

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

John Anthony Vedovino
(CRD No. 6113995),

Respondent.

DISCIPLINARY PROCEEDING
No. 2015048362402

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. During the period from December 2014 to October 2015, while registered with FINRA as a General Securities Representative (“GSR”) through an association with Wells Fargo Advisors, LLC, a FINRA member firm (“Wells Fargo” or the “Firm”), Respondent, John Anthony Vedovino, converted \$3,427.93 from Wells Fargo’s affiliated bank (“Bank”). Respondent converted the funds by making Automatic Teller Machine (“ATM”) withdrawals, debit card transactions, and credit card transactions and then fraudulently claiming to the Bank that he had not made those transactions. The Bank reimbursed Respondent for 19 of the transactions. By virtue of this misconduct, Respondent violated FINRA Rule 2010.

2. In addition, from April 2017 and through the present, Respondent has failed to respond to requests for documents and failed to appear and provide testimony pursuant to FINRA Rule 8210. As a result, Respondent violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

3. Respondent entered the securities industry in August 2012 when he became associated with a FINRA member. Respondent became registered with FINRA as a GSR through an association with that FINRA member in January 2013. Respondent served as a GSR with that FINRA member until February 2013. In May 2014, Respondent became registered with FINRA as a GSR through an association with Wells Fargo. Respondent remained associated with the Firm as a GSR and financial advisor in training, in Wayne, New Jersey until December 2015. His office location was at a Bank branch.

4. On December 23, 2015, Wells Fargo filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") regarding Vedovino. The Form U5 reported that Respondent's association with the Firm was terminated "for making false fraud claims on ATM and credit card transactions in his personal bank and credit card accounts."

5. Although Respondent is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because the Complaint was filed within two years after the effective date of termination of Respondent's registration with Wells Fargo, namely, December 23, 2015, and the Complaint charges Respondent with failing to respond to FINRA requests for documentation and with failing to appear for on-the-record testimony during the two-year period after the date upon which Respondent ceased to be registered or associated with a FINRA member.

**First Cause of Action
Conversion
(FINRA Rule 2010)**

6. The Department realleges and incorporates by reference paragraphs 1-5 above.
7. FINRA Rule 2010 requires associated persons to “observe high standards of commercial honor and just and equitable principles of trade.”
8. During the period from December 2014 to October 2015, Respondent maintained personal bank and credit card accounts with the Bank. The Bank provided Respondent a debit and a credit card linked to his accounts.

Respondent’s Debit Card and Credit Card Transactions

9. On 20 occasions between December 2014 and October 2015, Respondent used his Bank debit card and Bank credit card to effect transactions totaling \$3,727.93.
10. Between December 2014 and October 2015, Respondent filed fraudulent claims with the Bank after each of the 20 debit card and credit card transactions, claiming that he did not make the transactions.
11. The Bank reimbursed Respondent \$3,427.93 for 19 of the debit card and credit card transactions. Respondent was not entitled to the reimbursement of funds, because he himself had made the transactions.
12. The chart below reflects Respondent’s debit card and credit card transactions, fraudulent claims, and the Bank’s reimbursement of funds to Respondent for his fraudulent debit and credit claims.

Transaction Date	Transaction Type	Transaction Amount	Claim Date	Bank Reimbursement Notice Date	Bank Reimbursement Amount
12/06/2014	Debit	\$35.95	12/2014	12/2014	\$35.95
04/16/2015	Debit	\$35.00	04/2015	04/2015	\$35.00
06/19/2015	Debit ATM Withdrawal	\$260.00	06/2015	08/2015	\$260.00
06/22/2015	Debit ATM Withdrawal	\$300.00	06/2015	08/2015	\$300.00
07/09/2015	Debit ATM Withdrawal	\$300.00	07/2015	07/2015	Denied
07/23/2015	Debit	\$101.99	07/2015	07/2015	\$101.99
07/23/2015	Debit	\$201.99	07/2015	07/2015	\$201.99
07/25/2015	Credit	\$624.00	08/2015	09/2015	\$624.00
08/03/2015	Debit	\$302.50	08/2015	08/2015	\$302.50
08/09/2015	Credit	\$96.00	08/2015	09/2015	\$96.00
08/09/2015	Credit	\$96.00	08/2015	09/2015	\$96.00
08/09/2015	Credit	\$96.00	08/2015	09/2015	\$96.00
08/09/2015	Credit	\$96.00	08/2015	09/2015	\$96.00
08/09/2015	Credit	\$96.00	08/2015	09/2015	\$96.00
08/10/2015	Credit	\$96.00	08/2015	09/2015	\$96.00
08/10/2015	Credit	\$96.00	08/2015	09/2015	\$96.00
08/10/2015	Credit	\$96.00	08/2015	09/2015	\$96.00
09/03/2015	Credit	\$495.00	09/2015	09/2015	\$495.00
10/14/2015	Debit ATM Withdrawal	\$201.50	10/2015	10/2015	\$201.50
10/16/2015	Debit ATM Withdrawal	\$102.00	10/2015	10/2015	\$102.00
Total		\$3,727.93			\$3,427.93

13. As a result of the foregoing conduct, Respondent converted the Bank's funds and violated FINRA Rule 2010.

**Second Cause of Action
Failures to Provide Testimony and Documents
(FINRA Rules 8210 and 2010)**

14. The Department realleges and incorporates by reference paragraphs 1-13 above.

15. FINRA Rule 8210 authorizes FINRA, in the course of its investigations, to require persons associated with a FINRA member, or person subject to FINRA's jurisdiction to "provide information orally, in writing, or electronically ... and to testify at a location specified by FINRA Staff, under oath or affirmation ... with respect to any matter involved in the investigation."

Failure to Appear and Provide Testimony

16. On April 25, 2017, FINRA sent a letter ("First Testimony Request") to Respondent via his attorney, pursuant to FINRA Rule 8210, requesting Respondent to appear and provide testimony under oath on May 18, 2017 at FINRA's office in New York, New York. The First Testimony Request was sent via certified mail, return receipt requested and first class mail, to Respondent, at his attorney's office address. The First Testimony Request also was transmitted electronically to Respondent's attorney at an email address for the attorney.

17. FINRA received a signed United States Postal Service ("USPS") Domestic Return Receipt for the First Testimony Request sent via certified mail, return receipt requested. The First Testimony Request sent by first class mail was not returned to FINRA.

18. On April 26, 2017, FINRA staff received an email from Respondent's attorney requesting an extension until June 6, 2017 for Respondent's testimony. On April 27, 2017, FINRA staff confirmed the rescheduling of Respondent's testimony for June 6, 2017.

19. On May 25, 2017, Respondent's attorney verbally told Enforcement staff that Respondent would not appear for testimony on June 6, 2017, or at any time.

20. On June 6, 2017, Respondent failed to appear for the requested on-the-record testimony.

21. On June 12, 2017, FINRA sent a letter ("Second Testimony Request") to Respondent via his attorney, pursuant to FINRA Rule 8210, requesting Respondent to appear and provide testimony under oath on June 21, 2017 at FINRA's office in New York, New York. The Second Testimony Request was sent via Federal Express ("FEDEX") and first class mail, to Respondent, at his attorney's office address. The Second Testimony Request also was transmitted electronically to Respondent's attorney at an email address for the attorney.

22. FINRA obtained proof of delivery from FEDEX showing that the Second Testimony Request sent via FEDEX was delivered to the offices of Respondent's attorney on June 13, 2017. The Second Testimony Request sent by first class mail was not returned to FINRA.

23. Respondent failed to appear and provide testimony on June 21, 2017.

Failure to Provide Documents

24. On May 15, 2017, FINRA sent a letter ("First Document Request") to Respondent via his attorney, pursuant to FINRA Rule 8210, requesting, that Respondent provide copies of all account statements for all checking, savings, and credit card accounts ("Financial Records") that he maintained with the Bank from October 2014 to December 2015.

25. The First Document Request was sent via certified mail, return receipt requested and first class mail, to Respondent, at his attorney's office address. The First Document Request also was transmitted electronically to Respondent's attorney at an email address for the attorney. The First Document Request required a response by May 26, 2017.

26. FINRA staff obtained proof of delivery from USPS showing that the First Document Request sent via certified mail, return receipt requested was delivered to the offices of Respondent's counsel. The First Document Request sent by first class mail was not returned to FINRA.

27. On May 25, 2017, Respondent's attorney verbally told Enforcement staff that Respondent would not produce the Financial Records on May 26, 2017, or at any time.

28. FINRA did not receive a response to the First Document Request by May 26, 2017.

29. On June 12, 2017, FINRA sent a letter ("Second Document Request") to Respondent via his attorney, pursuant to FINRA Rule 8210, with a copy of the First Document Request attached, requesting a response by June 19, 2017. The Second Document Request was sent via FEDEX and first class mail, to Respondent, at his attorney's office address. The Second Testimony Request also was transmitted electronically to Respondent's attorney at an email address for the attorney.

30. Enforcement staff obtained proof of delivery from FEDEX showing that the Second Document Request sent via FEDEX was delivered to the offices of Respondent's attorney on June 13, 2017. The Second Document Request sent by first class mail was not returned to FINRA.

31. FINRA did not receive a response to the Second Document Request by June 19, 2017.

32. To date, Respondent has not appeared and provided testimony, as requested pursuant to FINRA Rule 8210. In addition, FINRA has not received any of Respondent's Financial Records, as requested pursuant to FINRA Rule 8210.

33. As a result of the foregoing conduct, Respondent failed to provide documents and testimony and violated FINRA Rules 8210 and 2010.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed; and
- C. order that Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: November 7, 2017



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