STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:	Case No. S-19-0011
STEVEN A. GOTTER, an Individual, Respondent.	ORDER TO CEASE AND DESIST, ORDER DENYING USE OF EXEMPTIONS, ORDER CONDITIONING LICENSES, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting in accordance with Oregon Revised Statutes ("ORS") 59.005 to 59.451, 59.991 and 59.995 and Oregon Administrative Rules ("OAR") chapter 441 (collectively, "the Oregon Securities Law"), has determined that Steven A. Gotter ("Respondent") engaged in violations of the Oregon Securities Law.

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

FINDINGS OF FACT

The Director FINDS that:

1. Respondent's Central Registration Depository ("CRD") number is 1201173.

2. On August 12, 2016, Respondent was issued:

   A. An Oregon securities salesperson license ("Salesperson License");[1] and

   B. An Oregon investment adviser representative license ("IAR License").

3. From on or around July 21, 2006 through on or around August 12, 2016, Respondent was employed by Wells Fargo Advisors, LLC ("Wells Fargo").[2]

[1] Respondent has been licensed in Oregon as a securities salesperson with various employers, dating back to October 23, 1983.
[2] Wells Fargo's CRD number is 705.

4. At various times, pursuant to his employment with Wells Fargo, Respondent had supervisory authority over licensed securities salespersons Holly Walcher ("Walcher")[3] and Megan Weakland ("Weakland").[4]

5. On or around November 28, 2018, Respondent submitted a Letter of Acceptance, Waiver and Consent ("the Letter") to the Financial Industry Regulatory Authority ("FINRA") for the purpose of settling allegations of rule violations. FINRA is a self-regulatory organization registered under the Securities Exchange Act of 1934 ("Exchange Act"). FINRA accepted the Letter.

6. In the Letter, Respondent acknowledged:

A. Sharing a common password with Walcher and Weakland to access Wells Fargo's computer systems, contrary to Wells Fargo's computer security policies;[5]

B. Allowing Walcher and Weakland to use the common password to access securities accounts documents to which they would affix Respondent's electronic signature, evidencing his approval of documents he had never reviewed. These included documents certifying that specific investment programs and strategies were suitable for Wells Fargo's clients;[6] and

C. Authorizing Walcher to sign his name to documents that evidenced his review and approval of Wells Fargo correspondence and check inventory logs he had not actually reviewed.

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[3] Walcher's CRD number is 1512169. See related Division of Financial Regulation ("Division") case number S-19-0030 against Walcher.
[4] Weakland's CRD number is 4678321. See related Division case number S-19-0031 against Weakland.
[5] From pg. 5 of the Letter:

> "[Wells Fargo's] policies and procedures, in effect during the Relevant Period, generally prohibited the disclosure, display or sharing of passwords with anyone. [Wells Fargo's] policies and procedures further directed that "[A]ssociates must not sign or otherwise affix a client's name or the name of any other person to any document, even pursuant to a client's request. Associates were further prohibited from creating or causing to be created by [Wells Fargo] a client document, record or entry that is false, inaccurate or misleading."

[6] The documents were all internal firm records.

7. The Letter contained the following conclusions:

A. Respondent caused the falsification of Wells Fargo documents, in violation of FINRA Rule 2010;[7]

B. Respondent caused Wells Fargo to create and maintain inaccurate books and records in violation of Section 17(a) of the Exchange Act and the rules promulgated thereunder,[8] in violation of FINRA Rule 4511;[9] and

C. Respondent failed in his capacity as a supervisor to enforce Wells Fargo's written policies and procedures regarding the confidentiality of passwords, delegation of supervisory authority and falsification of documents, in violation of FINRA rules 3110(b) and 2010.[10]

8. The Letter imposed the following sanctions:

A. A $10,000 fine;

B. A two-month suspension from association with any FINRA members in all capacities; and

C. A four-month suspension from association with any FINRA members in a principal capacity.

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[7] Under FINRA Rule 2010, "A member, in the conduct of its business, shall observe high levels of commercial honor and equitable principle of trade."

[8] From pg. 4 of the Letter:

> "Under Section 17(a) of the Exchange Act and Rule 17a-3(a)(17) thereunder, broker-dealers are required to make and keep an account record for the account of each natural person who is a customer or owner Under Rule 17a-4 broker-dealers are required to maintain all check books (Rule 17a-4(b)(2)) and originals of all communications received and copies of all communications sent relating to its business as such (Rule 17a-4(b)(4)). Implicit in the requirement to make and keep records is the requirement to do so accurately."

[9] Under FINRA Rule 4511(a), "Members shall make and preserve books and records as required under the FINRA rules, the Exchange Act and the applicable Exchange Act rules."

[10] Under FINRA Rule 3110(b)(1), "Each member shall establish, maintain, and enforce written procedures to supervise the types of business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules."

CONCLUSIONS OF LAW

The Director CONCLUDES that:

9. By engaging in the activities set forth in the Letter, Respondent failed to reasonably supervise the salespersons over whom he had supervisory authority, in violation of ORS 59.205(13), and the Director may impose conditions on his Salesperson and IAR Licenses.

10. Because Respondent has been suspended from association with FINRA members, he is in violation of ORS 59.205(12)(b) and the Director may impose conditions on his Salesperson and IAR Licenses.

11. Because the Director has reason to believe that Respondent has engaged, is engaging, or is about to engage in violations of the Oregon Securities Law, the Director may issue an order to Respondent to cease and desist from violations of the Oregon Securities Law under ORS 59.245(4).

12. Because the Director has reason to believe that Respondent has engaged or is about to engage in violations of the Oregon Securities Law, the Director may deny Respondent the use of exemptions pursuant to ORS 59.045(2).

ORDERS

Now therefore, the Director issues the following Orders:

13. As authorized by ORS 59.245(4), the Director hereby ORDERS Respondent to CEASE AND DESIST from violating any provision of the Oregon Securities Law.

14. As authorized by ORS 59.045(2), the Director hereby DENIES Respondent the use of exemptions that would otherwise be available to him under ORS 59.025 and ORS 59.035 concerning securities and transactions exempt from the registration requirements of the Oregon Securities Law.

15. As authorized by ORS 59.205(2), (12)(b) and (13), the Director hereby CONDITIONS Respondent's Oregon Salesperson and IAR Licenses such that Respondent

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may not supervise individuals licensed under the Oregon Securities Law until he re-takes the Series 8 exam, achieves a passing score and provides the Division with documentation of the same.

16. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, the entry of this Order does not limit other remedies that are available to the Director under Oregon law.

SO ORDERED this 13th day of June, 2019.

CAMERON C. SMITH, Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Steven A. Gotter, state that I have read the foregoing Order and that I know and fully understand the contents hereof. I have been advised of my right to a hearing and of my right to be represented by counsel in this matter. I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law by me. I will fully comply with the terms and conditions stated herein.

Signature: */s/ Steven A. Gotter*

State of Oregon

County of Clackamas

Signed or attested before me on this 5 day of June, 2019

by Steven A. Gotter.

/s/ Marissa L Murray
Notary Public

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