

1 Division of Securities
Utah Department of Commerce
2 160 East 300 South
Box 146760
3 Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
4 FAX: (801) 530-6980

5
6 BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
7 OF THE STATE OF UTAH

8 IN THE MATTER OF:

9 **STIPULATION AND CONSENT
ORDER**

10 **WELLS FARGO INVESTMENTS, LLC,**
11 **CRD#10582**

Docket No. 11-11-0080

12 Respondent.

13
14 The Utah Division of Securities ("Division"), by and through its Director of Licensing and
15 Compliance, Dave R. Hermansen, and the Respondent, Wells Fargo Investments, LLC (now a part
16 of Wells Fargo Advisors, LLC) ("WFI")¹, hereby stipulate and agree as follows:

17
18 WHEREAS, WFI is a broker-dealer registered in the state of Utah; and

19 WHEREAS, WFI's activities regarding the marketing of auction rate securities have been the
20 subject of coordinated investigations conducted by a multistate task force; and

21 WHEREAS, WFI has cooperated fully with regulators conducting the investigations by
22 providing documentary evidence and other materials and by providing regulators with access to
23 information relevant to their investigations; and

24 WHEREAS, on November 18, 2009, WFI and the multistate task force reached an agreement
25 to resolve the investigations relating to WFI's marketing of ARS to certain customers; and

26 ¹ On January 1, 2011, Wells Fargo Investments, LLC transferred substantially all of its assets and liabilities to Wells Fargo Advisors, LLC, and Wells Fargo Investments, LLC no longer exists as a separate entity.

1 WHEREAS, WFI agrees, among other things, to purchase certain auction rate securities from
2 customers and to make certain payments; and

3 WHEREAS, WFI elects to waive permanently any right to a hearing and appeal under the Utah
4 Administrative Procedures Act, Title 63G, Chapter 4 of the Utah Code, with respect to this
5 Stipulation and Consent Order (the "Order"); and

6 WHEREAS, WFI admits the jurisdiction of the Division and consents to the entry of this Order
7 by the Division; and

8 WHEREAS, Wells Fargo Securities, LLC ("WFS"), as successor to Wells Fargo Brokerage
9 Services, LLC ("WFBS"), and Wells Fargo Institutional Securities, LLC ("WFIS") have
10 voluntarily agreed to purchase ARS from certain customers, as described in Section IV below, and
11 to use best efforts to provide liquidity solutions for certain other customers; and

12 WHEREAS, WFI neither admits nor denies the Findings of Fact and Conclusions of Law
13 contained in this Order.

14 NOW, THEREFORE, the Division, as administrator of the Utah Uniform Securities Act
15 ("Act"), hereby enters this Order:

16 I.

17 **FINDINGS OF FACT**

18 **Background**

19 1. Auction Rate Securities ("ARS") are long-term bonds issued by municipalities,
20 corporations, and student loan companies, or perpetual equity instruments issued by closed-end
21 mutual funds, with variable interest rates that reset through a bidding process known as a Dutch
22 auction.

23 2. In a successful Dutch auction, ARS are auctioned at par and bids with successively
24 higher rates are accepted by the auction agent for the issuer until all of the available securities are
25 sold. All ARS are then purchased or sold at the lowest interest rate bid that will result in all ARS
26 placed up for auction being sold. If there are not enough buy orders to purchase all the securities

1 being sold at auction, a failed auction occurs. In the event of an auction failure, the issuer of the
2 ARS pays a default interest rate until the next successful auction. Broker-dealers that served as
3 dealers for the auctions sometimes placed "support bids" on their own behalf in order to prevent
4 auction failures.

5 3. Beginning on or about February 13, 2008, there were not enough purchasers for
6 ARS at many auctions. The broker-dealers that had previously supported the auctions for these
7 securities ceased their practice of bidding to prevent auction failures. As a result, the ARS market
8 experienced widespread failed auctions. ARS purchasers who wished to sell their ARS were
9 forced to continue holding their positions.

10 Marketing of ARS by WFI

11 4. WFI marketed ARS to some of its customers, including individual customers, small
12 businesses, and non-profit organizations. Since at least 2001, WFI offered Auction Rate Preferred
13 Shares ("ARPS") through its fixed-income desk. In addition, beginning in 2006, WFI facilitated
14 Auction Rate Debt Securities ("ARDS") trades for select customers. WFI did not underwrite ARS
15 and did not serve as an auction manager or auction agent.

16 5. On February 14, 2008, WFI customers nationwide were holding approximately
17 \$2.95 billion in ARS in 5,692 accounts.

18 6. WFI participated in sales of ARS to customers in the state of Utah. In Utah, WFI
19 accounts held \$122,950,000 in ARS on February 14, 2008.

20 7. Because of the auction failures described above, certain WFI customers who were
21 holding ARS on February 14, 2008, have been unable to sell their ARS at auction.

22 8. In connection with the marketing of ARS, WFI failed to adopt policies and
23 procedures reasonably designed to ensure that its registered agents recommended ARS only to
24 customers who had stated investment objectives that were consistent with their purchase of ARS.
25 Some WFI registered agents recommended ARS to customers as a liquid, short-term investment.

1 As a result, some WFI customers, who needed short-term access to funds, invested in ARS, even
2 though ARS had long-term maturity dates, or in the case of ARPS, no maturity dates.

3 Failure to Supervise Agents Who Marketed ARS

4 9. WFI failed to provide adequate supervision and training to its registered agents in
5 connection with the marketing of ARS. Some of WFI's registered agents were not adequately
6 educated about ARS products. WFI failed to provide timely and comprehensive sales and
7 marketing literature regarding ARS and the mechanics of the auction process.

8 10. Some WFI registered agents believed that the ARS were safe and were not aware
9 that auctions could fail and that money invested in ARS could become frozen. In part, this was
10 because some WFI registered agents were not aware of significant aspects of the auction rate
11 market.

12 11. WFI did not establish specific written supervisory procedures for the review of ARS
13 transactions, nor did WFI train supervisory personnel on how to review ARS transactions.

14 **II.**

15 **CONCLUSIONS OF LAW**

16 The Division has jurisdiction over this matter pursuant to Section 61-1-6 of the Act.

17 For the reasons alleged in the Findings of Fact, above, WFI failed to supervise
18 reasonably its registered agents in connection with the marketing of ARS to its customers. Such
19 conduct in relation to ARS warrants a fine under Section 61-1-6(2)(a)(ii)(J) of the Act.

20 The Division finds the following relief appropriate and in the public interest.

21 **III.**

22 **ORDER**

23 On the basis of the Findings of Fact, Conclusions of Law, and WFI's consent to the entry of
24 this Order, for the sole purpose of settling this matter prior to a hearing and without admitting or
25 denying the Findings of Fact or Conclusions of Law,
26

1 IT IS HEREBY ORDERED:

2 1. This Order concludes the investigation by the Division and any other action that the
3 Division or the Utah Securities Commission (the "Commission") could commence under
4 applicable Utah law on behalf of Utah as it relates to WFI's marketing of ARS to customers.

5 2. This Order is entered into solely for the purpose of resolving the above referenced
6 multistate investigation and is not intended to be used for any other purpose.

7 3. WFI shall cease and desist from violating the Act and will comply with the Act in
8 all future business in this state.

9 4. Within ten (10) days from approval of this Order by the Commission, WFI shall pay
10 the sum of \$74,837.10 to the State of Utah as an administrative fine for deposit in the Securities
11 Investor Education and Training Fund, pursuant to Section 61-1-18.7 of the Act, which amount
12 constitutes Utah's proportionate share of the multistate settlement amount of \$1,900,000.

13 5. The total amount paid pursuant to the foregoing paragraph shall remain at
14 \$74,837.10 regardless of whether another state securities regulator determines not to accept WFI's
15 state settlement offer.

16 6. In addition to the payment required by Section III, Paragraph 4, within ten (10) days
17 from approval of this Order by the Commission, WFI shall pay the sum of \$48,169.00 to the
18 Division, which constitutes Utah's actual fees and expenses incurred in connection with an
19 investigation into WFI's marketing of ARS prior to November 18, 2009.

20 7. WFI shall take certain measures with respect to current and former customers that
21 purchased "Eligible ARS," as defined and described in Paragraphs 8 through 15 of Section III,
22 below.

23 8. Eligible ARS. For purposes of this Order as it relates to WFI, "Eligible ARS" shall
24 mean ARS that were purchased for customers by WFI on or before February 13, 2008, and that
25 have failed at auction at least once since February 13, 2008. Notwithstanding the foregoing
26 definition, Eligible ARS shall not include ARS that were purchased for customers by WFI or

1 entities acquired by Wells Fargo's parent companies in accounts owned, managed or advised by or
2 through independent registered investment advisers.

3 9. Eligible Investor. For the purposes of this Order as it relates to WFI, "Eligible
4 Investor" shall mean:

5 a. Natural persons (including their IRA accounts, testamentary trust and estate
6 accounts, custodian UGMA and UTMA accounts, and guardianship accounts) who
7 purchased Eligible ARS;

8 b. Charities, endowments, or foundations with Internal Revenue Code Section
9 501(c)(3) status, or religious corporations or entities, that purchased Eligible ARS; and

10 c. Trusts, corporate trusts, corporations, employee pension plans/ERISA and
11 Taft Hartley Act plans, educational institutions, incorporated not for profit organizations,
12 limited liability companies, limited partnerships, non public companies, partnerships,
13 personal holding companies, unincorporated associations, government or quasi government
14 entities, which are the beneficial owners of an account that purchased Eligible ARS.

15 d. "Eligible Investors," for the purposes of this Order as it relates to WFI, shall
16 not include brokers, dealers or banks acting as conduits for their customers. This provision
17 shall not affect the rights of any beneficial owner of an account that otherwise would
18 qualify as an Eligible Investor, as set forth in Section III, Paragraph 9, subparts a, b, or c,
19 above.

20 e. "Eligible Investors," for the purposes of this Order as it relates to WFI, shall
21 not include any WFI customer who has entered into a settlement agreement with WFI prior
22 to November 18, 2009, or who has received a final arbitration award against WFI prior to
23 November 18, 2009, with respect to their Eligible ARS holdings at WFI.

24 10. Purchase Offer. WFI shall offer to purchase, at par plus accrued and unpaid
25 dividends/interest, from Eligible Investors their Eligible ARS that have failed at auction at least
26 once since February 13, 2008 (the "Purchase Offer"). WFI shall make the Purchase Offer and

1 purchase the Eligible ARS either as riskless principal or agent for one or more affiliated
2 companies, and not for its own account.

3 11. Notification and Buyback Procedures.

4 a. WFI shall undertake to identify and provide notice to Eligible Investors of
5 the relevant terms of this Order by no later than February 16, 2010. Said notice shall
6 explain what Eligible Investors must do to accept, in whole or in part, the Purchase Offer,
7 including how Eligible Investors may accept the Purchase Offer. WFI shall also provide
8 written notice of the relevant terms of this Order to any subsequently identified Eligible
9 Investors.

10 b. Initial Offer Period

11 i. WFI shall keep the Purchase Offer open for sixty (60) days after
12 mailing the notice required by Section III, Paragraph 11a, above ("Initial Offer
13 Period").

14 ii. Eligible Investors may accept the Purchase Offer by notifying WFI
15 as described in the Purchase Offer, at any time before midnight, Eastern Time, on or
16 before the last day of the Initial Offer Period. For those Eligible Investors who
17 accept the Purchase Offer within the Initial Offer Period, WFI shall purchase their
18 Eligible ARS by no later than five (5) business days following the expiration of the
19 Initial Offer Period (the "Initial Purchase Deadline").

20 c. Second Offer Period

21 i. WFI shall undertake its best efforts to identify and provide a second
22 notice to all Eligible Investors who do not accept the Purchase Offer within the
23 Initial Offer Period. This second notice must satisfy the requirements discussed in
24 Section III. Paragraph 11a. above. and be sent no later than thirty (30) days after the
25 Initial Purchase Deadline.

26

1 ii. WFI shall keep the Purchase Offer open for sixty (60) days after
2 mailing the second notice required by Section III, Paragraph 11c.i, above (“Second
3 Offer Period”).

4 iii. Eligible Investors may accept the Purchase Offer by notifying WFI
5 as described in the Purchase Offer, at any time before midnight, Eastern Time, on or
6 before the last day of the Second Offer Period. For those Eligible Investors who
7 accept the Purchase Offer within the Second Offer Period, WFI shall purchase their
8 Eligible ARS by no later than five (5) business days following the expiration of the
9 Second Offer Period (the “Second Purchase Deadline”).

10 d. An Eligible Investor may revoke the Eligible Investor’s acceptance of WFI’s
11 Purchase Offer at any time up until WFI purchases such Eligible Investor’s Eligible ARS or
12 provides notice of WFI’s intent to purchase such Eligible ARS.

13 e. WFI’s obligation to those Eligible Investors who custodied their Eligible
14 ARS away from WFI as of November 18, 2009 shall be contingent on: (1) WFI receiving
15 reasonably satisfactory assurance from the financial institution currently holding the
16 Eligible Investor’s Eligible ARS that the bidding rights associated with such Eligible ARS
17 will be transferred to WFI; and (2) transfer of the Eligible ARS back to WFI.

18 f. WFI shall use its best efforts to identify, contact and assist any Eligible
19 Investor who has transferred the Eligible ARS out of WFI’s custody in returning such ARS
20 to WFI’s custody, and shall not charge such Eligible Investor any fees relating to or in
21 connection with the return to WFI or custodianship by WFI of such Eligible ARS.

22 12. Customer Assistance Line. WFI shall promptly establish a dedicated toll-free
23 telephone assistance line and e-mail address to provide information and to respond to questions
24 concerning the terms of this Order. WFI shall maintain the telephone assistance line and e-mail
25 address through at least the Second Purchase Deadline.

1 13. Relief for Eligible Investors Who Sold Below Par. No later than upon the
2 completion of the buyback (as described in Section III, Paragraph 11, above), WFI shall undertake
3 its best efforts to identify and provide notice to, using the notice to Eligible Investors referenced in
4 Section III, Paragraph 11 above, Eligible Investors who sold Eligible ARS below par between
5 February 13, 2008 and November 18, 2009 (“Below Par Seller”) and, upon receipt of satisfactory
6 evidence of the sale, pay them the difference between par and the price at which the Eligible
7 Investor sold the Eligible ARS, plus interest thereon at the rate of seven-day LIBOR.

8 14. Consequential Damages Arbitration Process.

9 a. WFI shall consent to participate in a special arbitration process
10 (“Arbitration”) for the exclusive purpose of arbitrating any Eligible Investor’s
11 consequential damages claim arising from their inability to sell Eligible ARS. WFI shall
12 notify Eligible Investors of the terms of the Arbitration process through the notice described
13 in Section III, Paragraph 11 above.

14 b. The Arbitration shall be conducted under the auspices of FINRA, pursuant to
15 the NASD Code of Arbitration Procedures for Customer Disputes, eff. April 16, 2007. WFI
16 will pay all applicable forum and filing fees.

17 c. Eligible Investors who choose to pursue such claims in the Arbitration shall
18 bear the burden of proving that they suffered consequential damages and that such damages
19 were caused by their inability to access funds invested in Eligible ARS. In the Arbitration,
20 WFI shall be able to defend itself against such claims; provided, however, that WFI shall
21 not contest liability for the illiquidity of the underlying ARS position, and provided further
22 that, unlike the FINRA’s established special arbitration process, WFI shall be able to use as
23 part of its defense an investor’s decision not to borrow money from WFI or its affiliates.

24 d. Eligible Investors who elect to use this special arbitration process provided
25 for herein shall not be eligible for punitive damages, or for any other type of damages other
26 than consequential damages.

1 e. Eligible Investors that elect to utilize FINRA's special arbitration process, as
2 set forth above, are limited to the remedies available in that process and may not bring or
3 pursue a claim relating to Eligible ARS in another forum.

4 15. Reimbursement of Negative Carry. In connection with the notices described in
5 Section III, Paragraphs 11 and 13 above, WFI shall inform Eligible Investors that, if they paid
6 more in interest on a loan through WFI or its affiliates secured by Eligible ARS than the customer
7 received in interest or dividends from the Eligible ARS during the time the loan was outstanding
8 ("Negative Carry"), then the Eligible Investor can provide WFI documentation evidencing the
9 amount of Negative Carry, and upon receipt of such documentation, WFI will reimburse the
10 Eligible Investor the amount of Negative Carry actually paid.

11 **IV.**

12 **Additional Considerations**

13 1. WFS (as successor to WFBS) and WFIS have voluntarily agreed to purchase ARS
14 from Eligible Investors as set forth in this Section IV, Paragraph 2 below.

15 2. "Eligible Investors," for the purposes of this Order as it relates to WFS (as successor
16 to WFBS) and WFIS, shall mean the following:

17 a. Natural persons (including their IRA accounts, testamentary trust and estate
18 accounts, custodian UGMA and UTMA accounts, and guardianship accounts) who
19 purchased Eligible ARS;

20 b. Charities, endowments, or foundations with Internal Revenue Code Section
21 501(c)(3) status, or religious corporations or entities that purchased Eligible ARS; and

22 c. Trusts, corporate trusts, corporations, employee pension plan/ERISA and
23 Taft Hartley Act plans, educational institutions, incorporated not for profit organizations,
24 limited liability companies, limited partnerships, non public companies, partnerships,
25 personal holding companies, unincorporated associations, governments or quasi
26 government entities, which are the beneficial owners of an account that purchased Eligible

1 ARS, unless the value of the account exceeded \$10 million as of January 31, 2008 or the
2 beneficial owner had disclosed to WFI, WFS (as successor to WFBS), WFBS or WFIS total
3 investable assets in excess of \$10 million;

4 d. "Eligible Investors," for the purposes of this Order as it relates to WFS (as
5 successor to WFBS) and WFIS, shall not include brokers, dealers, or banks acting as
6 conduits for their customers. This provision shall not affect the rights of any beneficial
7 owner of an account that otherwise would qualify as an Eligible Investor, as set forth in
8 subparts a, b, or c of this Paragraph, above;

9 e. "Eligible Investors," for the purposes of this Order as it relates to WFS (as
10 successor to WFBS) and WFIS, shall not include any WFI, WFBS, or WFIS customers who
11 have entered into a settlement agreement with WFI, WFBS (or WFS as its successor), or
12 WFIS prior to November 18, 2009, or who has received a final arbitration award against
13 WFI, WFBS (or WFS as its successor), or WFIS prior to November 18, 2009, with respect
14 to their Eligible ARS holdings at WFI, WFBS (or WFS as its successor), or WFIS.

15 f. "Eligible ARS," for purposes of this Order as it relates to WFS (as successor
16 to WFBS) and WFIS, shall mean ARS that were purchased at WFBS or WFIS on or before
17 February 13, 2008, and that have failed at auction at least once since February 13, 2008.
18 Notwithstanding the foregoing definition, Eligible ARS shall not include ARS that were
19 purchased at WFBS or WFIS or entities acquired by WFBS's or WFIS's parent companies
20 in accounts owned, managed or advised by or through independent registered investment
21 advisers.

22 3. WFS (as successor to WFBS) and WFIS have agreed to use their best efforts to
23 provide liquidity solutions to their customers who have investible assets above \$10 million. WFS
24 (as successor to WFBS) and WFIS shall endeavor to work with issuers and other interested parties,
25 including regulatory and governmental entities, to expeditiously and on a best efforts basis provide
26 liquidity solutions, such as facilitation of secondary market transactions and announced issuer

1 redemptions of the Eligible ARS purchased through WFBS and WFIS. Though WFS (as successor
2 to WFBS) and WFIS shall use their best efforts to offer opportunities to the institutional and other
3 customers who are not Eligible Investors to liquidate Eligible ARS, WFS (as successor to WFBS)
4 and WFIS are under no obligation to offer to purchase ARS from these customers.

5 4. In consideration for the settlement terms contained in this Order, the Division and
6 the Commission shall not seek additional penalties, and shall terminate its investigation with
7 respect to WFI, WFS (as successor to WFBS), and WFIS regarding the marketing of ARS.
8 However, if the Division determines that WFS (as successor to WFBS) and WFIS have failed to
9 adhere to their voluntary agreement as described above, the Division may initiate investigation and
10 take enforcement action related to the marketing of ARS by WFS (as successor to WFBS) and
11 WFIS.

12 5. If payment is not made by WFI as required in this Order, or if WFI defaults in any
13 of its other obligations set forth in this Order, the Division may send WFI a written notice of
14 default and, if within ten (10) days after receiving the written notice, WFI does not cure the default,
15 the Division may move to enforce the Order before any competent administrative body and/or
16 court of law.

17 6. This Order is not intended to indicate that WFI or any of its affiliates or current or
18 former employees shall be subject to any disqualifications contained in the federal securities law,
19 the rules and regulations thereunder, the rules and regulations of self-regulatory organizations or
20 various states' securities laws, including any disqualifications from relying upon the registration
21 exemptions or safe harbor provisions. In addition, this Order is not intended to form the basis for
22 any such disqualifications.

23 7. Except as expressly provided in this Order, for any person or entity not a party to
24 this Order, this Order does not limit or create any private rights or remedies against WFI, limit or
25 create liability of WFI, or limit or create defenses of WFI to any claims. Unless applicable law
26 provides otherwise, by entering into this Order, the Division does not waive any rights any

1 departments, agencies, boards, commissions, authorities, political subdivisions and corporations of
2 Utah other than the Division may have under applicable law, to the extent any such rights exist, to
3 assert a claim, cause of action, or application for compensatory, nominal and/or punitive damages,
4 administrative, civil, criminal, or injunctive relief against WFI in connection with the marketing of
5 ARS by WFI.

6 8. This Order shall not disqualify WFI or any of its affiliates or current or former
7 employees from any business that they otherwise are qualified or licensed to perform under
8 applicable state law and this Order is not intended to form the basis for any disqualification.

9 9. This Order and any dispute related thereto shall be construed and enforced in
10 accordance with, and governed by, the laws of Utah without regard to any choice of law principles.

11 10. WFI, through its execution of this Order, voluntarily waives its right to a hearing on
12 this matter and to judicial review of this Order under the Utah Administrative Procedures Act, Title
13 63G, Chapter 4 of the Utah Code.

14 11. WFI enters into this Order voluntarily and represents that no threats, offers,
15 promises, or inducements of any kind have been made by the Division or any member, officer,
16 employee, agent, or representative of the Division to induce WFI to enter into this Order.

17 12. This Order shall be binding upon WFI, its affiliates, successors and assigns with
18 respect to all conduct subject to the provisions above and all future obligations, responsibilities,
19 undertakings, commitments, limitations, restrictions, events, and conditions.

20 13. Nothing contained in this Order shall be deemed to be an admission of any liability,
21 fault or wrongdoing. The Parties agree that this Order shall not be admissible in any hearing,
22 action, or proceeding except to prove the existence of this Order or to enforce the Order's terms.

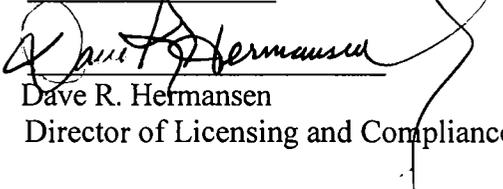
23 14. WFI acknowledges that this Order, upon approval by the Commission shall be the
24 final compromise and settlement of this matter. WFI further acknowledges that if the Commission
25 does not accept the terms of the Order, it shall be deemed null and void and without any force or
26 effect whatsoever.

1 15. This Order constitutes the entire agreement between the parties herein and
2 supersedes and cancels any and all prior negotiations, representations, understandings, or
3 agreements between the parties. There are no verbal agreements which modify, interpret, construe,
4 or otherwise affect this Order in any way.

5 Dated this 21 day of OCTOBER, 2011.

6
7 Utah Division of Securities

8 Date: 21 OCTOBER 2011

9 By: 
10 Dave R. Hermansen
11 Director of Licensing and Compliance
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1 **CONSENT TO ENTRY OF ADMINISTRATIVE ORDER BY WELLS FARGO**
2 **INVESTMENTS, LLC**

3 WFI hereby acknowledges that it has been served with a copy of this Consent Order, has read
4 the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the
5 same.

6 WFI admits the jurisdiction of the Division, neither admits nor denies the Findings of Fact and
7 Conclusions of Law contained in this Order, and consents to entry of this Order by the Division as
8 settlement of the issues contained in this Order.

9 WFI states that no promise of any kind or nature whatsoever was made to it to induce it to
10 enter into this Order and that it has entered into this Order voluntarily.

11 Lisa Amador represents that ~~he~~(she) is CCO of WFI and that,
12 as such, has been authorized by WFI to enter into this Order for and on behalf of WFI.

13 DATED this 17 day of October, 2011.

14
15 WELLS FARGO INVESTMENTS, LLC

16
17 By: Lisa Amador

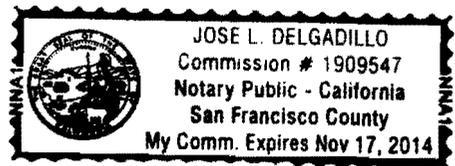
18 Title: Chief Compliance Officer

19 STATE OF California)
20 County of San Francisco)

21 SUBSCRIBED AND SWORN TO before me this 17th day of October, 2011.

22
23 Jose L. Delgadillo
Notary Public

24 My commission expires:
25 Nov 17, 2014

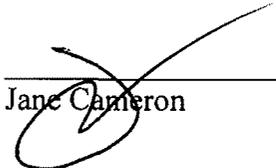


1 **BY THE UTAH SECURITIES COMMISSION:**

2 The foregoing Stipulation and Consent Order is hereby accepted, confirmed, and entered
3 by the Utah Securities Commission.

4
5 DATED this 29 day of October, 2011.

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7 
8 _____
9 Tim Bangerter

10 
11 _____
12 Jane Cameron

13 _____
14 Erik Christiansen

15 
16 _____
17 Jan Graham

18 
19 _____
20 Laura Polacheck

Certificate of Service

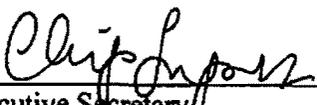
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I, Julie Price, certify that on the 28th day of October, 2011, I served the

foregoing Stipulation and Consent Order by mailing a copy to:

Michael S. Leib
Reed Smith LLP
10 South Wacker Drive
Chicago, IL 60606-7507

via e-mail: mleib@reedsmith.com


Executive Secretary