

1 MARY ANN SMITH
Deputy Commissioner
2 DOUGLAS M. GOODING
Assistant Chief Counsel
3 KIRK WALLACE (CA BAR NO. 129953)
4 Senior Corporations Counsel
Department of Business Oversight
5 One Sansome Street, Suite 600
6 San Francisco, California 94104
Telephone: (415) 972-8546
7 Facsimile: (415) 972-8550

8 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of)

13 MICHAEL J. FREW,)

14 Respondent.)

) **CONSENT ORDER**
) **BARRING MICHAEL J. FREW**
) **PURSUANT TO CORPORATIONS CODE**
) **SECTIONS 25212 AND 25213**

17 Whereas, in or about 2014, Respondent Michael J. Frew (“Frew”), was registered as a
18 General Securities Representative (CRD No. 812805) with Wells Fargo Advisors, LLC, a securities
19 broker-dealer and investment adviser firm registered with the California Department of Business
20 Oversight (“Department”).

22 Whereas, the Department regulates broker-dealers, investment advisers and their registered
23 representatives in California.

24 Whereas, for the purpose of settling the issues contained in this Order, without further
25 litigation and without admitting or denying the findings herein, except as to the jurisdiction of the
26 Department of Business Oversight over him and the subject matter of these proceedings for the times
27 in question, which are admitted, Michael Frew consents to the entry of this Consent Order made
28 pursuant to California Corporations Code Sections 25212 and 25213.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I. JURISDICTION AND VENUE

1. The Commissioner of the Department of Business Oversight (“Commissioner”) is authorized to administer and enforce the provisions of the Corporate Securities Law of 1968, Corporations Code section 25000 et seq. (“CSL”) and the regulations thereunder at Title 10, California Code of Regulations.

2. The Commissioner brings this action pursuant to the provisions of CSL sections 25212, 25213 and the rules and regulations promulgated thereunder.

II. STATEMENT OF FACTS

3. Michael Frew admits to the jurisdiction of the Department in this matter.

4. In or about 2014, Frew was employed by Wells Fargo Advisors, LLC as a broker-dealer and investment adviser registered representative. Wells Fargo Advisors, LLC is a securities broker-dealer and investment adviser firm licensed by the California Department of Business Oversight pursuant to Corporations Code sections 25210 and 25230. Wells Fargo Advisors, LLC is also a member firm with the Financial Industry Regulatory Authority (FINRA), a national securities association as that term is used in Corporations Code section 25212 (d) (2). Frew was also registered with FINRA as a General Securities Representative of member firm Wells Fargo Advisors, LLC in or about 2014 and had an individual CRD number of 812805.

5. On or about May 28, 2014, FINRA and Michael Frew entered into a “Letter of Acceptance, Waiver, and Consent,” number 2014039893701 (“Letter”) to resolve proceedings involving the failure of Frew to cooperate with a FINRA investigation. Pursuant to the Letter that was signed by Frew, he consented to the imposition of sanctions by FINRA including “a bar from association with any FINRA member in any capacity.”

6. According to the FINRA Letter, Wells Fargo Advisors, LLC permitted Frew to resign from the firm in January of 2014, when he refused to provide that firm with certain bank records the firm requested in connection with an investigation as to whether he had received client funds. In February 2014, FINRA began investigating whether Frew had accepted loans from customers or converted customer funds and served requests for information to Frew pursuant to FINRA rule 810. The Letter states that Frew submitted “partial but substantially incomplete and misleading” responses

1 initially and then failed to respond to further requests for information. On May 20, 2014, Frew
2 informed FINRA that he would not provide any additional response to the request and would not
3 appear and provide testimony as FINRA had also requested. The Letter states that “Frew’s failure to
4 cooperate by providing the requested information and testimony significantly impeded FINRA’s
5 investigation into whether Frew did accept funds from customers and convert those funds for
6 personal use. Frew’s failure to respond to the February request and his refusal to appear for
7 testimony violated FINRA Rules 8210 and 2010.”

8 7. Frew subsequently agreed to resolve the FINRA investigation by signing the Letter,
9 agreeing and consenting to being barred from association with any FINRA member in any capacity.
10 As part of the Letter agreement, Frew did not admit or deny the findings made by FINRA in the
11 Letter.

12 **III. ORDER BARRING MICHAEL FREW FROM EMPLOYMENT IN THE SECURITIES** 13 **INDUSTRY IN CALIFORNIA**

14 8. The Commissioner of the Department of Business Oversight (“Commissioner”) finds
15 that the issuance of the FINRA Letter against Michael Frew is grounds to bar Frew under
16 Corporations Code sections 25212 (d) and 25213.

17 9. CSL section 25212 provides, in relevant part:

18 The commissioner may...by order censure, deny a certificate to... or revoke the
19 certificate of, any broker-dealer, if the commissioner finds that the censure, denial,
20 suspension, or revocation is in the public interest and that the broker-dealer... or any agent
employed by the broker-dealer while so employed has done any of the following:

21 (d) Is or has been subject to ... (2) any order of any national securities association or
22 national securities exchange (registered under the Securities Exchange Act of 1934)
23 suspending or expelling that person from membership in the association or exchange or from
association with any member thereof...

24
25 10. CSL section 25213 provides, in relevant part:

26 The commissioner may...by order...bar from any position of employment,
27 management or control of any broker-dealer or investment adviser, any officer, director,
28 partner, agent, employee of, or person performing similar functions for, a broker-dealer,
or any other person, if the commissioner finds that the censure, suspension, denial, or bar
is in the public interest and that the person has committed any act or omission

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

enumerated in subdivision (a), (e), (f), or (g) of section 25212 or ...is subject to any order specified in subdivision (d) of Section 25212.

11. Pursuant to CSL sections 25212 and 25213, the Commissioner hereby finds it is in the public interest to bar Michael J. Frew from any position of employment, management or control of any investment adviser, or broker-dealer in the State of California pursuant to CSL section 25213.

This Order is necessary in the public interest, for the protection of investors, and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: August 13, 2014

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

CONSENT BY MICHAEL J. FREW.

TO ENTRY OF ORDER ISSUED BY THE DEPARTMENT OF BUSINESS OVERSIGHT

Michael J. Frew (“Frew”) hereby acknowledges that he has been served with a copy of this Consent Order (“Order”), has read the foregoing Order, is aware of his right to a hearing and appeal in this matter, elects to permanently waive any right to a hearing and appeal including those under California Corporations Code sections 25212, 25213 and 25215 and to judicial review of this matter pursuant to California Code of Civil Procedure Section 1094.5 with respect to the issuance of this Bar and Surrender Order.

Frew admits the jurisdiction of the Department of Business Oversight (“Department”), and consents to entry of this Order by the Department as settlement of the issues contained in this Order.

Frew acknowledges that this Order will be a matter of public record.

Frew states that no promise of any kind or nature whatsoever was made to him to induce him to enter into this Order and that he has entered into this Order voluntarily.

Dated: August 5, 2014

By _____
Michael J Frew.

SUBSCRIBED AND SWORN TO before me this 5 day of August, 2014.

Christopher McCaw
Notary Public

My Commission expires: Nov. 18, 2017