

## BrokerCheck Report

### ALFRED CHI CHEN

CRD# 3173732

Report #80819-83347, data current as of Tuesday, December 20, 2011.

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## Dear Investor:

FINRA has generated the following BrokerCheck report for **ALFRED C. CHEN**. The information contained within this report has been provided by a FINRA member firm(s) and securities regulators as part of the securities industry's registration and licensing process and represents the most current information reported to the Central Registration Depository (CRD®) system.

FINRA regulates the securities markets for the ultimate benefit and protection of the investor. FINRA believes the general public should have access to information that will help them determine whether to conduct, or continue to conduct, business with a FINRA member firm or any of the member's associated persons. To that end, FINRA has adopted a public disclosure policy to make certain types of information available to you. Examples of information FINRA provides on currently registered individuals and individuals who were registered during the past ten years include: actions by regulators, investment-related civil suits, customer disputes that contain allegations of sales practice violations against brokers, all felony charges and convictions, misdemeanor charges and convictions relating to securities violations, and financial events such as bankruptcies, compromises with creditors, judgments, and liens. FINRA also provides on a permanent basis certain information on former registered individuals, if any of the following applies, as reported to CRD on a uniform registration form: (1) the person was the subject of a final regulatory event; (2) the person was convicted of or pled guilty or nolo contendere to a crime; (3) the person was the subject of a civil injunction or civil court finding involving a violation of any investment-related statute(s) or regulation(s); or (4) the person was named as a respondent or defendant in an arbitration or civil litigation that resulted in an award, decision or judgment for a customer.

When evaluating this report, please keep in mind that it may include items that involve pending actions or allegations that may be contested and have not been resolved or proven. Such items may, in the end, be withdrawn or dismissed, or resolved in favor of the firm or broker, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

The information in this report is not the only resource you should consult. FINRA recommends that you learn as much as possible about the individual broker or brokerage firm from other sources, such as professional references, local consumer and investment groups, or friends and family members who already have established investment business relationships.

FINRA BrokerCheck is governed by federal law, Securities and Exchange Commission (SEC) regulations and FINRA rules approved by the SEC. State disclosure programs are governed by state law, and may provide additional information on brokers and firms licensed by the state. Therefore, you should also consider requesting information from your state securities regulator. Refer to [www.nasaa.org](http://www.nasaa.org) for a complete list of state securities regulators.

**Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at [brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit \[www.finra.org\]\(http://www.finra.org\).](#)

**ALFRED C. CHEN**

CRD# 3173732

This broker is not currently registered with a FINRA firm.

## Report Summary for this Broker



The report summary provides an overview of the broker's professional background and conduct. The individual broker, a FINRA-registered firm(s), and/or securities regulator(s) have provided the information contained in this report as part of the securities industry's registration and licensing process. The information contained in this report was last updated by the broker, a previous employing brokerage firm, or a securities regulator on 11/28/2011.

### Broker Qualifications

**This broker is not currently registered with a FINRA firm.**

#### This broker has passed:

- 0 Principal/Supervisory Exams
- 1 General Industry/Product Exam
- 1 State Securities Law Exam

### Registration and Employment History

This broker was previously registered with the following FINRA member firms:

#### **WELLS FARGO INVESTMENTS, LLC**

CRD# 10582  
SACRAMENTO, CA  
05/2001 - 12/2008

#### **WELLS FARGO SECURITIES INC.**

CRD# 17438  
SAN FRANCISCO, CA  
09/2000 - 05/2001

#### **AMERICAN EXPRESS FINANCIAL ADVISORS INC.**

CRD# 6363  
MINNEAPOLIS, MN  
02/1999 - 10/2000

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

### Disclosure of Customer Disputes, Disciplinary, and Regulatory Events

This section includes details regarding disclosure events reported by or about this broker to CRD as part of the securities industry registration and licensing process. Examples of such disclosure events include formal investigations and disciplinary actions initiated by regulators, customer disputes, certain criminal charges and/or convictions, as well as financial disclosures, such as bankruptcies and unpaid judgments or liens.

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

#### The following types of disclosures were reported:

Regulatory Event

Customer Dispute

Termination

### Investment Adviser Representative Information

Is there information available about this individual in the Investment Adviser Public Disclosure Program? **Yes**

## Broker Qualifications



### Registrations

This section provides the self-regulatory organizations (SROs), states and U.S. territories the broker is currently registered and licensed with, the category of each registration, and the date on which the registration became effective. This section also provides the physical location of each branch that the individual broker is associated with for each listed employment.

This broker is not currently registered with a FINRA firm.



## Broker Qualifications

### Industry Exams this Broker has Passed

This section includes all current principal/supervisory, general product/industry, and/or state securities law exams that the broker has passed. Under certain, limited circumstances, a broker may receive a waiver of an exam requirement based on a combination of previous exams passed and qualifying work experience. Likewise, a new exam requirement may be grandfathered based on a broker's specific qualifying work experience. Information regarding instances of exam waivers or the grandfathering of an exam requirement are not included as part of the BrokerCheck report.

**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
No information reported.		

### General Industry/Product Exams

Exam	Category	Date
General Securities Representative Examination	Series 7	02/23/1999

### State Securities Law Exams

Exam	Category	Date
Uniform Combined State Law Examination	Series 66	04/01/1999

Additional information about the securities industry's qualifications and continuing education requirements, as well as the examinations administered by FINRA to brokers and other securities professionals can be found at <http://www.finra.org/Industry/Compliance/Registration/QualificationsExams/index.htm>.



## Registration and Employment History

### Previously Registered with the Following FINRA Firms

FINRA records show this broker previously held FINRA registrations with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
05/2001 - 12/2008	WELLS FARGO INVESTMENTS, LLC	10582	SACRAMENTO, CA
09/2000 - 05/2001	WELLS FARGO SECURITIES INC.	17438	SAN FRANCISCO, CA
02/1999 - 10/2000	AMERICAN EXPRESS FINANCIAL ADVISORS INC.	6363	MINNEAPOLIS, MN
02/1999 - 10/2000	IDS LIFE INSURANCE COMPANY	6321	MINNEAPOLIS, MN

### Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

**Please note that the broker is required to provide this information only while registered with a FINRA firm and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.**

Employment Dates	Employer Name	Employer Location
05/2001 - Present	WELLS FARGO INVESTMENTS, LLC	SACRAMENTO, CA

### Affiliations

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

## Disclosure of Customer Disputes, Disciplinary, and Regulatory Events



### What you should know and/or consider regarding any reported disclosure events:

- Before reaching a conclusion regarding any of the information contained in this BrokerCheck report, you should ask the broker to clarify the specific event(s) listed, or to provide a response to any questions you may have.
- "Pending" actions involve unproven and/or unsubstantiated allegations.

### Disclosures in BrokerCheck reports come from different sources:

- **Self-disclosure:** Brokers are required to answer a series of questions on their application requesting securities industry registration (Form U4). For example, brokers are asked whether they have been involved in certain regulatory, civil, criminal and financial matters (e.g., bankruptcy), or have been the subject of a customer dispute.
- **Regulator/Employer postings:** In addition, regulators and firms that have employed a broker also may contribute relevant information about such matters. All of this information is maintained in CRD.

### Certain thresholds must be met before an event is reported to CRD; for example:

- A **law enforcement agency** must file formal charges before a broker is required to report a particular criminal event.
- Likewise, a **regulatory agency** must meet established standards before initiating a regulatory action and/or issuing sanctions. These standards typically include a reasonable basis for initiating the action after engaging in a fact-finding process.

### In order for a *customer* dispute to be reported to CRD, a customer must:

- Allege that their broker engaged in activity that violates certain rules or conduct governing the industry; and
- Claim damages of \$5,000 or more as a result of that activity.

(Note: customer disputes may be more subjective in nature than a criminal or regulatory action)

### What you should consider when evaluating the status or disposition of a reported disclosure event:

- **Disclosure events may be *pending*, *on appeal*, or *final*.** *Pending* and *'on appeal'* matters reflect allegations that (1) have not been proven or formally adjudicated, or (2) have been adjudicated but are currently being appealed. *Final* matters generally may be *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 parties involved in a dispute reach an agreement to resolve the matter.
- (Note: brokers may choose to settle customer disputes or regulatory matters for business or other reasons)
- Customer disputes also may be ***resolved*** without any payment to the customer or any finding of wrongdoing on the part of the individual broker.



Possible multiple reporting sources -- please note:

Disclosure details may be reported by more than one source (i.e., regulator, firm, or broker). When this occurs, all versions of the event will appear in the BrokerCheck report. The different versions of the same disclosure event are separated by a solid line with the reporting source labeled.



	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	1	0	0
Customer Dispute	0	23	N/A
Termination	N/A	1	N/A



## Disclosure Event Details

When evaluating this information, please keep in mind that a number of items may involve pending actions or allegations that may be contested and have not been resolved or proven. The items may, in the end, be withdrawn or dismissed, or resolved in favor of the individual broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD by the individual broker, a member firm(s), and/or by securities industry regulators. Some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

### Regulatory - Pending

This section provides information regarding a pending regulatory action that was reported to CRD by the individual broker, a member firm, and/or a securities regulator. The event may include a formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a self-regulatory organization, a federal regulatory agency such as the SEC or the Commodities Futures Trading Commission (CFTC), or a foreign financial regulatory body) for alleged violations of investment-related rules or regulations that is pending.

#### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Other: N/A
<b>Date Initiated:</b>	11/23/2011
<b>Docket/Case Number:</b>	2008015651902
<b>Employing firm when activity occurred which led to the regulatory action:</b>	WELLS FARGO INVESTMENTS, LLC
<b>Product Type:</b>	Other: REVERSE CONVERTIBLE NOTES
<b>Allegations:</b>	NASD RULES 2110, 2310: IN 2008, CHEN ENGAGED IN UNAUTHORIZED TRADING IN THREE CUSTOMERS' ACCOUNTS. TWO OF THE CUSTOMERS WERE DEAD AT THE TIME THE TRADES WERE PLACED AND EXECUTED; A CUSTOMER HAD A NON-DISCRETIONARY IRA ACCOUNT AND THE OTHER HAD A NON-DISCRETIONARY INVESTMENT ACCOUNT. AFTER THE CUSTOMER'S DEATH, CHEN PLACED EIGHT TRADES IN THE CUSTOMER'S IRA ACCOUNT, PURCHASING ALMOST \$29,000 IN SECURITIES AND ALL BUT DEPLETING THE AVAILABLE CASH IN THE ACCOUNT. AFTER THE OTHER CUSTOMER'S DEATH, CHEN SOLD 112 SHARES OF STOCK, GENERATING



PROCEEDS OF \$6,201.91, FROM THE INVESTMENT ACCOUNT. THE THIRD CUSTOMER WAS A SELF-EMPLOYED ACCOUNTANT WITH A NON-DISCRETIONARY TRUST ACCOUNT AND SPECIFICALLY INSTRUCTED CHEN NOT TO MAKE ANY PURCHASES FROM HER ACCOUNT BECAUSE SHE NEEDED THE CASH TO PAY TAXES AND INTENDED TO INVEST IN HER EMPLOYEE PENSION ACCOUNT. THREE WEEKS AFTER THAT INSTRUCTION, CHEN USED ALL OF THE CASH IN THE ACCOUNT TO PURCHASE APPROXIMATELY \$75,000 IN MUTUAL FUNDS. BETWEEN LATE 2006 AND JULY 2008, CHEN MADE UNSOLICITED RECOMMENDATIONS AND EFFECTED UNSUITABLE REVERSE CONVERTIBLE NOTE (RCN) TRANSACTIONS FOR TWENTY-THREE CUSTOMERS. RCNS ARE COMPLEX, HIGHLY VOLATILE STRUCTURED PRODUCTS, AND THEY ARE HIGHLY VOLATILE. CONSEQUENTLY, THEY ARE NOT SUITABLE FOR INVESTORS WHO HAVE LITTLE OR NO INVESTMENT EXPERIENCE, CONSERVATIVE INVESTMENT OBJECTIVES OR LOW RISK TOLERANCE. BECAUSE REVERSE CONVERTIBLES ARE COMPLEX INVESTMENTS, THE MEMBER FIRM REQUIRED ALL OF ITS SALES PROFESSIONALS, INCLUDING CHEN, TO TAKE AN IN-HOUSE REVERSE CONVERTIBLES COURSE BEFORE THE REPRESENTATIVES COULD OFFER REVERSE CONVERTIBLES TO SUITABLE CLIENTS. HAVING COMPLETED THE COURSE, CHEN WOULD UNDERSTAND THAT REVERSE CONVERTIBLES ARE SUITABLE FOR SOPHISTICATED INVESTORS. MOST OF THE RCN CUSTOMERS WERE RETIRED, LIVING ON A FIXED INCOME AND HAD LITTLE OR NO INVESTING EXPERIENCE. NONE OF THE RCN CUSTOMERS HAD EVER INVESTED IN A COMPLEX PRODUCT LIKE A REVERSE CONVERTIBLE. MANY OF THE RCN CUSTOMERS DESCRIBED THEMSELVES AS HAVING A "LOW" RISK TOLERANCE, AND LISTED THEIR INVESTMENT GOALS AS CONSERVATIVE INCOME AND PRESERVATION OF CAPITAL OR INCOME. IN SOME CASES, CHEN CHANGED THE RISK TOLERANCE FROM "LOW" RISK TO "MEDIUM" SO THAT THE CUSTOMERS' RCN PURCHASES WOULD BE APPROVED BY THE FIRM. CHEN RECOMMENDED REVERSE CONVERTIBLES INDISCRIMINATELY TO RCN CUSTOMERS. CHEN DID NOT STOP WITH THE INITIAL RECOMMENDATION TO HIS CUSTOMERS TO BUY RCNS; RATHER, HE STEADILY BUILT UP THE CONCENTRATION OF RCNS IN THE CUSTOMERS' ACCOUNTS OVER TIME SUCH THAT MOST OF THE RCN CUSTOMERS HAD ALL, OR CLOSE TO ALL, OF THE ASSETS IN THEIR ACCOUNTS INVESTED IN RCNS. CHEN WAS SO RELENTLESS IN SWITCHING HIS CUSTOMERS INTO RCNS THAT HE WAS THE FIRM'S SECOND-HIGHEST PRODUCER OF RCN REVENUE IN 2007, AND IN 2008 WAS THE FIRM'S HIGHEST RCN REVENUE PRODUCER. AROUND APRIL 2007, CHEN WAS PROMOTED TO VICE PRESIDENT AND SENIOR FINANCIAL CONSULTANT. CHEN CONTINUED AGGRESSIVELY PROMOTING RCNS UNTIL APPROXIMATELY JULY, 2008, WHEN THE FIRM DEMANDED THAT HE REDUCE HIS CUSTOMERS' CONCENTRATIONS IN THE PRODUCT. CHEN'S UNSUITABLE RECOMMENDATIONS RESULTED IN SIGNIFICANT INCOME



FOR HIM AND LOSSES FOR MANY OF HIS CUSTOMERS. WHEN THE REFERENCE ASSET FOR A PARTICULAR RCN DECLINED, CHEN'S CUSTOMERS WERE PUT THE STOCK. THE MARKET VALUE OF THE STOCK WAS ALWAYS, AND SOMETIMES SIGNIFICANTLY, LESS THAN THE VALUE OF THE RCN CUSTOMER'S INITIAL PRINCIPAL INVESTMENT. ON SOME OCCASIONS, WHEN RCN CUSTOMERS WERE PUT THE STOCK, CHEN RECOMMENDED THAT THEY SELL THE STOCK AND USE THE PROCEEDS TO BUY MORE RCNS. IN THOSE TRANSACTIONS, THE RCN CUSTOMERS PAID COMMISSIONS TO SELL THE STOCK PUT TO THEM, AND CHEN ALSO GOT PAID WHEN THE NEW REVERSE CONVERTIBLES WERE PURCHASED WITH THE PROCEEDS FROM THE STOCK SALE. CHEN WAS HIGHLY PAID FOR HIS UNSUITABLE RECOMMENDATIONS. CHEN'S RECOMMENDATIONS TO PURCHASE RCNS RESULTED IN APPROXIMATELY \$192,945.25 IN GROSS DEALER COMMISSIONS AND CHEN RECEIVED APPROXIMATELY \$69,000 FOR THESE TRANSACTIONS.

**Current Status:**

Pending



## Customer Dispute - Settled

This section provides information regarding a settled customer dispute that was reported to CRD by the individual broker, a member firm, and/or a securities regulator. The event may include a consumer-initiated complaint, investment-related arbitration proceeding or civil suit that contains allegations of sale practice violations against the individual broker and resulted in a monetary settlement to the customer(s).

### Disclosure 1 of 21

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	WELLS FARGO INVESTMENTS, LLC
<b>Allegations:</b>	SUITABILITY DATES OF ALLEGED ACTIVITIES: 9/30/2005 - 04/08/2008
<b>Product Type:</b>	Other: STRUCTURED PRODUCT (REVERSE CONVERTIBLE NOTES)
<b>Alleged Damages:</b>	\$263,869.17
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	No
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	Yes
<b>Arbitration/Reparation forum or court name and location:</b>	FINRA
<b>Docket/Case #:</b>	09-01125
<b>Filing date of arbitration/CFTC reparation or civil litigation:</b>	03/09/2009

### Customer Complaint Information

<b>Date Complaint Received:</b>	03/17/2009
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	05/03/2010
<b>Settlement Amount:</b>	\$36,251.00
<b>Individual Contribution Amount:</b>	\$0.00



## Disclosure 2 of 21

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC

**Allegations:** SUITABILITY OF INVESTMENTS IN ACCOUNT  
DATES OF ALLEGED ACTIVITIES: JULY 2007 - NOVEMBER 2008

**Product Type:** Other: REVERSE CONVERTIBLE NOTES

**Alleged Damages:** \$100,000.00

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** Yes

**Arbitration/Reparation forum or court name and location:** FINRA

**Docket/Case #:** 09-06611

**Filing date of arbitration/CFTC reparation or civil litigation:** 11/27/2009

## Customer Complaint Information

**Date Complaint Received:** 12/01/2009

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 02/03/2010

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

**Individual Contribution Amount:** \$0.00

## Disclosure 3 of 21

**Reporting Source:** Firm



**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC

**Allegations:** SUITABILITY OF INVESTMENTS IN ACCOUNT  
DATES OF ALLEGED ACTIVITIES: 11/27/2007 - 3/17/2009

**Product Type:** Other: REVERSE CONVERTIBLE NOTES

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** NONE STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.

**Is this an oral complaint?** Yes

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 03/17/2009

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 11/03/2009

**Settlement Amount:** \$71,000.00

**Individual Contribution Amount:** \$0.00

### Disclosure 4 of 21

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC

**Allegations:** SUITABILITY OF INVESTMENTS IN ACCOUNT; DATES OF ALLEGED ACTIVITIES: 10/5/2002 - 10/5/2009

**Product Type:** Other: REVERSE CONVERTIBLE NOTES

**Alleged Damages:** \$0.00



**Alleged Damages Amount Explanation (if amount not exact):** NONE STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 10/09/2009

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 12/03/2009

**Settlement Amount:** \$55,000.00

**Individual Contribution Amount:** \$0.00

### Disclosure 5 of 21

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC

**Allegations:** SUITABILITY OF INVESTMENTS IN ACCOUNT  
DATES OF ALLEGED ACTIVITIES: 4/3/2008 - 1/7/2009

**Product Type:** Other: REVERSE CONVERTIBLE NOTES

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** NON STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.

**Is this an oral complaint?** Yes

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** No



## Customer Complaint Information

**Date Complaint Received:** 04/03/2009  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 08/13/2009  
**Settlement Amount:** \$40,000.00  
**Individual Contribution Amount:** \$0.00

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### Disclosure 6 of 21

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC  
**Allegations:** SUITABILITY OF INVESTMENTS IN ACCOUNT  
 DATES OF ALLEGED ACTIVITIES: 6/29/2007 - 5/20/2009  
**Product Type:** Other: REVERSE CONVERTIBLE NOTES  
**Alleged Damages:** \$0.00  
**Alleged Damages Amount Explanation (if amount not exact):** NONE STATED BUT LOSSES IN ACCOUNT EXCEED \$5,000.  
**Is this an oral complaint?** Yes  
**Is this a written complaint?** No  
**Is this an arbitration/CFTC reparation or civil litigation?** No

## Customer Complaint Information

**Date Complaint Received:** 05/29/2009  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 08/07/2009  
**Settlement Amount:** \$27,500.00



**Individual Contribution Amount:** \$0.00

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#### Disclosure 7 of 21

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC

**Allegations:** SUITABILITY OF INVESTMENTS IN ACCOUNTS  
DATES OF ALLEGED ACTIVITIES: 7/25/2007 - 2/17/2009

**Product Type:** Other: REVERSE CONVERTIBLE NOTES

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** NONE STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.

**Is this an oral complaint?** Yes

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** No

#### Customer Complaint Information

**Date Complaint Received:** 02/17/2009

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/23/2009

**Settlement Amount:** \$45,000.00

**Individual Contribution Amount:** \$0.00

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#### Disclosure 8 of 21

**Reporting Source:** Firm



**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC

**Allegations:** SUITABILITY OF INVESTMENTS IN ACCOUNTS  
DATES OF ALLEGED ACTIVITIES: 4/27/2007 - 3/30/2009

**Product Type:** Other: REVERSE CONVERTIBLE NOTES

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** NONE STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.

**Is this an oral complaint?** Yes

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 03/30/2009

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 07/03/2009

**Settlement Amount:** \$33,000.00

**Individual Contribution Amount:** \$0.00

### Disclosure 9 of 21

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC

**Allegations:** UNSUITABLE AND UNAUTHORIZED INVESTMENTS MADE IN ACCOUNT  
DATES OF ALLEGED ACTIVITIES: 5/1/2007 - 3/31/2009

**Product Type:** Other: REVERSE CONVERTIBLE NOTES AND EXCHANGE TRADED FUNDS

**Alleged Damages:** \$210,740.00



**Is this an oral complaint?** No  
**Is this a written complaint?** Yes  
**Is this an arbitration/CFTC reparation or civil litigation?** Yes  
**Arbitration/Reparation forum or court name and location:** FINRA  
**Docket/Case #:** 09-05146  
**Filing date of arbitration/CFTC reparation or civil litigation:** 09/10/2009

### Customer Complaint Information

**Date Complaint Received:** 09/15/2009  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 01/25/2010  
**Settlement Amount:** \$132,500.00  
**Individual Contribution Amount:** \$0.00

### Disclosure 10 of 21

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC  
**Allegations:** SUITABILITY AND UNAUTHORIZED TRADING  
 DATES OF ALLEGED ACTIVITIES: 2/22/2008 - 1/27/2009  
**Product Type:** Other: REVERSE CONVERTIBLE NOTES  
**Alleged Damages:** \$0.00  
**Alleged Damages Amount Explanation (if amount not exact):** NONE STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.  
**Is this an oral complaint?** Yes



**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 01/27/2009

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 06/29/2009

**Settlement Amount:** \$172,448.00

**Individual Contribution Amount:** \$0.00

### Disclosure 11 of 21

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LCC

**Allegations:** MISREPRESENTATION  
DATES OF ALLEGED ACTIVITIES: 3/25/2008 - 12/29/2008

**Product Type:** Other: REVERSE CONVERTIBLE NOTES

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** NONE STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.

**Is this an oral complaint?** Yes

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 12/29/2008

**Complaint Pending?** No



**Status:** Settled  
**Status Date:** 06/22/2009  
**Settlement Amount:** \$47,000.00  
**Individual Contribution Amount:** \$0.00

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#### Disclosure 12 of 21

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC  
**Allegations:** SUITABILITY; DATES OF ALLEGED ACTIVITIES: 7/25/2007 - 3/15/2009  
**Product Type:** Other: REVERSE CONVERTIBLE NOTES  
**Alleged Damages:** \$0.00  
**Alleged Damages Amount Explanation (if amount not exact):** NONE STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.  
**Is this an oral complaint?** Yes  
**Is this a written complaint?** No  
**Is this an arbitration/CFTC reparation or civil litigation?** No

#### Customer Complaint Information

**Date Complaint Received:** 03/15/2009  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 06/05/2009  
**Settlement Amount:** \$175,000.00  
**Individual Contribution Amount:** \$0.00

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#### Disclosure 13 of 21



**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC

**Allegations:** SUITABILITY; DATES OF ALLEGED ACTIVITIES: 6/26/2007 - 1/30/2009

**Product Type:** Other: REVERSE CONVERTIBLE NOTES

**Alleged Damages:** \$0.00

**Alleged Damages Amount Explanation (if amount not exact):** NONE STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.

**Is this an oral complaint?** Yes

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 01/30/2009

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/26/2009

**Settlement Amount:** \$61,904.05

**Individual Contribution Amount:** \$0.00

### Disclosure 14 of 21

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS. LLC

**Allegations:** SUITABILITY; DATES OF ALLEGED ACTIVITIES: 4/25/2008 - 1/06/2009

**Product Type:** Other: REVERSE CONVERTIBLE NOTES

**Alleged Damages:** \$0.00



**Alleged Damages Amount Explanation (if amount not exact):** NONE STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.

**Is this an oral complaint?** Yes

**Is this a written complaint?** No

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 01/06/2009

**Complaint Pending?** No

**Status:** Settled

**Status Date:** 05/26/2009

**Settlement Amount:** \$37,500.00

**Individual Contribution Amount:** \$0.00

### Disclosure 15 of 21

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC.

**Allegations:** CLIENTS CLAIM THAT MORE FUNDS WERE INVESTED IN THE STOCK MARKET THAN WHAT THE CLIENTS INTENDED. NON-REPORTABLE WRITTEN COMPLAINT - NO CLAIM FOR DAMAGES STATED IN COMPLAINT.

**Product Type:** Other

**Other Product Type(s):** REVERSE CONVERTIBLE NOTES

**Alleged Damages:** \$0.00

### Customer Complaint Information

**Date Complaint Received:** 02/02/2009

**Complaint Pending?** No

**Status:** Settled



**Status Date:** 05/14/2009  
**Settlement Amount:** \$45,000.00  
**Individual Contribution Amount:** \$0.00

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#### Disclosure 16 of 21

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC  
**Allegations:** CLIENTS CLAIM INVESTMENT RECOMMENDATIONS MADE 2/23/2007 WERE NOT SUITABLE. NO DAMAGES STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.  
**Product Type:** Other  
**Other Product Type(s):** REVERSE CONVERTIBLE NOTES, EXCHANGE TRADED FUNDS  
**Alleged Damages:** \$0.00

#### Customer Complaint Information

**Date Complaint Received:** 12/02/2008  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 05/08/2009  
**Settlement Amount:** \$59,786.96  
**Individual Contribution Amount:** \$0.00

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#### Disclosure 17 of 21

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC  
**Allegations:** CLIENTS CLAIM INVESTMENT RECOMMENDATIONS WERE NOT SUITABLE AND INVESTMENTS WERE MADE WITHOUT AUTHORIZATION. NO DAMAGES STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.



**Product Type:** Other  
**Other Product Type(s):** REVERSE CONVERTIBLE NOTES  
**Alleged Damages:** \$0.00

### Customer Complaint Information

**Date Complaint Received:** 01/26/2009  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 05/08/2009  
**Settlement Amount:** \$39,000.00  
**Individual Contribution Amount:** \$0.00

### Disclosure 18 of 21

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC

**Allegations:** VERBAL COMPLAINT - CLIENT CLAIMS INVESTMENT RECOMMENDATIONS WERE NOT SUITABLE. ALLEGED COMPENSATORY DAMAGE AMOUNT: NONE STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.

**Product Type:** Other  
**Other Product Type(s):** REVERSE CONVERTIBLE NOTES AND ETF (EXCHANGE TRADED FUNDS)  
**Alleged Damages:** \$0.00

### Customer Complaint Information

**Date Complaint Received:** 12/12/2008  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 04/14/2009  
**Settlement Amount:** \$40,000.00  
**Individual Contribution Amount:** \$0.00



### Disclosure 19 of 21

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	WELLS FARGO INVESTMENTS, LLC.
<b>Allegations:</b>	VERBAL COMPLAINT - CLIENT CLAIMS INVESTMENT RECOMMENDATIONS WERE NOT SUITABLE. NO DAMAGES STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	EXCHANGE TRADED FUNDS (ETF)
<b>Alleged Damages:</b>	\$0.00

### Customer Complaint Information

<b>Date Complaint Received:</b>	01/23/2009
<b>Complaint Pending?</b>	No
<b>Status:</b>	Settled
<b>Status Date:</b>	04/06/2009
<b>Settlement Amount:</b>	\$29,000.00
<b>Individual Contribution Amount:</b>	\$0.00

### Disclosure 20 of 21

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	WELLS FARGO INVESTMENTS, LLC.
<b>Allegations:</b>	VERBAL COMPLAINT - CLIENTS CLAIM REP RECOMMENDED UNSUITABLE INVESTEMENTS, EXERCISED DISCRETION WITHOUT WRITTEN AUTHORITY, AND MADE UNAUTHORIZED SECURITIES TRANSACTIONS IN ACCOUNTS. NO DAMAGES STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	STRUCTURED PRODUCTS(REVERSE CONVERTIBLE NOTES)
<b>Alleged Damages:</b>	\$0.00



### Customer Complaint Information

**Date Complaint Received:** 01/30/2009  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 03/25/2009  
**Settlement Amount:** \$130,000.00  
**Individual Contribution Amount:** \$0.00

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### Disclosure 21 of 21

**Reporting Source:** Firm  
**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC.  
**Allegations:** VERBAL COMPLAINT - CLIENTS CLAIM REP RECOMMENDED UNSUITABLE INVESTMENTS. NO DAMAGES STATED, BUT LOSSES IN ACCOUNT EXCEED \$5,000.  
**Product Type:** Other  
**Other Product Type(s):** STRUCTURED PRODUCTS (REVERSE CONVERTIBLE NOTES)  
**Alleged Damages:** \$0.00

### Customer Complaint Information

**Date Complaint Received:** 12/18/2008  
**Complaint Pending?** No  
**Status:** Settled  
**Status Date:** 03/23/2009  
**Settlement Amount:** \$102,942.00  
**Individual Contribution Amount:** \$0.00



## Customer Dispute - Closed-No Action/Withdrawn/Dismissed/Denied

This section provides information regarding a final, customer dispute that was reported to CRD by the individual broker, a member firm, and/or a securities regulator. The event may include a final, consumer-initiated, investment-related arbitration proceeding or civil suit that contains allegations of sales practice violations against the individual broker and did not result in an award for monetary damages in favor of the customer(s), and was dismissed, withdrawn, or denied. It may also include a final, consumer-initiated, investment-related written complaint, which contains either allegations of sales practice violations against the broker and compensatory damages of \$5,000 or more, or includes allegations of forgery, theft, or misappropriation or conversion of funds or securities that was closed without action, withdrawn or denied.

### Disclosure 1 of 2

**Reporting Source:** Firm

**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC

**Allegations:** CHURNING OF ACCOUNTS, DISCRETIONARY TRADING  
DATES OF ALLEGED ACTIVITIES: 8/27/2007 - 11/26/2008

**Product Type:** Other: REVERSE CONVERTIBLE NOTES

**Alleged Damages:** \$267,414.24

**Is this an oral complaint?** No

**Is this a written complaint?** Yes

**Is this an arbitration/CFTC reparation or civil litigation?** No

### Customer Complaint Information

**Date Complaint Received:** 06/30/2009

**Complaint Pending?** No

**Status:** Closed/No Action

**Status Date:** 08/27/2009

**Settlement Amount:**

**Individual Contribution Amount:**

### Disclosure 2 of 2

**Reporting Source:** Broker



**Employing firm when activities occurred which led to the complaint:** WELLS FARGO INVESTMENTS, LLC

**Allegations:** CUSTOMERS ALLEGED THAT, IN DECEMBER 2003, THE TAX IMPLICATIONS OF SELLING SAVINGS BONDS AND INVESTING IN 529 PLANS WERE MISREPRESENTED TO THEM, CAUSING LOSSES OF \$10,117.40.

**Product Type:** Other

**Other Product Type(s):** 529 PLANS

**Alleged Damages:** \$10,117.40

### **Customer Complaint Information**

**Date Complaint Received:** 05/11/2005

**Complaint Pending?** No

**Status:** Denied

**Status Date:** 06/17/2005

**Settlement Amount:** \$0.00

**Individual Contribution Amount:** \$0.00

**Summary:** I FEEL THIS COMPLAINT IS WITHOUT MERIT. AS A WELLS FARGO INVESTMENTS' FC, I AM NOT PERMITTED TO GIVE OUT TAX ADVICE; I ENCOURAGE ALL MY CLIENTS TO CONSULT A QUALIFIED TAX CONSULTANT FOR ALL THEIR TAX NEEDS. THIS WAS THE CASE WITH THE [CUSTOMERS] AS WELL; I GAVE THEM ALL THE PROPER PAPERWORK AND PROSPECTUSES WHICH THEY TOOK HOME FOR REVIEW. SHE RETURNED SEVERAL DAYS LATER TO OPEN THE ACCOUNT.



## Employment Separation After Allegations

This section provides information regarding a separation of employment, that was reported to CRD by the individual broker, a member firm, and/or a securities regulator. The event may include a separation of employment that resulted in a voluntary resignation, discharge or permission to resign after allegations were made that accused the broker 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

<b>Reporting Source:</b>	Firm
<b>Employer Name:</b>	WELLS FARGO INVESTMENTS, LLC
<b>Termination Type:</b>	Discharged
<b>Termination Date:</b>	11/26/2008
<b>Allegations:</b>	BROKER EXERCISED DISCRETION AND AFFECTED TRANSACTIONS IN CLIENT'S ACCOUNT IN VIOLATION OF FIRM POLICY
<b>Product Type:</b>	Other
<b>Other Product Types:</b>	REVERSE CONVERTIBLES AND EXCHANGE TRADED FUNDS



## About this BrokerCheck Report

BrokerCheck reports are part of a FINRA initiative to disclose information about FINRA-registered firms and individual brokers to help investors determine whether to conduct, or continue to conduct, business with these firms and brokers. The information contained within these reports is collected through the securities industry's registration and licensing process.

### Who provides the information in BrokerCheck?

Information made available through BrokerCheck is obtained from CRD as reported through the industry registration and licensing process.

The forms used by brokerage firms, to report information as part of the firms registration and licensing process, Forms BD and BDW, are established by the SEC and adopted by all state securities regulators and SROs. FINRA and the North American Securities Administrators Association (NASAA) establish the Forms U4 and U5, the forms that are used for the registration and licensing process for individual brokers. These forms are approved by the SEC. Regulators report disciplinary information for firms and individual brokers via Form U6.

### How current is the information contained in BrokerCheck?

Brokerage firms and brokers are required to keep this information accurate and up-to-date (typically not later than 30 days after learning of an event). BrokerCheck data is updated when a firm, broker, or regulator submits new or revised information to CRD. Generally, updated information is available on BrokerCheck Monday through Friday.

### What information is NOT disclosed through BrokerCheck?

Information that has not been reported to CRD and certain information that is no longer required to be reported through the registration and licensing process is not disclosed through BrokerCheck. Examples of events that are not required to be reported or are no longer reportable include: judgments and liens originally reported as outstanding that have been satisfied and bankruptcy proceedings filed more than 10 years ago.

Additional information not disclosed through BrokerCheck includes Social Security Numbers, residential history information, and physical description information. On a case-by-case basis, FINRA reserves the right to exclude information that contains confidential customer information, offensive and potentially defamatory language or information that raises significant identity theft or privacy concerns that are not outweighed by investor protection concerns. FINRA Rule 8312 describes in detail what information is and is not disclosed through BrokerCheck.

Under FINRA's current public disclosure policy, in certain limited circumstances, most often pursuant to a court order, information is expunged from CRD. Further information about expungement from CRD is available in FINRA notices 99-09, 99-54, 01-65, and 04-16 at [www.finra.org](http://www.finra.org).

For further information regarding FINRA's BrokerCheck program, please visit FINRA's Web site at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or call the FINRA BrokerCheck Hotline at (800) 289-9999. This hotline is open Monday through Friday from 8:00 a.m. to 8:00 p.m., Eastern Time (ET).

For more information about the following, select the associated link:

- About BrokerCheck Reports: [http://www.finra.org/brokercheck\\_reports](http://www.finra.org/brokercheck_reports)
- Glossary: [http://www.finra.org/brokercheck\\_glossary](http://www.finra.org/brokercheck_glossary)
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