



William Francis Galvin
Secretary of the Commonwealth

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SECRETARY GALVIN OPENS INVESTIGATION INTO WELLS FARGO ADVISORS

Secretary of the Commonwealth William F. Galvin today announced that his office has opened an investigation into Wells Fargo Advisors. The investigation seeks information related to inappropriate referrals of brokerage customers to managed and advisory accounts, unsuitable recommendations of alternative investments, as well as unsuitable referrals and recommendations in connection with 401(k) rollovers.

Wells Fargo disclosed in a recent regulatory filing that it is “assessing whether there have been inappropriate referrals or recommendations, including with respect to rollovers for 401(k) plan participants, certain alternative investments, or referrals of brokerage customers to the Company’s investment and fiduciary services business.”

As part of the investigation, Galvin’s office will be seeking additional information to determine the scope of Wells Fargo’s internal investigation, as well as reasonable assurances that any Massachusetts investors affected by unsuitable recommendations will be made whole.

“I am aware that there has been a recent trend in the industry to push investors into wealth management accounts which may bring more revenues to the firm, but which are not suitable for all investors,” Galvin said. “Given the recent retirement savings crisis in America, referrals and recommendations involving 401(k) accounts should be closely scrutinized, in light of the Department of Labor’s Fiduciary Rule.”

“Wells Fargo’s recent banking scandal, which involved opening bogus accounts for their customers, leads me to believe that where there is smoke, there’s fire,” Galvin continued. “I need to be assured that Massachusetts residents haven’t been burned by corporate greed.”

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