

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015047444601**

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

RE: Frank A. Tegge, Respondent
Registered Representative
CRD No. 443782

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Frank A. Tegge, 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

Tegge entered the securities industry in August 1970 as a General Securities Principal with a FINRA-registered firm. Between September 2008 and October 2015, Tegge was registered as a General Securities Representative with Wells Fargo Advisors, LLC ("Wells Fargo"), a FINRA-registered firm. Tegge is not currently associated with any FINRA-registered firm.

RELEVANT DISCIPLINARY HISTORY

Tegge has no disciplinary history.

OVERVIEW

On June 16, 2015, Tegge executed a transaction in the account of a Wells Fargo customer without obtaining the customer's prior authorization for the trade. In addition, between February 19, 2015 and July 31, 2015, Tegge placed 64 discretionary transactions in two customer accounts, without written authorization

from the customer and written approval from his broker-dealer. Tegge therefore violated FINRA Rules 2510(b) and 2010.

FACTS AND VIOLATIVE CONDUCT

Discretionary Trading

1. Between February 2015 and July 2015, Tegge was the representative of record for two separate securities accounts held at Wells Fargo and owned by customers M.V. and E.F. Tegge had verbal authorization from the two customers to purchase and sell securities in those accounts using discretion.
2. Between February 19, 2015 and July 31, 2015, Tegge, pursuant to his verbal authority, effected 64 discretionary transactions in the securities accounts of M.V. and E.F., without having obtained prior written authorization from the customers and prior written acceptance of the accounts as discretionary from Wells Fargo.
3. In fact, Wells Fargo's written supervisory procedures prohibited registered representatives from exercising discretion in brokerage accounts.

Based on the foregoing, Tegge violated NASD Rule 2510(b) and FINRA Rule 2010.

Unauthorized Trading

4. In June 2015, Tegge was the representative of record for a securities account owned by customer B.W. and held at Wells Fargo.
5. On June 16, 2015, Tegge sold 155 shares of Medivation (MDVN) for \$17,471 in the securities account of B.W., without the knowledge or consent of B.W. Instead of obtaining B.W.'s written or oral authorization to place the trade, Tegge placed the trade after talking with B.W.'s spouse, who had no authority to authorize any trading in B.W.'s account.

Based on the foregoing, Tegge violated FINRA 2010.

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

1. a deferred fine in the amount of \$10,000, and
2. a two-month suspension from association with any FINRA member firm in any and all capacities.

The fine shall be due and payable either immediately upon reassociation with a member firm, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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.

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.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

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.

6/19/2007
Date (mm/dd/yyyy)

Frank A. Tegge
Frank A. Tegge, Respondent

Reviewed by:

Attorney Name
Counsel for Respondent
Firm Name
Address
City/State/Zip
Phone Number

Accepted by FINRA:

7/16/2007
Date

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

Dale A. Glanzman
Dale A. Glanzman
Senior Regional Counsel
FINRA Department of Enforcement
55 West Monroe Street, Suite 2700
Chicago, IL 60603
P: (312) 899-4312
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Attachment: Election of Payment Form