

2014 JUN 20 PM 12: 15

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20120333305-01**

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: Wells Fargo Advisors, LLC, Respondent
Broker/Dealer
CRD No. 19616

Pursuant to FINRA Rule 9216 of FINRA Code of Procedure, Wells Fargo Advisors, LLC ("the firm") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

The firm has been a member of FINRA since July 9, 1987, and its registration remains in effect. The firm has no relevant disciplinary history.

SUMMARY

In Review No. 20120333305, the Fixed Income Group staff of FINRA's Department of Market Regulation ("the staff") conducted an Agency Bond Fair Pricing Review regarding the firm, for the review period October 1, 2011 through February 3, 2012 ("the review period").

FACTS AND VIOLATIVE CONDUCT

1. During the review period, in seven pairs of transactions, the firm sold agency bonds to its customers and failed to buy or sell such bonds at a price that was fair, taking into consideration all relevant circumstances, including market conditions with respect to each at the time of the transaction, the expense involved and that the firm

was entitled to a profit. The transactions are identified on Exhibit A, which is attached. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 2010.

B. The firm also consents to the imposition of the following sanctions:

- A censure;
- A fine of \$10,000;
- An order to pay restitution to the firm's customers, which includes the transactions described above in paragraph I.A.1 and listed in the attached Exhibit A, in the total amount of \$5,032.12, plus interest at the rate set forth in Section 6621(a) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from the date of the violative conduct until the date this AWC is accepted by the National Adjudicatory Council ("NAC"). A registered principal of the firm shall submit satisfactory proof of payment of the restitution, or of reasonable and documented efforts undertaken to effect restitution, to the **COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850** or in an e-mail from a work-related account of the registered principal to MarketRegulationComp@finra.org, no later than 120 days after acceptance of this AWC. If for any reason Respondent cannot locate any customer after reasonable and documented efforts within such period, or such additional period agreed to by the staff, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed-property or abandoned-property fund for the state in which the customer is known to have last resided. The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies; and

The firm agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter. The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against the firm;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

The firm understands that:

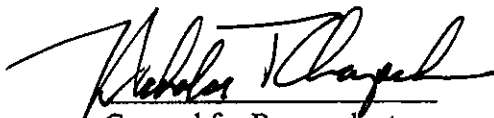
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm;

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

JUNE 18, 2014
Date

Respondent
Wells Fargo Advisors, LLC

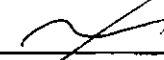
By: 
Name: JOHN F. FECHTER
Title: SENIOR VICE PRESIDENT


Counsel for Respondent

Accepted by FINRA:

JULY 15, 2014
Date

Signed on behalf of the
Director of ODA, by delegated authority


James J. Nixon
Chief Litigation Counsel
Department of Market Regulation

			WRET Review STAR No. 20120333305										
Item No.	Date	CUSIP ID	Issue	Quantity	Contra 1*	Trade 1 Time	Trade 1 Price	Firm	Contra 2*	Trade 2 Time	Trade 2 Price	Markup/ MarkDown	Restitution
1	12/22/2011	31315PCY3	AGM.BY	18	B-D (S)	15:39:17	119.976	WRET	C (B)	15:39:16	122.681	2.25%	\$86.880
2	1/19/2012	3134G3KQ2	FMCC.GOL	35	B-D (S)	15:23:41	99.800	WRET	C (B)	15:24:58	101.900	2.10%	\$211.05
3	1/24/2012	3134G3LS7	FMCC.KMS	200	B-D (S)	12:28:35	99.500	WRET	C (B)	12:28:39	101.803	2.31%	\$1,620.00
4	1/19/2012	3136FTTP4	FNMA.LSZ	500	B-D (S)	14:46:09	100.775	WRET					
5a	1/19/2012	3136FTTP4	FNMA.LSZ	150				WRET	C (B)	14:49:03	103.200	2.41%	\$976.50
5b	1/19/2012	3136FTTP4	FNMA.LSZ	150				WRET	C (B)	14:53:54	103.200	2.41%	\$976.50
5c	1/19/2012	3136FTTP4	FNMA.LSZ	135				WRET	C (B)	11:52:25	103.225	2.43%	\$912.60
6	1/30/2012	880591DV1	TVC.FV	20	B-D (S)	12:21:34	115.088	WRET	C (B)	14:32:46	118.345	2.83%	\$248.59
												Total:	\$5,032.12

* Contra parties are identified as follows: B-D (S) indicates another Broker-Dealer selling to the firm; B-D (B) indicates another Broker-Dealer buying from the firm; C (S) indicates a customer selling to the firm; and C (B) indicates a customer buying from the firm.