

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014043698901**

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

RE: John M. Kastelic, Jr. ("Kastelic"), Respondent
CRD No. 5836566

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I submit 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A.** I hereby accept and consent, 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

Kastelic entered the securities industry in August 2010 when he became associated with Wells Fargo Funds Distributor (the "Firm" or "Wells Fargo"), a FINRA-regulated broker-dealer. In September 2010, Kastelic became registered with the Firm as a General Securities Representative (Series 7 license). On December 4, 2014, Wells Fargo filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") with FINRA disclosing that Kastelic was terminated that same day for a "violation of Company policy." Kastelic has not reassociated with another FINRA regulated broker-dealer since his termination from the Firm, however, pursuant to Article V, Section 4 of FINRA's By-Laws, FINRA retains jurisdiction over Kastelic.

RELEVANT DISCIPLINARY HISTORY

Kastelic has no disciplinary history in the securities industry.

OVERVIEW

Kastelic violated FINRA Rules 8210 and 2010 by failing to respond to repeated FINRA Rule 8210 requests for documents and information in connection with Enforcement's investigation into allegations that in October and November 2014 he participated in a check kiting scheme while associated with Wells Fargo.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210(a)(1) states, in relevant part, that FINRA staff have the right to requires "a member, person associated with a member, or person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically . . . with respect to any matter involved in the investigation, complaint, examination, or proceeding." FINRA Rule 2010 requires that members and associated persons "observe high standards of commercial honor and just and equitable principles of trade." Failure to comply with Rule 8210 is a violation of FINRA Rule 2010.

On April 8, 2015, in connection with an investigation into allegations that Kastelic had engaged in a check kiting scheme while employed with Wells Fargo, FINRA staff requested, pursuant to FINRA Rule 8210, that Kastelic provide documents and information, including, among other things, copies of his bank statements and details of his deposits and withdrawals, by no later than April 22, 2015. After Kastelic failed to respond to the April 8, 2015 FINRA Rule 8210 Request, Enforcement sent two additional FINRA Rule 8210 letters to Kastelic dated April 30th and June 9th of 2015, seeking the documents and information previously requested in Enforcement's 8210 letter dated April 8, 2015. Kastelic's responses were due by May 14 and June 23, 2015, respectively. The 8210 letters informed Kastelic that if he failed to produce the documents and information requested, he could be subject to a disciplinary action and the imposition of sanctions, including a bar. Enforcement's Rule 8210 letters were sent to Kastelic by U.S. certified mail, return receipt requested and first-class mail to the address listed in the Central Registration Depository for Kastelic.

On June 23, 2015, in a telephone call with Enforcement, Kastelic acknowledged that he received the FINRA Rule 8210 Requests dated April 8, April 30, and June 9, 2015 and stated that he was not going to provide the requested documents and information. On June 25, 2015, in a written correspondence, Kastelic once again informed Enforcement that he would not provide the documents or information requested and that he was not willing to cooperate with Enforcement's investigation in the future. To date, Kastelic failed to provide the documents and information requested by the FINRA Rule 8210 letters. By refusing to provide the documents and information as requested, Kastelic violated FINRA Rules 8210 and 2010.

B. I also consent to the imposition of the following sanctions:

A bar from associating with any FINRA member in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- 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 National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the Chief Legal Officer, 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.

I further specifically and voluntarily waive 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

I understand 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 me; and
- C. If accepted:

1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its 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 me to submit it.

7-23-15
Date (mm/dd/yyyy)


John M. Kastelic, Jr., Respondent

Accepted by FINRA:

8-12-15
Date

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


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