CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT WHILE ASSOCIATED WITH HIS FORMER MEMBER FIRM, HE EXERCISED DISCRETION IN THE ACCOUNTS OF CUSTOMERS WITHOUT FIRST OBTAINING THE CUSTOMERS' WRITTEN AUTHORIZATION THAT WAS ACCEPTED BY THE FIRM. SPECIFICALLY, GATES IMPROPERLY EXERCISED DISCRETION TO PURCHASE OR SELL SHARES FOR THE CUSTOMERS IN SOME TRADES.

**Current Status:** Final

**Resolution:** 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>                                                                                                                                                                                                                                                                                                                                                                                                       | 04/22/2015                                               |
| <b>Sanctions Ordered:</b>                                                                                                                                                                                                                                                                                                                                                                                                     | Censure<br>Civil and Administrative Penalty(ies)/Fine(s) |
| <b>If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?</b>                                                                                                                                                                                                                                                                                       | No                                                       |
| <b>(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?</b> |                                                          |
| <b>(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</b>  |                                                          |



**(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?**

**Monetary Sanction 1 of 1**

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

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

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

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 05/13/2015

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

**Amount Waived:**

**Reporting Source:** Individual

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:**

**Date Initiated:** 04/22/2015

**Docket/Case Number:** 2012032384701

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

**Product Type:** Other: UNSPECIFIED SHARES

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, GATES CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT WHILE ASSOCIATED WITH HIS FORMER MEMBER FIRM, HE EXERCISED DISCRETION IN THE ACCOUNTS OF CUSTOMERS WITHOUT FIRST OBTAINING THE CUSTOMERS' WRITTEN AUTHORIZATION THAT WAS ACCEPTED BY THE FIRM. SPECIFICALLY, GATES IMPROPERLY EXERCISED DISCRETION TO PURCHASE OR SELL SHARES FOR THE CUSTOMERS IN



|                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                             | SOME TRADES.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <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>                                                                                                                                     | 04/22/2015                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Sanctions Ordered:</b>                                                                                                                                   | Censure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <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>                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Was any portion of penalty waived?</b>                                                                                                                   | No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Amount Waived:</b>                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Broker Statement</b>                                                                                                                                     | FIRST, NOT ONE OF THE CUSTOMERS WHOSE TRADES WERE INVESTIGATED IN THIS MATTER SUFFERED ANY LOSS OF ANY KIND AS A RESULT OF ANY OF THE TRANSACTIONS THAT ARE ADDRESSED IN THE AWC. NO CLIENT COMPLAINTS WERE MADE AS A RESULT OF THE TRADERS THAT ARE REFERENCED IN THE AWC. SECOND, I DID NOT EARN OR RECEIVE ANY SEPARATE COMMISSION, FEE OR OTHER COMPENSATION AS A RESULT OF ANY OF THE TRANSACTIONS THAT ARE REFERENCED IN THE AWC, BECAUSE EACH OF THE TRANSACTIONS WERE UNDERTAKEN IN A FEE-BASED ACCOUNT FOR WHICH NO SEPARATE COMMISSION OR FEE WAS PAID OR RECEIVED AS A RESULT OF INDIVIDUAL TRANSACTIONS UNDERTAKEN IN SUCH ACCOUNTS. THIRD, I DECIDED TO RECOMMEND THE LIQUIDATION OF THE LORD ABBETT POSITIONS AT ISSUE BASED ON MY BELIEF THAT THE FUND MANAGERS WERE STYLE DRIFTING FROM WHAT THE ORIGINAL FOCUS OF FUND WAS WHEN I HAD RECOMMENDED THE PURCHASE. AS A RESULT OF WHAT I CONCLUDED WAS A SIGNIFICANT CHANGE IN THE DIRECTION OF THOSE FUNDS AND THE RESULTING INCREASE IN THE RISK FOR MY CLIENTS, I FELT THAT THE POSITIONS WERE NO LONGER CONSISTENT WITH THE OBJECTIVES FOR THE ACCOUNTS. |



### 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:** Firm

**Employing firm when activities occurred which led to the complaint:** CITICORP INVESTMENT SERVICES

**Allegations:** CLIENT'S EXECUTOR ALLEGED "UNSUITABILITY, CHURNING AND UNETHICAL GAINS BY BROKER..."

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

**Other Product Type(s):** ANNUITY - FIXED

**Alleged Damages:** \$19,340.00

#### Customer Complaint Information

**Date Complaint Received:** 04/18/2007

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 06/19/2007

#### Settlement Amount:

#### Individual Contribution Amount:

**Firm Statement** CLAIM DENIED AS WITHOUT MERIT.

**Reporting Source:** Individual

**Employing firm when activities occurred which led to the complaint:** CITICORP INVESTMENT SERVICES

**Allegations:** CLIENT'S EXECUTOR ALLEGED "UNSUITABILITY, CHURNING AND UNETHICAL GAINS BY BROKER..."

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

**Other Product Type(s):** ANNUITY - FIXED

**Alleged Damages:** \$19,340.00

#### Customer Complaint Information

**Date Complaint Received:** 04/18/2007

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 06/19/2007



**Settlement Amount:**

**Individual Contribution Amount:**

**Broker Statement**

I DO NOT REMEMBER CLIENT, I AM CURRENTLY WORKING WITH MY PRIOR FIRM TO RESOLVE AND VERIFY COMPLAINT.

**Disclosure 2 of 2**

**Reporting Source:**

Firm

**Employing firm when activities occurred which led to the complaint:**

WM FINANCIAL SERVICES, INC.

**Allegations:**

TRUSTE ON ACCOUNT ALLEGES PRODUCT RECOMMEDATION WERE NOT SUITABLE FOR HIS GRANDMOTHER

**Product Type:**

Annuity(ies) - Variable

**Alleged Damages:**

\$250,000.00

**Customer Complaint Information**

**Date Complaint Received:**

08/18/2005

**Complaint Pending?**

No

**Status:**

Denied

**Status Date:**

10/11/2005

**Settlement Amount:**

**Individual Contribution Amount:**

**Firm Statement**

RESEARCH INDICATES FULL AND FAIR DISCLOSURE WAS PROVIDED.

---

**Reporting Source:**

Individual

**Employing firm when activities occurred which led to the complaint:**

WM FINANCIAL SERVICES, INC.

**Allegations:**

TRUSTEE ON ACCOUNT ALLEGES PRODUCT RECOMMENDATION WERE NOT SUITABLE FOR HIS GRANDMOTHER.

**Product Type:**

Annuity(ies) - Variable

**Alleged Damages:**

\$250,000.00

**Customer Complaint Information**

**Date Complaint Received:**

08/18/2005

**Complaint Pending?**

No

**Status:**

Denied

**Status Date:**

10/11/2005

**Settlement Amount:**

**Individual Contribution Amount:**



**Broker Statement**

THE TRUSTEE/BENEFICIARY WAS DIRECTLY INVOLVED WITH THE CHOICE OF ALLOCATION OF HIS GRANDMOTHERS ACCOUNTS. THE GROWTH NATURE OF THE INVESTMENTS WAS DETERMINED BY THE TRUSTEE/ BENEFICIARY INFORMATION PROVIDED ON INVESTMENT OBJECTIVE, EXPERIENCE IN THE MARKET, AND INCOME NEEDS. MY ADVICE TO THE CUSTOMER WITH A GROWTH ALLOCATION WAS TO PROTECT THE PRINCIPAL WITH A DEATH BENEFIT. THE PURCHASE OF THESE INVESTMENTS AND MY DEPARTURES FROM WMFS WAS WITHIN A TWO MONTH PERIOD. AFTER I LEFT WMFS, THE CLIENT INITIATED ADDITIONAL WITHDRAWALS, I ASSUME FOR HEALTHCARE NEEDS. IF THERE WAS A SIGNIFICANT CHANGE IN THE CLIENT OBJECTIVES OR COST OF LIVING A NEW SUITABILITY AND INVESTMENT OBJECTIVE SHOULD HAVE BEEN COMPLETED WITH THE NEW BROKER OF RECORD.

I CONTEST THE AMOUNT OF DAMAGES INDICATED, BECAUSE THE CUSTOMER WAS ABLE TO WITHDRAW SIGNIFICANT AMOUNTS OF FUNDS FROM THE PORTFOLIO OVER A PERIOD OF TIME THAT SHE HELD THESE INVESTMENTS PRIOR TO DEATH. THE TRUSTEE/ BENEFICIARY RECEIVED OVER THE TIME OF THE INVESTMENT ALL MONIES DEPOSITED THROUGH WITHDRAWALS AND DEATH BENEFITS PAID AT DEATH. THERE WAS NO MARKET LOSS.

THE SELECTION OF SUB ACCOUNTS AND MUTUAL FUNDS WAS BASED ON THE NEEDS OF THE CLIENT AND WAS FULLY UNDERSTOOD AND INFLUENCED BY THE TRUSTEES/BENEFICIARY.



## 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 ADVISORS, LLC.  
**Termination Type:** Voluntary Resignation  
**Termination Date:** 03/30/2012  
**Allegations:** MR. GATES MAY HAVE ENTERED MUTUAL FUND SALE ORDERS ON BEHALF OF CLIENTS ON DISCRETION WITHOUT HAVING OBTAINED WRITTEN AUTHORIZATION.  
**Product Type:** No Product

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**Reporting Source:** Individual  
**Firm Name:** WELLS FARGO ADVISORS, INC.  
**Termination Type:** Voluntary Resignation  
**Termination Date:** 03/30/2012  
**Allegations:** MR. GATES MAY HAVE ENTERED MUTUAL FUND SALE ORDERS ON BEHALF OF CLIENTS ON DISCRETION WITHOUT HAVING OBTAINED WRITTEN AUTHORIZATION.  
**Product Type:** No Product



## End of Report

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