



IAPD Report

JOHN MICHAEL CRUSE

CRD# 4326987

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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 MICHAEL CRUSE (CRD# 4326987)

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 **01/03/2023**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	CRUSE INVESTMENTS	CRD# 168568	09/19/2013

QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **1** 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	LPL FINANCIAL LLC	6413	PETALUMA, CA	07/01/2011 - 07/03/2013
IA	LPL FINANCIAL LLC	6413	PETALUMA, CA	07/01/2011 - 07/03/2013
B	WELLS FARGO ADVISORS, LLC	19616	SONOMA, CA	01/03/2011 - 06/28/2011

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



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 **1** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **CRUSE INVESTMENTS**
Main Address: PETALUMA, CA
Firm ID#: 168568

Regulator	Registration	Status	Date
IA California	Investment Adviser Representative	Approved	09/19/2013

Branch Office Locations

CRUSE INVESTMENTS
PETALUMA, 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, 1 general industry/product exam, and 1 state securities law exam.

Principal/Supervisory Exams

Exam	Category	Date
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No information reported.

General Industry/Product Exams

Exam	Category	Date
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B General Securities Representative Examination (S7)	Series 7	02/22/2001
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State Securities Law Exams

Exam	Category	Date
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IA B Uniform Combined State Law Examination (S66)	Series 66	04/26/2001
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PROFESSIONAL DESIGNATIONS

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

No information reported.



Registration & Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
B	07/01/2011 - 07/03/2013	LPL FINANCIAL LLC	CRD# 6413	PETALUMA, CA
IA	07/01/2011 - 07/03/2013	LPL FINANCIAL LLC	CRD# 6413	PETALUMA, CA
B	01/03/2011 - 06/28/2011	WELLS FARGO ADVISORS, LLC	CRD# 19616	SONOMA, CA
IA	01/03/2011 - 06/28/2011	WELLS FARGO ADVISORS, LLC	CRD# 19616	SONOMA, CA
IA	08/31/2001 - 01/03/2011	WELLS FARGO INVESTMENTS, LLC	CRD# 10582	SONOMA, CA
B	05/02/2001 - 01/03/2011	WELLS FARGO INVESTMENTS, LLC	CRD# 10582	SONOMA, CA
B	02/23/2001 - 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
07/2013 - Present	CRUSE INVESTMENTS	OWNER	Y	PETALUMA, 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.

No information reported.



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

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:	07/01/2013
Docket/Case Number:	2011028320301
Employing firm when activity occurred which led to the regulatory action:	WELLS FARGO SECURITIES, INC. N/K/A WELLS FARGO ADVISORS, LLC
Product Type:	Other: UNSPECIFIED SECURITIES
Allegations:	FINRA RULE 2010, NASD RULE 2510(B): CRUSE EXECUTED DISCRETIONARY TRADES IN CUSTOMER ACCOUNTS WITHOUT OBTAINING PRIOR WRITTEN AUTHORIZATION FROM THE CUSTOMERS AND WRITTEN ACCEPTANCE FROM HIS MEMBER FIRM. CRUSE AND ANOTHER REGISTERED REPRESENTATIVE HANDLED A JOINT BROKERAGE ACCOUNT FOR CUSTOMERS AS WELL AS SINGLE MANAGED ACCOUNTS FOR OTHER CUSTOMERS. ALL FIRM MANAGED ACCOUNTS WERE NON-DISCRETIONARY AS FIRM POLICY PROHIBITED THE EXERCISE OF DISCRETION EXCEPT IN INSTANCES WHERE SPECIAL PERMISSION WAS GRANTED TO A REGISTERED REPRESENTATIVE WHO APPLIED FOR THE PRIVILEGE. CRUSE AND THE REGISTERED REPRESENTATIVE RECOMMENDED A SPECIFIC PORTFOLIO TRADING MODEL TO THE CUSTOMERS, AND OBTAINED THEIR VERBAL AUTHORIZATION TO EXECUTE TRADES PURSUANT TO THIS TRADING MODEL. CRUSE EXERCISED DISCRETION IN THESE CUSTOMER ACCOUNTS FOR THE PURPOSE OF REPOSITIONING THE CUSTOMERS' PORTFOLIOS IN ACCORDANCE WITH



THE TRADING MODEL. CRUSE, HOWEVER, FAILED TO SPEAK TO THE CUSTOMERS ON THE ACTUAL TRADE DATE, PRIOR TO EFFECTING THE TRADES. IN ADDITION, CRUSE NEVER OBTAINED WRITTEN DISCRETIONARY AUTHORIZATION FOR ANY OF THE CUSTOMERS' ACCOUNTS, NOT DID THE FIRM EVER GRANT HIM SPECIAL PERMISSION TO EXERCISE DISCRETION IN THESE CUSTOMER ACCOUNTS. CRUSE AND THE REGISTERED REPRESENTATIVE HANDLED THE JOINT ACCOUNT OF TWO CUSTOMERS. THE DAY AFTER ONE OF THE CUSTOMERS DIED, CRUSE EXECUTED DISCRETIONARY TRADES FOR THE JOINT ACCOUNT, WITHOUT SPEAKING TO EITHER ACCOUNTHOLDER BEFORE THE TRANSACTIONS. CRUSE ROUTINELY EXERCISED DISCRETIONARY TRADES IN THE ACCOUNTS OF SEPARATE CUSTOMERS. ALTHOUGH THE CUSTOMERS EACH AGREED TO FOLLOW THE PORTFOLIO TRADING MODEL THAT CRUSE RECOMMENDED, CRUSE DID NOT SPEAK WITH EITHER CUSTOMER ON THE DATES HE EXECUTED TRADES FOR THEIR SEPARATE ACCOUNTS.

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: 07/01/2013

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:	ANY CAPACITY
Duration:	10 BUSINESS DAYS
Start Date:	08/05/2013
End Date:	08/16/2013

Monetary Sanction 1 of 1

Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$5,000.00
Portion Levied against individual:	\$5,000.00
Payment Plan:	
Is Payment Plan Current:	Yes
Date Paid by individual:	07/17/2013
Was any portion of penalty waived?	No

**Amount Waived:****Regulator Statement**

WITHOUT ADMITTING OR DENYING THE FINDINGS, CRUSE CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE HE IS FINED \$5,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR 10 BUSINESS DAYS. THE SUSPENSION IS IN EFFECT AUGUST 5, 2013 THROUGH AUGUST 16, 2013. FINE PAID IN FULL ON JULY 17, 2013.

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Reporting Source:

Firm

Regulatory Action Initiated By:

FINRA

Sanction(s) Sought:

Other: N/A

Date Initiated:

07/01/2013

Docket/Case Number:[2011028320301](#)**Employing firm when activity occurred which led to the regulatory action:**

WELLS FARGO SECURITIES, INC. N/K/A WELLS FARGO ADVISORS, LLC

Product Type:

Other: UNSPECIFIED SECURITIES

Allegations:

FINRA RULE 2010, NASD RULE 2510(B): CRUSE EXECUTED DISCRETIONARY TRADES IN CUSTOMER ACCOUNTS WITHOUT OBTAINING PRIOR WRITTEN AUTHORIZATION FROM THE CUSTOMERS AND WRITTEN ACCEPTANCE FROM HIS MEMBER FIRM. CRUSE AND ANOTHER REGISTERED REPRESENTATIVE HANDLED A JOINT BROKERAGE ACCOUNT FOR CUSTOMERS AS WELL AS SINGLE MANAGED ACCOUNTS FOR OTHER CUSTOMERS. ALL FIRM MANAGED ACCOUNTS WERE NON-DISCRETIONARY AS FIRM POLICY PROHIBITED THE EXERCISE OF DISCRETION EXCEPT IN INSTANCES WHERE SPECIAL PERMISSION WAS GRANTED TO A REGISTERED REPRESENTATIVE WHO APPLIED FOR THE PRIVILEGE. CRUSE AND THE REGISTERED REPRESENTATIVE RECOMMENDED A SPECIFIC PORTFOLIO TRADING MODEL TO THE CUSTOMERS, AND OBTAINED THEIR VERBAL AUTHORIZATION TO EXECUTE TRADES PURSUANT TO THIS TRADING MODEL. CRUSE EXERCISED DISCRETION IN THESE CUSTOMER ACCOUNTS FOR THE PURPOSE OF REPOSITIONING THE CUSTOMERS' PORTFOLIOS IN ACCORDANCE WITH THE TRADING MODEL. CRUSE, HOWEVER, FAILED TO SPEAK TO THE CUSTOMERS ON THE ACTUAL TRADE DATE, PRIOR TO EFFECTING THE TRADES. IN ADDITION, CRUSE NEVER OBTAINED WRITTEN DISCRETIONARY AUTHORIZATION FOR ANY OF THE CUSTOMERS' ACCOUNTS, NOR DID THE FIRM EVER GRANT HIM SPECIAL PERMISSION TO EXERCISE DISCRETION IN THESE CUSTOMER ACCOUNTS. CRUSE AND THE REGISTERED REPRESENTATIVE HANDLED THE JOINT ACCOUNT OF TWO CUSTOMERS. THE DAY AFTER ONE OF THE CUSTOMERS DIED, CRUSE EXECUTED DISCRETIONARY TRADES FOR THE JOINT ACCOUNT, WITHOUT SPEAKING TO EITHER ACCOUNTHOLDER BEFORE THE TRANSACTIONS. CRUSE ROUTINELY EXERCISED DISCRETIONARY TRADES IN THE ACCOUNTS OF SEPARATE CUSTOMERS. ALTHOUGH THE CUSTOMERS EACH AGREED TO FOLLOW THE PORTFOLIO TRADING MODEL THAT CRUSE RECOMMENDED, CRUSE DID NOT SPEAK WITH EITHER CUSTOMER ON THE DATES HE EXECUTED TRADES FOR THEIR SEPARATE ACCOUNTS.

Current Status:

Final



Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 07/01/2013
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: ANY CAPACITY
Duration: 10 BUSINESS DAYS
Start Date: 08/05/2013
End Date: 08/16/2013

Monetary Sanction 1 of 1

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)
Total Amount: \$5,000.00
Portion Levied against individual: \$5,000.00
Payment Plan:
Is Payment Plan Current:
Date Paid by individual:
Was any portion of penalty waived? No

Amount Waived:

Firm Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, CRUSE CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE HE IS FINED \$5,000 AND SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR 10 BUSINESS DAYS. THE SUSPENSION IS IN EFFECT AUGUST 5, 2013 THROUGH AUGUST 16, 2013.

Reporting Source: Individual
Regulatory Action Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
Sanction(s) Sought: Civil and Administrative Penalty(ies)/Fine(s)
Suspension
Date Initiated: 07/01/2013



Docket/Case Number: 2011028320301

Employing firm when activity occurred which led to the regulatory action: WELLS FARGO SECURITIES, INC. AKA WELLS FARGO ADVISORS, LLC

Product Type: Other: UNSPECIFIED SECURITIES

Allegations: FINRA RULE 2010, NASD RULE 2510(8): CRUSE EXECUTED DISCRETIONARY TRADES IN CUSTOMER ACCOUNTS WITHOUT OBTAINING PRIOR WRITTEN AUTHORIZATION FROM THE CUSTOMERS AND WRITTEN ACCEPTANCE FROM HIS MEMBER FIRM. CRUSE AND ANOTHER REGISTERED REPRESENTATIVE HANDLED A JOINT BROKERAGE ACCOUNT FOR CUSTOMERS AS WELL AS SINGLE MANAGED ACCOUNTS FOR OTHER CUSTOMERS. AL-L FIRM MANAGED ACCOUNTS WERE NON-DISCRETIONARY AS FIRM POLICY PROHIBITED THE EXERCISE OF DISCRETION EXCEPT IN INSTANCES WHERE SPECIAL PERMISSION WAS GRANTED TO A REGISTERED REPRESENTATIVE WHO APPLIED FOR THE PRIVILEGE. CRUSE AND THE REGISTERED REPRESENTATIVE RECOMMENDED A SPECIFIC PORTFOLIO TRADING MODEL TO THE CUSTOMERS, AND OBTAINED THEIR VERBAL AUTHORIZATION TO EXECUTE TRADES PURSUANT TO THIS TRADING MODEL. CRUSE EXERCISED DISCRETION IN THESE CUSTOMER ACCOUNTS FOR THE PURPOSE OF REPOSITIONING THE CUSTOMERS' PORTFOLIOS IN ACCORDANCE WITH THE TRADING MODEL. CRUSE, HOWEVER, FAILED TO SPEAK TO THE CUSTOMERS ON THE ACTUAL TRADE DATE, PRIOR TO EFFECTING THE TRADES. IN ADDITION, CRUSE NEVER OBTAINED WRITTEN DISCRETIONARY AUTHORIZATION FOR ANY OF THE CUSTOMERS' ACCOUNTS, NOT DID THE FIRM EVER GRANT HIM SPECIAL PERMISSION TO EXERCISE DISCRETION IN THESE CUSTOMER ACCOUNTS. CRUSE AND THE REGISTERED REPRESENTATIVE HANDLED THE JOINT ACCOUNT OF TWO CUSTOMERS. THE DAY AFTER ONE OF THE CUSTOMERS DIED, CRUSE EXECUTED DISCRETIONARY TRADES FOR THE JOINT ACCOUNT, WITHOUT SPEAKING TO EITHER ACCOUNT HOLDER BEFORE THE TRANSACTIONS. CRUSE ROUTINELY EXERCISED DISCRETIONARY TRADES IN THE ACCOUNTS OF SEPARATE CUSTOMERS. ALTHOUGH THE CUSTOMERS EACH AGREED TO FOLLOW THE PORTFOLIO TRADING MODEL THAT CRUSE RECOMMENDED, CRUSE DID NOT SPEAK WITH EITHER CUSTOMER ON THE DATES HE EXECUTED TRADES FOR THEIR SEPARATE ACCOUNTS.

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: 07/01/2013

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

Sanction 1 of 1

Sanction Type: Suspension

Capacities Affected: ANY CAPACITY



Duration: 10 DAYS
Start Date: 08/05/2013
End Date: 08/16/2013

Monetary Sanction 1 of 1

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

Total Amount: \$5,000.00

Portion Levied against individual: \$5,000.00

Payment Plan: N/A

Is Payment Plan Current: Yes

Date Paid by individual: 07/01/2013

Was any portion of penalty waived? No

Amount Waived:

Broker Statement

MR. CRUSE WAS UNCLEAR ON WHETHER THE ACCOUNTS IN QUESTION WERE NON-DISCRETIONARY. THERE WERE NO CUSTOMER COMPLAINTS RELATED TO THIS MATTER. NO MONIES WERE LOST. MR. CRUSE DID NOT BENEFIT PERSONALLY FROM THE INCIDENT. AT WORST, MR. CRUSE COMMITTED A GOOD FAITH ERROR. MR. CRUSE WELCOMES INQUIRIES FROM CURRENT OR PROSPECTIVE CLIENTS REGARDING THIS MATTER.



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: Permitted to Resign
Termination Date: 06/07/2011
Allegations: PERMITTED TO RESIGN FOLLOWING POLICY VIOLATION RELATING TO EXERCISING DISCRETION IN MANAGED ACCOUNTS.
Product Type: No Product

Reporting Source: Individual
Firm Name: WELLS FARGO ADVISORS, LLC
Termination Type: Permitted to Resign
Termination Date: 06/07/2011
Allegations: PERMITTED TO RESIGN FOLLOWING POLICY VIOLATION RELATING TO EXERCISING DISCRETION IN MANAGED ACCOUNTS.
Product Type: No Product

Broker Statement MR. CRUSE STRONGLY OBJECTS TO THE PURPORTED REASONS FOR THE TERMINATION. THE EVENTS LEADING TO THE TERMINATION WERE RELATED TO AN ACCOUNT HOLDER'S DEATH-OF WHICH MR. CRUSE WAS NOT AWARE. MR. CRUSE WELCOMES INQUIRIES FROM CURRENT OR PROSPECTIVE CLIENTS REGARDING THIS MATTER.



End of Report

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