# WELLS FARGO SECURITIES, LLC

## COMMODITY FUTURES TRADING COMMISSION RULE 1.55(K):

## FCM DISCLOSURE DOCUMENT

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**Wells Fargo Securities, LLC ("WFS" or the "Firm") is a registered futures commission merchant ("FCM") with the Commodity Futures Trading Commission ("Commission" or "CFTC") and is a member of the National Futures Association. The Commission requires each FCM, including WFS, to provide the following information to a customer prior to the time the customer first enters into an account agreement with the FCM or deposits money or securities (funds) with the FCM. Except as otherwise noted below, the information set out is as of October 31, 2018 (the "Month End Date"). WFS will update this information annually and as necessary to take account of any material change to its business operations, financial condition or other factors that WFS believes may be material to a customer's decision to do business with WFS. Nonetheless, WFS's business activities and financial data are not static and will change in non-material ways frequently throughout any 12-month period.**

**NOTE: WFS is a subsidiary of Wells Fargo & Co. ("WFC"). Information that may be material with respect to WFS for purposes of the Commission's disclosure requirements may not be material to WFC for purposes of applicable securities laws.**

## I. Firm and its Principals

WFS's name, address of its principal place of business, phone number, fax number and email address are as follows.

Wells Fargo Securities, LLC
550 South Tryon Street, 6th Floor
Charlotte, NC 28202
United States
Email: fcmcompliance@wellsfargo.com
Phone: 704-715-6133
Fax: 312-368-6480

WFS's Designated Self-Regulatory Organization is the CME Group whose website address is: http://www.cmegroup.com.

Below are the names, titles and business addresses of each of WFS's principals as defined in § 3.1(a). Please refer to Appendix A for a biography of each principal that includes his or her business background, areas of responsibility and the nature of duties.

| **Name** | **Title** | **Business Address** |
|---|---|---|
| Renee M. Allen | Deputy Chief Compliance Officer | 550 S. Tryon Street<br>Charlotte, NC 28202 |
| Walter Dolhare | President of<br>Wells Fargo Securities, LLC | 550 S. Tryon Street<br>Charlotte, NC 28202 |
| Mary Katherine DuBose | Managing Director | 550 S. Tryon Street<br>Charlotte, NC 28202 |
| Robert Engel | Managing Director | 550 S. Tryon Street<br>Charlotte, NC 28202 |
| Damian George | Senior Vice President | 100 Park Avenue<br>New York, NY 10017 |
| Robert J. Mulligan, Jr. | Chief Compliance Officer | 375 Park Avenue<br>New York, NY 10152 |
| Christopher Pink | Managing Director | 375 Park Avenue<br>New York, NY 10152 |
| David L. Pitelka | Chief Financial Officer | 301 S. College Street<br>Charlotte, NC 28202 |
| Diane Schumaker Krieg | Global Head of Research,<br>Economics & Strategy | 375 Park Avenue<br>New York, NY 10152 |
| John Shrewsberry | Senior Executive Vice President | 420 Montgomery Street<br>San Francisco, CA 94104 |
| George A. Simonetti | Head of Global Exchange Traded Services | 550 S. Tryon Street<br>Charlotte, NC 28202 |
| Jeremy Smith | Head of Wholesale Market Risk | 550 S. Tryon Street<br>Charlotte, NC 28202 |
| Phillip Smith | Executive Vice President | 301 S. College Street<br>Charlotte, NC 28202 |
| Scott Taylor | Managing Director, Compliance | 550 S Tryon Street<br>Charlotte, NC 28202 |

## II. Firm's Business

In addition to the FCM business, WFS is a registered broker-dealer with the Securities Exchange Commission (the "SEC") and a member of the Financial Industry Regulatory Authority ("FINRA") and, in such capacity is a member of certain securities exchanges. WFS also engages in the following significant types of business activities and product lines. WFS has included in the chart below the approximate percentage of WFS's assets and capital that are used in each type of activity. All percentages are based on financial information as of the Month End Date, which was the most recent month-end when this Disclosure Document was prepared. Please also note that the aggregate sum of the Percentage of Assets and Percentage of Capital may not equal 100% due to rounding.

| Activity/Product Line | Percentage of Assets | Percentage of Capital |
|---|---|---|
| Financing (Resales, Borrows) | 21% | 9% |
| Inventory by Business Line | 45% | 27% |
| Markets Division – Credit/ABF Trading | 31% | 14% |
| Markets Division - Equities | 1% | 5% |
| Markets Division - Rates | 13% | 7% |
| Markets Division – Other | 2% | 0% |
| Municipal Products | 0% | 0% |
| IBCM | 0% | 1% |
| Other | -2% | 0% |
| Goodwill and Tangible Assets | 0% | 1% |
| Receivable from Broker-Dealers and Customers | 20% | 7% |
| Investments in Subsidiaries and Receivable from Affiliates | 0% | 0% |
| Fixed and All Other Assets | 14% | 0% |
| Excess Net Capital | n/a | 56% |

## III. FCM Customer Business

- WFS's FCM customer base includes agricultural producers, asset managers, banks, broker-dealers, commodity trading advisors, energy producers, government sponsored entities, hedge funds, insurance companies, pension funds, real estate investment trusts and other institutional customers.

- WFS's FCM customers transact a range of financial products including interest rate swaps, credit default swaps, financial futures and commodity futures.

- WFS's FCM business is based in the United States.

- The chart below, which is accurate as of the first used date of the disclosure document as shown on Page 26, lists the derivatives exchanges where WFS is a member and the Swap Execution Facilities through which WFS's customers may effect transactions:

| **Derivatives Exchange Memberships** | **SEF Access** |
|---|---|
| CBOE Futures Exchange | BGC SEF |
| Chicago Board of Trade | Bloomberg SEF LLC |
| Chicago Mercantile Exchange, Inc. | DW SEF LLC |
| Commodity Exchange Inc. | ICAP Global Derivatives Limited |
| Eris Exchange LLC | ICAP SEF (US) LLC |
| ICE Futures Europe | Javelin SEF LLC |
| ICE Futures US, Inc. | MarketAxess SEF Corporation |
| Minneapolis Grain Exchange | TeraExchange LLC |
| Nasdaq Futures Exchange | Tradition SEF Inc. |
| New York Mercantile Exchange, Inc. | trueEX LLC |
| Nodal Exchange | TW SEF LLC |

- WFS is a member of the following Clearing Organizations: Chicago Mercantile Exchange, ICE Clear US Inc., ICE Clear Europe, ICE Clear Credit, LCH.Clearnet LLC, LCH.Clearnet Limited, Options Clearing Corporation, Nodal Clear, LLC, and the Minneapolis Grain Exchange.

- WFS uses SG Americas Securities, LLC, ADM Investor Services, Inc., and Societe Generale International Limited as its carrying brokers to provide access to derivatives exchanges and clearing organizations of which WFS is not a direct member. SG Americas Securities, LLC, ADM Investor Services, Inc., and Societe Generale International Limited are not affiliates of WFS.

## IV. Permitted Depositories and Counterparties

Please find below a description of WFS's policies and procedures concerning the choice of bank depositories, custodians and counterparties to permitted transactions under § 1.25.

When considering a new depository institution relationship, WFS conducts a due diligence meeting among the FCM Funding & Liquidity group, FCM Operations and the depository institution relationship contact. A due diligence form/questionnaire will also be completed by the depository institution.

WFS's FCM utilizes a number of third party banks to support its business. Selection factors include, but are not limited to, experience with servicing FCMs, capitalization, acceptability to Clearinghouse, creditworthiness, reliability and reach, and access to liquidity.

Each depository institution employed by WFS is highly rated and has been approved within Wells Fargo's Global Financial Institution credit and risk guidelines. The FCM Funding and Liquidity Group initiates requests for relationship with new depositories to be established. As part of the approval process, the Wells Fargo relationship manager and Credit Officer for the relevant depository jointly review and approve all requests to open a new depository relationship. Once a new request has been approved, the Credit Officer separately develops and establishes risk exposure limits. Formal assessments of the depository's ratings are performed quarterly. Ongoing risk assessment and monitoring of financial institutions includes legal, reputational, geo-political, and regulatory changes. Risk limits and open exposures are monitored daily through Wells Fargo's risk management system. Moreover, concentrations to any single depository or group of depositories is assessed.

Should there be a material change in any of the factors listed, and the depository be deemed no longer suitable, WFS will seek an alternative service provider and exit the relationship.

Although the customer balances maintained at WFS's depository institutions tend to be beyond the coverage afforded by the Federal Deposit Insurance Corporation's protections, there may be insurance provided by a depository institution of up to $250,000. Please note that certain depository institutions do not offer insurance on WFS accounts.

## V. Material Risks

The material risks, accompanied by an explanation of how such risks may be material to its customers, of entrusting funds to FCM, including, without limitation:

> **Overview: In order to assure that it is in compliance with its regulatory capital requirements and that it has sufficient liquidity to meet its ongoing business obligations, WFS holds a significant portion of its assets in cash, US Treasury Securities, US Federal Agency Securities, Asset Backed Securities and Corporate Bonds. WFS also invests in other short-term highly liquid instruments such as money market instruments.**

WFS's FCM invests customer funds permissible under § 1.25 (Investment of customer funds). The associated investment risks are issuer credit risk, interest rate risk, and markets liquidity risk. The current investments include U.S. Treasury Securities, Reverse Repurchase Agreements with U.S. Treasury Securities collateral, and Money Market Mutual Funds. Please note that the Money Market Mutual Funds investments do not carry a rating. As of the Month End Date, the dollar weighted average maturities and dollar weighted average coupons were as follows:

| | Dollar Weighted Average Maturity | Dollar Weighted Average Coupon |
|---|---|---|
| Sequestered | 151 days | 1.90% |
| Segregated (1.20) | 227 days | 2.07% |
| Secured (30.7) | 1 days | .83% |

For a listing and discussion for the Firm's current investments, please click here.

**Creditworthiness**:

Creditworthiness takes into account many factors, one of which may be a rating from a nationally recognized ratings organization. WFS is rated A+ for Long Term and A-1 for Short Term (affirmed on February 7, 2018) by Standard & Poors Rating Services.

**Leverage and Balance Sheet Leverage**:

As of the Month End Date, WFS has a leverage ratio and a balance sheet leverage ratio of 4.48. WFS defines its the leverage ratio in accordance with NFA Notice to Members I-12-14 and NFA Notice to Members I-12-29.

Please find the Firm's most recent leverage ratio and balance sheet leverage ratio here.

**Capital**:

| Capital (as of the Month End Date) | |
|---|---|
| Total Stockholder's Equity | $5,098,310,486 |
| Subordinated Loans | $7,300,000,000 |
| Capital | $12,398,310,486 |

For more updated information, please see the Firm's most recent FOCUS filing.

- The Firm's Total Stockholder's Equity can be found in Box 1800 of the FOCUS.
- The Firm's Subordinated Loans can be found in Box 1710 of the FOCUS.
- The Firm's Capital can be found in Box 3530 of the FOCUS.

**Liquidity**:

WFS's Tentative Net Capital as of the Month End Date was $9,982,515,247.

For more updated information, please see the Firm's most recent FOCUS filing.

- The Firm's Tentative Net Capital can be found in Box 3640 of the FOCUS.

**Principal Liabilities**:

| Principal Liabilities | |
|---|---|
| Securities sold under repurchase agreements | $77,472,525,829 |
| Securities Sold not yet Purchased at Market | $17,398,847,566 |
| Payable to FCM Customers | $ 6,142,644,535 |

For more updated information, please see the Firm's most recent FOCUS filing.

- Securities sold under repurchase agreements (this figure can be found in Box 1480 of the FOCUS).
- Securities sold not yet purchased at market (this figure can be found in Box 1620 of the FOCUS).
- Payable to FCM Customers (this figure can be found in Box 1590 of the FOCUS).

As referenced above, in addition to being a registered FCM, WFS is registered as a broker-dealer with the SEC and is a member organization of FINRA. WFS engages in a wide variety of securities activities in accordance with its status as an affiliate of a financial holding company under the provisions of the Gramm-Leach-Bliley Act of 1999. In general, securities sold by WFS are not bank deposits and are not insured by the Federal Deposit Insurance Corporation.

WFS clears some of its securities customers' transactions through Wells Fargo Clearing Services, LLC ("WFCS"), an affiliated broker dealer, on a fully disclosed basis.

WFS clears some customer transactions for Wells Fargo Prime Services, LLC, an affiliated broker dealer, on a fully disclosed basis.

WFS self clears the majority of its institutional customer accommodation and market-making transactions. Some futures are carried and cleared by an unaffiliated broker-dealer.

WFS is approved to act as a clearing prime broker. WFS is also designated as a Primary Dealer in U.S. government securities by the Federal Reserve Bank of New York.

The following discussion of significant liabilities, contingent or otherwise, and material commitments of WFS includes certain information from WFS's Statement of Financial Condition as of December 31, 2017.

The Company is a party to derivative financial instruments and commitments in the normal course of business to meet the financing needs of customers, conduct trading activities, and manage market risks. These derivative financial instruments include futures, options, swaps, swaptions, forward commitments to purchase and sell securities, securities purchased and sold on a when-issued basis (when-issued securities), and firm underwriting commitments. These instruments and commitments involve, to varying degrees, elements of credit and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to the terms of the contract. Market risk is the possibility that a change in interest rates, the underlying assets, indices or a combination of these factors will cause an unfavorable change in the value of a financial instrument.

The Company controls the credit risk arising from these instruments and commitments through its credit approval process and through the use of risk control limits and monitoring procedures. It evaluates each customer's or other broker-dealer's creditworthiness on a case-by-case basis. If collateral is deemed necessary to reduce credit risk, the amount and nature of the collateral obtained is based on management's credit evaluation of the other party. Based on the Company's assessment of each of its counterparties, additional collateral was not required by the Company at December 31, 2017.

The notional principal or contractual amounts of derivative financial instruments exceed the probable loss that could arise from counterparty default or market-related risks. The fair value of derivative financial instruments represents principally the estimated unrealized gain (asset) or loss (liability) and is recorded in financial instruments owned or financial instruments sold, not yet purchased in the statement of financial condition. The market risk associated with trading financial instruments, including derivatives, the prices of which are constantly fluctuating, is managed by imposing limits as to the type, amounts, and degree of risk that traders may undertake. These limits are approved by senior management, and the risk positions of traders are reviewed on a daily basis to monitor compliance with the limits.

For a listing of the notional or contractual amounts of derivative financial instruments and their related fair values as of December 31, 2017, please see the Firm's most recent Audited Annual Statement of Financial Condition here.

These discussions can be found in footnote 13 entitled "Derivatives" and footnote 14 entitled "Guarantees, Commitments, and Contingent Liabilities".

Forward and commodity contracts are contracts for delayed delivery of securities or money market instruments in which the seller agrees to make delivery at a specified future date of a specified instrument, at a specified price or yield. Equity contracts are contracts that allow the holder of the option to purchase or sell a financial instrument at a specified price and within a specified period of time from the seller or writer of the option. As a writer of options, the Company receives a premium at the outset and then bears the risk of an unfavorable change in the price of the financial instrument underlying the option and other market risk factors that may impact the fair value of the option.

For a table on the gross fair values of assets and liabilities, the balance sheet netting adjustments and the resulting net fair value amount recorded on the statement of financial condition, as well as the non-cash collateral associated with such arrangements, please see the Firm's most recent Audited Annual Statement of Financial Condition here.

These discussions can be found in footnote 13 entitled "Derivatives" and footnote 14 entitled "Guarantees, Commitments, and Contingent Liabilities".

The Company has no derivatives that contain features that are contingent upon the credit ratings of the Company or its affiliates.

The Company uses credit derivatives to manage exposure to credit risk related to its customer accommodation and market-making activity. This may include protection purchased to offset securities owned or sold protection. This credit risk management provides an ability to recover a significant portion of any amounts that would be paid under the credit derivatives written by the Company. The majority of the credit contracts are executed with an affiliate, WFBNA, and the Company would be required to perform under the noted credit derivatives in the event of a default by the referenced obligors. Excluded from maximum exposure are written credit protection contracts with a notional amount of $150,520,000 where the Company has also purchased offsetting credit protection with the same counterparty, WFBNA, on the same referenced obligation and where the term and amount of the purchased protection equals or exceeds the term of the written credit protection. Events of default include events such as bankruptcy, capital restructuring or lack principal and/or interest payment. In certain cases, other triggers may exist, such as the credit downgrade of the referenced obligors.

For a listing of sold and purchased credit derivatives as of December 31, 2017, please see the Firm's most recent Audited Annual Statement of Financial Condition here.

These discussions can be found in footnote 13 entitled "Derivatives" and footnote 14 entitled "Guarantees, Commitments, and Contingent Liabilities".

The Protection sold – non-investment grade category is based on the maximum loss exposure for which there is a greater risk that the Company will be required to make a payment or perform under the credit derivative. The current status of the risk of payment or performance being required is considered high if the underlying assets under the credit derivative have an external rating that is below investment grade or an internal credit default grade that would be equivalent to below investment grade external rating. It is important to note that the Protection sold – non-investment grade represents the amount of exposure which would be incurred under an assumed hypothetical circumstance and, accordingly, this disclosure is not an indication of expected loss for which payment is of a high likelihood. Such payment may not result in a loss. As such, the Protection sold – non-investment grade column is not an indication of loss probability.

In the normal course of business, the Company enters into debt and equity underwriting commitments. Transactions relating to such underwriting commitments that were open at December 31, 2017, and were subsequently settled had no material impact on the Company's statement of financial condition.

The Company leases office space related to its branch offices under operating leases expiring at various dates through 2020. For a listing of minimum future rental payments required under such leases, that have initial or remaining non-cancelable lease terms in excess of one year at December 31, 2017, please see the Firm's most recent Audited Annual Statement of Financial Condition here.

These discussions can be found in footnote 13 entitled "Derivatives" and footnote 14 entitled "Guarantees, Commitments, and Contingent Liabilities".

Minimum future rental commitments do not include operating leases entered into by affiliates for which the Company shares office space. The affiliates allocate rent expense to the Company for its share of rent expense incurred under these operating leases, under an expense sharing agreement.

The Company has been named as a defendant in various legal actions arising from its normal business activities in which damages in various amounts are claimed. When establishing a liability for contingent litigation losses, the Company determines a range of potential losses for each matter that is both probable and estimable, and records the amount it considers to be the best estimate within the range. For these matters and others where an unfavorable outcome is reasonably possible but not probable, there may be a range of possible losses in excess of the established liability that cannot be estimated. Based on information currently available, advice of counsel, available insurance coverage and established reserves, the Company believes that the eventual outcome of the actions against it, including the matters described above, will not, individually or in the aggregate, have a material adverse effect on the Company's consolidated financial position. However, in the event of unexpected future developments, it is possible that the ultimate resolution of those matters, if unfavorable, may be material to the Company's results of operations for any particular period.

The Company is a member of exchanges and clearing houses that the Company uses to clear its trades and those of the Company's customers. It is common that all members in these organizations are required to collectively guarantee the performance of other members. Our obligations under the guarantees are based on a fixed amount or a multiple of the collateral we are required to maintain with these organizations. We have not recorded a liability for these arrangements because we believe the likelihood of loss is remote. The maximum exposure to loss represents the estimated loss that would be incurred under an assumed hypothetical circumstance, despite what we believe is its extremely remote possibility, where the value of our interests and any associated collateral declines to zero. The maximum exposure to loss related to our clearing house arrangements at December 31, 2017 is $2,359,564,000. The Company has made deposits with clearing organization in the form of cash of $307,443,000. The Company has also made deposits with clearing organizations with pledged collateral obtained through securities purchased under agreements to resell transactions of $932,134,000.

The Company clears transactions on behalf of its clients through various clearing houses, and the Company stands behind the performance of its clients on such trades. The Company mitigates its exposure to loss in the event of a client default by requiring that clients provide appropriate amounts of margin at the inception and throughout the life of the transaction. The Company may cease providing clearing services to clients if they do not adhere to their obligations under the clearing agreement. It is difficult to estimate the Company's maximum exposure under such transactions, as this would require an assessment of transactions that clients may execute in the future. The Company manages the exposure through setting credit limits for clients and maintaining termination right over clearing contracts. However, based upon historical experience, the Company believes it is unlikely that it will have to make any material payments under these arrangements and the risk of loss is expected to be remote.

On February 2, 2018, WFC entered into a consent order with the Board of Governors of the Federal Reserve System ("FRB"), which requires WFC to submit to the FRB within 60 days of the date of the consent order plans to further enhance the WFC Board of Director's governance oversight and WFC's compliance and operational risk management. The consent order also requires third-party reviews related to the adoption and implementation of such plans by September 30, 2018. Until these third-party reviews are complete and the plans are approved and implemented to the satisfaction of the FRB, WFC's total consolidated assets will be limited to the level as of December 31, 2017. Compliance with this asset cap will be measured on a two-quarter daily average basis, which allows for management of temporary fluctuations. Once the asset cap limitation is removed, a second third-party review must be conducted to assess the efficacy and sustainability of the improvements.

The Company introduces certain of its customer transactions to an affiliated clearing broker, WFCS, with whom it has a correspondent relationship for clearance and depository services in accordance with the terms of the clearance agreement. In connection therewith, the Company has agreed to indemnify WFCS for credit losses that WFCS may sustain as a result of the failure of the Company's customers to satisfy their obligations in connection with their securities transactions. As of December 31, 2017, substantially all customer obligations were collateralized by securities with a market value in excess of the obligations.

Some contracts that the Company enters into in the normal course of business include indemnification provisions that obligate the Company to make payments to the counterparty or others in the event certain events occur. The contingencies generally relate to the changes in the value of underlying assets, liabilities, or equity securities or upon the occurrence of events, such as an adverse litigation judgment or an adverse interpretation of the tax law. The indemnification clauses are often standard contractual terms and were entered into in the normal course of business based on an assessment that the risk of loss would be remote. Since there are no stated or notional amounts included in the indemnification clauses and the contingencies triggering the obligation to indemnify have not occurred and are not expected to occur, the Company is not able to estimate the maximum potential amount of future payments under these indemnification clauses. There are no amounts reflected on the statement of financial condition as of December 31, 2017, related to these indemnifications.

For additional discussion of the Firm's significant liabilities, please see the Firm's most recent Audited Annual Statement of Financial Condition here.

These discussions can be found in footnote 13 entitled "Derivatives" and footnote 14 entitled "Guarantees, Commitments, and Contingent Liabilities".

## VI. Material Complaints or Actions

Although WFS, in its capacity as broker-dealer and/or FCM, has been subject to regulatory disciplinary matters involving fines or other sanctions, as of the date hereof WFS has not been the subject of any material administrative, civil, enforcement or criminal complaints or action that have been filed but not concluded nor any enforcement complaints or actions that have been filed during the last three years, except as follows:

NEW JERSEY CARPENTERS HEALTH FUND V. NOVASTAR MORTGAGE, ET AL. This is a class action filed in the United States District Court for the Southern District of New York ("the Court") involving six different NovaStar offerings in which Wachovia Capital Markets, LLC served as one of the underwriters. Plaintiff alleged that the offering documents were materially misleading because they failed to disclose that NovaStar, which originated or acquired the loans backing the certificates, systematically disregarded its lending guidelines. In rulings in March 2011 and March 2012, the Court dismissed the action with prejudice. In March 2013 the Second Circuit Court of Appeals ("Second Circuit") reversed the rulings and directed the Court to consider the possible inclusion with regard to the other five offerings. In February 2015 the Court added the other five offerings back to the case. The parties subsequently reached an agreement in principle to settle the matter for $165MM, with approximately $54MM representing Wells Fargo's contribution to the settlement. The parties filed a motion for preliminary approval of the settlement with the Court on March 15, 2017. The Court issued an order granting the motion on May 10, 2017. Wells Fargo submitted its contribution to the settlement on June 1, 2017. Subsequently, one of the investors in the securities at issue, the Federal Housing Finance Agency ("FHFA"), did not submit timely its opt out notice and is now contesting the settlement. On September 12, 2017, the Court ruled that FHFA had received notice and therefore had waived the right to opt out. The Court set the final hearing to approve the settlement for September 20, 2017. FHFA filed an emergency appeal and motion for stay of the September 20, 2017 hearing with the Second Circuit. On September 19, 2017, the Second Circuit granted a temporary stay of the September 20, 2017 hearing while FHFA's emergency motion is considered by a three-judge panel. On October 19, 2018, the Second Circuit issued an order fully denying FHFA's appeal and remanded the case to the Court. Wells Fargo is currently awaiting further instruction from the Court.

Wells Fargo Securities, LLC is a defendant in two actions filed in the Southern District of New York, captioned LORELEY FINANCING (JERSEY) NO. 3 LIMITED ET AL V. WELLS FARGO SECURITIES LLC ET AL. and LBBW LUXEMBURG S.A. V. WELLS FARGO SECURITIES LLC, F/K/A WACHOVIA CAPITAL MARKETS, LLC AND FORTIS SECURITIES, LLC, in which certain investors have brought claims against Wells Fargo Securities, LLC seeking compensation for losses in CDOs underwritten by its predecessor Wachovia Capital Markets, LLC. The cases allege a variety of state and federal claims relating to improper disclosures and omissions associated with the transactions. The district court granted Wells Fargo's motion for summary judgment in the LBBW case, and the plaintiff's appeal to the U.S. Court of Appeals for the Second Circuit has been fully briefed. Wells Fargo's motion to dismiss the Loreley case was granted in part and denied in part, and the parties are currently engaged in fact discovery. The amount of losses or potential liability is these matters is not known.

## VII. Customer Funds Segregation

Please see below a basic overview of customer fund segregation, FCM management and investments, FCMs and joint FCM/broker dealers.

> **Customer Accounts.** FCMs may maintain up to three different types of accounts for customers, depending on the products a customer trades:
>
> (i) a **Customer Segregated Account** for customers that trade futures and options on futures listed on US futures exchanges;
>
> (ii) a **30.7 Account** for customers that trade futures and options on futures listed on foreign boards of trade; and
>
> (iii) a **Cleared Swaps Customer Account** for customers trading swaps that are cleared on a Derivatives Clearing Organization ("DCO") registered with the Commission.

The requirement to maintain these separate accounts reflects the different risks posed by the different products. Cash, securities and other collateral (collectively, **Customer Funds**) required to be held in one type of account, *e.g.*, the Customer Segregated Account, may not be commingled with funds required to be held in another type of account, *e.g.*, the 30.7 Account, except as the Commission may permit by order. For example, the Commission has issued orders authorizing ICE Clear Europe Limited, which is registered with the Commission as a DCO, and its FCM clearing members: (i) to hold in Cleared Swaps Customer Accounts Customer Funds used to margin both (a) Cleared Swaps and (b) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such Cleared Swaps and foreign futures and foreign options; and (ii) to hold in Customer Segregated Accounts Customer Funds used to margin both (c) futures and options on futures traded on ICE Futures US and (d) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such transactions.

> **Customer Segregated Account.** Funds that customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on futures exchanges located in the US, *i.e.*, designated contract markets, are held in a **Customer Segregated Account** in accordance with section 4d(a)(2) of the Commodity Exchange Act and Commission Rule 1.20. **Customer Segregated Funds** held in the Customer Segregated Account may not be used to meet the obligations of the FCM or any other person, including another customer.

All Customer Segregated Funds may be commingled in a single account, *i.e.*, a customer omnibus account, and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of $1 billion of regulatory capital; (iii) an FCM; or (iv) a DCO. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's customers. Unless a customer provides instructions to the contrary, an FCM may hold Customer Segregated Funds only: (i) in the US; (ii) in a money center country;[1] or (iii) in the country of origin of the currency.

[1] Money center countries means Canada, France, Italy, Germany, Japan, and the United Kingdom.

An FCM must hold sufficient US dollars in the US to meet all US dollar obligations and sufficient funds in each other currency to meet obligations in such currency. Notwithstanding the foregoing, assets denominated in a currency may be held to meet obligations denominated in another currency (other than the US dollar) as follows: (i) US dollars may be held in the US or in money center countries to meet obligations denominated in any other currency; and (ii) funds in money center currencies[2] may be held in the US or in money center countries to meet obligations denominated in currencies other than the US dollar.

**30.7 Account.** Funds that **30.7 Customers** deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on foreign boards of trade, *i.e.*, **30.7 Customer Funds**, and sometimes referred to as the **foreign futures and foreign options secured amount**, are held in a **30.7 Account** in accordance with Commission Rule 30.7.

Funds required to be held in the 30.7 Account for or on behalf of 30.7 Customers may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside the US that has in excess of $1 billion in regulatory capital; (iii) an FCM; (iv) a DCO; (v) the clearing organization of any foreign board of trade; (vi) a foreign broker; or (vii) such clearing organization's or foreign broker's designated depositories. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's 30.7 Customers. As explained below, Commission Rule 30.7 restricts the amount of such funds that may be held outside of the US.

Customers trading on foreign markets assume additional risks. Laws or regulations will vary depending on the foreign jurisdiction in which the transaction occurs, and funds held in a 30.7 Account outside of the US may not receive the same level of protection as Customer Segregated Funds. If the foreign broker carrying 30.7 Customer positions fails, the broker will be liquidated in accordance with the laws of the jurisdiction in which it is organized, which laws may differ significantly from the US Bankruptcy Code. Return of 30.7 Customer Funds to the US will be delayed and likely will be subject to the costs of administration of the failed foreign broker in accordance with the law of the applicable jurisdiction, as well as possible other intervening foreign brokers, if multiple foreign brokers were used to process the US customers' transactions on foreign markets.

If the foreign broker does not fail but the 30.7 Customers' US FCM fails, the foreign broker may want to assure that appropriate authorization has been obtained before returning the 30.7 Customer Funds to the FCM's trustee, which may delay their return. If both the foreign broker and the US FCM were to fail, potential differences between the trustee for the US FCM and the administrator for the foreign broker, each with independent fiduciary obligations under applicable law, may result in significant delays and additional administrative expenses. Use of other intervening foreign brokers by the US FCM to process the trades of 30.7 Customers on foreign markets may cause additional delays and administrative expenses.

To reduce the potential risk to 30.7 Customer Funds held outside of the US, Commission Rule 30.7 generally provides that an FCM may not deposit or hold 30.7 Customer Funds in permitted

[2] Money center currencies mean the currency of any money center country and the Euro.

accounts outside of the US except as necessary to meet margin requirements, including prefunding margin requirements, established by rule, regulation, or order of the relevant foreign boards of trade or foreign clearing organizations, or to meet margin calls issued by foreign brokers carrying the 30.7 Customers' positions. The rule further provides, however, that, in order to avoid the daily transfer of funds from accounts in the US, an FCM may maintain in accounts located outside of the US an additional amount of up to 20 percent of the total amount of funds necessary to meet margin and prefunding margin requirements to avoid daily transfers of funds.

> **Cleared Swaps Customer Account.** Funds deposited with an FCM, or otherwise required to be held for the benefit of customers, to margin swaps cleared through a registered DCO, *i.e.*, **Cleared Swaps Customer Collateral**, are held in a **Cleared Swaps Customer Account** in accordance with the provisions of section 4d(f) of the Act and Part 22 of the Commission's rules. Cleared Swaps Customer Accounts are sometimes referred to as LSOC Accounts. LSOC is an acronym for "legally separated, operationally commingled." Funds required to be held in a Cleared Swaps Customer Account may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of $1 billion of regulatory capital; (iii) a DCO; or (iv) another FCM. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's Cleared Swaps Customers.

**Investment of Customer Funds.** Section 4d(a)(2) of the Act authorizes FCMs to invest Customer Segregated Funds in obligations of the United States, in general obligations of any State or of any political subdivision thereof, and in obligations fully guaranteed as to principal and interest by the United States. Section 4d(f) authorizes FCMs to invest Cleared Swaps Customer Collateral in similar instruments.

Commission Rule 1.25 authorizes FCMs to invest Customer Segregated Funds, Cleared Swaps Customer Collateral and 30.7 Customer Funds in instruments of a similar nature. Commission rules further provide that the FCM may retain all gains earned and is responsible for investment losses incurred in connection with the investment of Customer Funds. However, the FCM and customer may agree that the FCM will pay the customer interest on the funds deposited.

Permitted investments include:

> (i) Obligations of the United States and obligations fully guaranteed as to principal and interest by the United States (U.S. government securities);
>
> (ii) General obligations of any State or of any political subdivision thereof (municipal securities);
>
> (iii) Obligations of any United States government corporation or enterprise sponsored by the United States government (U.S. agency obligations);[3]

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[3] Obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Association are permitted only while these entities operate under the conservatorship or receivership of the Federal Housing Finance Authority with capital support from the United States.

(iv) Certificates of deposit issued by a bank (certificates of deposit) as defined in section 3(a)(6) of the Securities Exchange Act of 1934, or a domestic branch of a foreign bank that carries deposits insured by the Federal Deposit Insurance Corporation;

(v) Commercial paper fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (commercial paper);

(vi) Corporate notes or bonds fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (corporate notes or bonds); and

(vii) Interests in money market mutual funds.

The duration of the securities in which an FCM invests Customer Funds cannot exceed, on average, two years.

An FCM may also engage in repurchase and reverse repurchase transactions with non-affiliated registered broker-dealers, provided such transactions are made on a delivery versus payment basis and involve only permitted investments. All funds or securities received in repurchase and reverse repurchase transactions with Customer Funds must be held in the appropriate Customer Account, *i.e.*, Customer Segregated Account, 30.7 Account or Cleared Swaps Customer Account. Further, in accordance with the provisions of Commission Rule 1.25, all such funds or collateral must be received in the appropriate Customer Account on a delivery versus payment basis in immediately available funds.[4]

**No SIPC Protection.** Although WFS is a registered broker-dealer, it is important to understand that the funds you deposit with WFS for trading futures and options on futures contracts on either US or foreign markets or cleared swaps are not protected by the Securities Investor Protection Corporation.

Further, Commission rules require WFS to hold funds deposited to margin futures and options on futures contracts traded on US designated contract markets in Customer Segregated Accounts. Similarly, WFS must hold funds deposited to margin cleared swaps and futures and options on futures contracts traded on foreign boards of trade in a Cleared Swaps Customer Account or a 30.7 Account, respectively. In computing its Customer Funds requirements under relevant Commission rules, WFS may only consider those Customer Funds actually held in the applicable Customer Accounts and may not apply free funds in an account under identical ownership but of a different classification or account type (*e.g.*, securities, Customer Segregated, 30.7) to an account's margin deficiency. In order to be used for margin purposes, the funds must actually transfer to the identically-owned undermargined account. Further, the method of determining the value at which customer positions will be transferred will generally be the fair market value determined by the relevant DCO.

[4] As discussed below, NFA publishes twice-monthly a report, which shows for each FCM, *inter alia*¸ the percentage of Customer Funds that are held in cash and each of the permitted investments under Commission Rule 1.25. The report also indicates whether the FCM held any Customer Funds during that month at a depository that is an affiliate of the FCM.

For additional information on the protection of customer funds, please see the Futures Industry Association's "Protection of Customer Funds Frequently Asked Questions" located at http://www.futuresindustry.org/downloads/PCF_questions.pdf.

## VIII. Filing a Complaint

A customer that wishes to file a complaint about WFS or one of its employees with the Commission can contact the Division of Enforcement either electronically at https://forms.cftc.gov/fp/complaintform.aspx or by calling the Division of Enforcement toll-free at 866-FON-CFTC (866-366-2382).

A customer that wishes to file a complaint about WFS or one of its employees with the National Futures Association can file a complaint electronically at http://www.nfa.futures.org/basicnet/Complaint.aspx or by calling NFA directly at 800-621-3570.

A customer that wishes to file a complaint about WFS or one of its employees with the Chicago Mercantile Exchange can file a complaint electronically at: http://www.cmegroup.com/market-regulation/file-complaint.html or by calling the CME at 312.341.3286.

## IX. Relevant Financial Data

WFS's annual audited financial statements are made available at the following website: https://www.wellsfargo.com/com/securities/financial-reports.

Please find financial data as of the Month End Date, which was the most recent month-end when the Disclosure Document was prepared.

WFS's total equity, regulatory capital, and net worth, all computed in accordance with U.S. Generally Accepted Accounting Principles and Rule 1.17, as applicable:

| | |
|---|---|
| Total Equity | $5,098,310,486 |
| Regulatory Capital | $7,753,195,855 |
| Net Worth | $5,098,310,486 |

For more updated information, please see the Firm's most recent FOCUS filing.

- The Firm's Total Equity can be found in Box 1800 of the FOCUS.
- The Firm's Regulatory Capital can be found in Box 3750 of the FOCUS.
- The Firm's Net Worth can be found in Box 1800 of the FOCUS.

The percentage of the dollar value of the proprietary margin requirements (which includes WFS and a number of affiliates) as a percentage of the aggregate margin requirement of the Firm's futures, cleared swaps, and 30.7 customers is 16.73%.

For an updated percentage, please click here.

The number of futures customers, cleared swaps customers, and 30.7 customers that comprise 50 percent of WFS's total funds held for futures customers, cleared swaps customers, and 30.7 customers, respectively:

| Client Origin | # of clients making up 50% of WFS's total funds held |
|---|---|
| 1.20 Segregated | 11 |
| Cleared Swaps | 16 |
| 30.7 Secured | 5 |

For the most updated number of futures customers, cleared swaps customers, and 30.7 customers that comprise 50 percent of WFS's total funds held for futures customers, cleared swaps customers, and 30.7 customers, respectively, please click here.

As a general practice, WFS does not enter into unhedged over-the-counter transactions on its own behalf although WFS does engage in over-the-counter transactions as a principal in relation to its liquidity management, customer accommodation and market-making activities. As a result of these activities, WFS maintains an inventory of financial instruments owned and financial instruments sold, but not yet purchased, consisting of trading securities and derivatives.[5] WFS typically hedges its exposures to such instruments on a portfolio level, rather than at the transaction level. In order to monitor the effectiveness of WFS's hedging activities, WFS utilizes various risk management techniques, including value at risk and stress scenario analysis.

The amount, generic source and purpose of any unsecured lines of credit (or similar short-term funding) that WFS has obtained but not yet drawn upon:

**(In Millions)**

| **Legal Entity Providing Funding** | **Description** | **Commitment Type** | **Secured / Unsecured** | **Limit** | **Drawn** | **Available** | **Purpose** |
|---|---|---|---|---|---|---|---|
| WFC | Revolving Note and Subordination Agreement | Committed | Unsecured | $8,000 | $7,300 | $700 | Capital qualifying subordinated debt |

WFS's FCM business does not extend any margin financing services or accept illiquid assets for its customers at this time.

The percentage of futures customer, cleared swaps customer, and 30.7 customer receivable balances that WFS had to write-off as uncollectable during the past 12-month period, as compared to the balance of funds required to be held for futures customers, cleared swaps customers, and 30.7 customers as of the Month End Date is approximately 0.158%

Additional financial information on all FCMs is also available on the Commission's website at: http://www.cftc.gov/MarketReports/FinancialDataforFCMs/index.htm.

Customers should be aware that the National Futures Association ("NFA") publishes on its website certain financial information with respect to each FCM. The FCM Capital Report provides each FCM's most recent month-end adjusted net capital, required net capital, and excess net capital. (Information for a twelve-month period is available.) In addition, NFA publishes twice-monthly a Customer Segregated Funds report, which shows for each FCM: (i) total funds held in Customer Segregated Accounts; (ii) total funds required to be held in Customer Segregated Accounts; and (iii) excess segregated funds, *i.e.*, the FCM's Residual Interest. This report also shows the percentage of Customer Segregated Funds that are held in cash and each of the permitted investments under Commission Rule 1.25. Finally, the report indicates whether the FCM held any

[5] Please refer to the notes of the December 31, 2016 audited WFS statement of financial condition for a more detailed discussion.

Customer Segregated Funds during that month at a depository that is an affiliate of the FCM.

The report shows the most recent semi-monthly information, but the public will also have the ability to see information for the most recent twelve-month period. A 30.7 Customer Funds report and a Customer Cleared Swaps Collateral report provides the same information with respect to the 30.7 Account and the Cleared Swaps Customer Account.

The above financial information reports can be found by conducting a search for a specific FCM in NFA's BASIC system (http://www.nfa.futures.org/basicnet/) and then clicking on "View Financial Information" on the FCM's BASIC Details page.

## X. Risk Practices, Controls, and Procedures

WFS has an established risk management department "Risk Department") to provide oversight and to coordinate key business decisions. This Risk Department is staffed with risk officers that interact with Wells Fargo Credit Officers. Risk management in WFS is also integrated with the risk management processes and systems utilized at the corporate level of Wells Fargo & Company.

The Risk Department uses processes, procedures and systems to which the trading and execution team members do not have access. Risk management decisions are determined independently of the trading and execution team.

The Risk Department is responsible for defining and maintaining WFS's credit policy, which encompasses:

- Definition of acceptable creditworthy counterparties

- Methodology to monitor, control and remedy credit risk

Generally, credit limits are set by the relevant Wells Fargo legal entity at the customer level to manage overall credit exposure to each customer (based on a qualitative assessment, credit due diligence, and analysis of the customer's management and its liquidity and risk functions). Within the clearing product, limits are set to control overall credit risk to the customer as well as intraday credit risk limits to control trade size.

<u>Current Risk Controls and Procedures:</u>

Credit risk exists in the event a customer or counterparty fails so it is important that there a methodology in place to evaluate and monitor customer credit worthiness on an ongoing basis.

Risk may be introduced to WFS through either customer or house trading activity in both listed and OTC derivative trades that are executed and/or cleared by WFS acting as agent. WFS will set its own risk limits for all customers with which all customers must comply.

Listed Futures

WFS will establish risk limits for its customers in order to ensure that trades and positions do not exceed acceptable levels of risk. These risk limits will be determined by the Risk Department and will be based for each customer, without limitation, on the assets of the customer, its trading style, the markets traded, its credit rating, its country of origin, and the relevant trading experience and track record of such customer. The risk limits provided will detail limits based upon position size and order size in each contract traded by the customer.

Electronic trading platforms that are approved for use by WFS customers allow WFS to set limits on ticket size. All of these trading platforms support basic risk limits where a 'fat finger' or order size limit is established in each contract that a customer wishes to trade. Additionally, a position limit shall be established in each contract that a customer trades.

OTC Derivatives

The Risk Department operates systems to monitor the utilization of limits by customers. The monitoring software shall dynamically display current positions, P/L, working orders, margin requirements and available credit for each customer. The systems notify the Risk Department of market conditions, orders and fills.

Limits should be expressed, and monitored, in multiple terms including: Net Liquidating Value, Initial Margin Limits, Maximum Potential Exposure, concentration limits and other metrics deemed relevant to the customer in question.

All position and risk limits will be monitored for appropriateness by the Risk Department and the limits may be changed whenever as appropriate. WFS performs stress tests on limits at least weekly and periodically evaluates the ability of customers to meet both Initial Margin and Variation Margin requirements.

This Disclosure Document was first used on December 18, 2018.

## APPENDIX A

# Renee Allen

**Managing Director**
**Deputy Chief Compliance Officer**
Wells Fargo Securities, LLC
Wells Fargo & Company

Renee Allen is responsible for the compliance programs and business advisory support to Wells Fargo Securities (both broker dealer and swap dealer), Corporate Banking Group, and Government and Institutional Banking.

Renee has over 3o years securities and compliance experience, including 19 years with Wells Fargo and its predecessors. Renee has been a part of leadership teams executing on the integrations of Wells Fargo's many acquisitions and mergers including; Core States, Wheat First Butcher Singer, Bowles Hollowell, Connor & Co., Everen, Forum Capital Markets, First Union/Wachovia, AG Edwards & Sons and Wachovia. She was instrumental in the build out of Wachovia's international capital markets businesses in Europe and Asia prior to the Wells Fargo merger.

Prior to coming to First Union from Comerica Bank's Investment Services Division, Renee's Compliance background included management and support responsibilities spanning retail, institutional, bank channel, and investment advisory financial services. Renee has her BBA in Finance from the University of North Texas.

# Walter Dolhare

**President, Wells Fargo Securities**
Wells Fargo Securities, LLC
Wells Fargo & Company

Walter Dolhare is a managing director and co-President of Wells Fargo Securities, LLC, and a member of the Wells Fargo Management Committee.

Wells Fargo Securities is comprised of almost 5,000 employees in more than 40 offices across North America, Europe, and Asia. The business delivers a comprehensive set of capital markets and advisory products and services, including public debt and equity origination and distribution, investment research, interest rate, commodity and equity risk hedging, mergers and acquisitions advice, prime services, structured lending facilities, foreign exchange services, and municipal bond origination to institutional, middle market and corporate customers.

Prior to his current role and since 1995, Walter has held sales management and leadership roles for Wells Fargo and the securities divisions of Wells Fargo's predecessor firms, including First Union and Wachovia Bank. Walter's experience and technical expertise reach across all sectors of both U.S. and international markets.

More recently, Walter led the Markets Division of Wells Fargo Securities, where he was responsible for the domestic and international strategy and management of Wells Fargo's market-leading trading and securities services businesses. His experience with credit, rates, commodities and equities' cash and derivative sales, trading, distribution, and investment activities spans a variety of industries and sectors.

A native of Argentina, Walter moved to the U.S. in 1986. He earned a B.S. in business administration from the University of Notre Dame in South Bend, Ind., where he played on scholarship for the men's tennis team. Walter serves in leadership roles for several Wells Fargo industry associations and non-profit boards, including the Global Financial Markets Association, the Mint Museum and the McColl Center for Art + Innovation.

# Mary Katherine DuBose

**Managing Director**
**Head of Debt Capital Markets**
Wells Fargo Securities, LLC
Wells Fargo & Company

Mary Katherine DuBose is a managing director and head of Debt Capital Markets (DCM) at Wells Fargo Secu
In this leadership role for the Investment Banking & Capital Markets platform, Mary Katherine leads
responsible for high-grade debt, high-yield debt and loan syndications for originations and executions.

Mary Katherine has more than 20 years of investment banking experience having joined Wells Fargo in 1
assist in forming the Business & Commercial Loan Securitization team. Prior to her FCM role, Mary Kat
was co-head of Asset-Backed Finance and Corporate Net Lease groups. Additional prior work experience in
three years at CapUSA, where she helped structure Capital USA Funding and Llama Retail Fundin
commercial paper conduits financing trade receivables.

Mary Katherine's asset experience includes: SBA 7(a) and 504 loans, health care receivables, mezzanin
conventional business loans, small and middle market commercial loans (both senior and subordinated),
based loans, and broadly syndicated leveraged loans.

Mary Katherine holds a B.S.B.A. from the University of Arkansas with a concentration in finance.

# Robert Engel

**Managing Director, Wells Fargo Securities**
Wells Fargo Securities, LLC
Wells Fargo & Company

Rob Engel is a managing director of Wells Fargo Securities, LLC. Rob joined Wells Fargo as head of Mergers and Acquisitions in 2005, led Investment Banking and Capital Markets since 2008, and assumed his current role in 2014. He is a member of the Wells Fargo Management Committee.

Rob has more than 30 years of banking experience, providing clients across industries with advice and execution for capital structure solutions, debt and equity financings, mergers and acquisitions, and restructurings. He remains actively involved in executing important transactions for clients including advising the board of directors of Krispy Kreme on its sale to JAB Beech, Annaly Capital on its acquisition of Hatteras Financial, Rock-Tenn on its acquisition of Smurfit-Stone Container, Dole on its initial public offering and sale of its U.S. packaged foods and Asian fresh fruit and vegetable businesses, and Outback Steakhouse on its sale to Bain Capital and Catterton Partners.

Prior to joining Wells Fargo, Rob helped establish Gleacher Partners, an independent corporate advisory firm headquartered in New York, in 1990. At Gleacher, Rob was a managing director and head of Mergers, Acquisitions, and Restructuring. In 2000, he opened Gleacher's office in London. Before joining Gleacher, he worked at the merchant bank Morgan Grenfell in London and New York for four years.

Rob graduated from Deerfield Academy in Massachusetts and earned a B.A. from Princeton University.

Rob takes an active interest in the community, serving on the boards of the Thurgood Marshall Foundation, Opera Carolina, Westminster Kennel Club Foundation, and St. Paul's School in London.

# Damian George

**Senior Vice President**
Wells Fargo & Company

Damian George is a senior vice president and external financial reporting manager for the controllers division of Wells Fargo. In his role, he is responsible for the regulatory and financial reporting of Wells Fargo's registered broker dealer. Damian joined the firm in September 2013.

Prior to joining Wells Fargo, Damian was the Chief Financial Officer and executive director of Morgan Stanley's Alternative Investments area; Ceres Managed Futures. While there, he was responsible for managing the regulatory and financial reporting of the firm's commodity investment funds. Prior to Morgan Stanley, Damian worked at Citigroup in multiple roles, including as Chief Financial Officer of the hedge fund management group and senior vice president of the financial control division. Damian has also held roles at Fuji Securities, Merrill Lynch, and the National Futures Association.

Damian received a B.A. in accounting and an M.B.A. in international finance from Fordham University. He currently holds the Series 3, 7, and 27 licenses.

# Steve Kiker

**Managing Director, Head of Business Management**
Wells Fargo Securities, LLC
Wells Fargo & Company

Steve Kiker is a managing director and Head of the Wells Fargo Securities business management/Chief Operating Officer (COO) team. His responsibilities include working with senior business leaders on the day-to-day management and supervision of the Wells Fargo Securities businesses, including asset-backed finance, equities, fixed income, investment banking and capital markets, municipals, and research. His team also services as the primary liaison between the business unit and its various support partners, including technology, compliance, operations, legal, human resources, corporate properties, finance, accounting, corporate marketing, and risk. Steve is based in Charlotte, North Carolina.

Prior to assuming his current role in 2006, Steve served as the director of strategic planning for fixed income and in various finance-related roles at Wachovia Bank, a Wells Fargo predecessor bank. Before joining Wachovia in 2001, Steve worked in Washington, D.C. as the controller for Pedestal, Inc., and was a senior auditor at Arthur Andersen prior to that.

Steve earned his B.S. in accounting from the University of Florida and is a Certified Public Accountant.

# Bob Mulligan

**Managing Director**
**Chief Compliance Officer**
Global Head of Compliance & Operational Risk
Wells Fargo Securities, LLC
Wells Fargo & Company

Bob Mulligan is Managing Director, Chief Compliance Officer for Wells Fargo Bank, N.A.'s Swap Dealer, and Global Head of Compliance & Operational Risk for Wells Fargo Securities, including Chief Compliance Officer for the Futures Commission Merchant. In this position, Bob is responsible for managing the compliance and operational risk programs for Wells Fargo Bank, N.A.'s Swap Dealer as well as the securities, investment banking, corporate banking, and principal investing businesses globally.

Bob originally joined Wachovia Corporation in March of 2008 as Compliance Managing Director for Markets Businesses prior to Wachovia's merger with Wells Fargo. Bob has held a variety of senior compliance and legal positions in the securities and banking industries over his 26 year career. Bob obtained his B.S. in Business Administration from the E. Claiborne School of Business at the University of Richmond and his J.D. from New York Law School.

# Christopher Pink

**Managing Director**
**Head of Asset-Backed Finance & Securitization**
Wells Fargo Securities, LLC
Wells Fargo & Company

Chris Pink is a managing director and head of Asset-Backed Finance & Securitization (ABF) at Wells Fargo Securities. ABF provides direct structured lending as well as the underwriting and distribution of asset-backed securities for clients with assets that generate long-term stable cashflows. ABF has over 300 clients and a risk portfolio of approximately $100BN across consumer, commercial, residential, and corporate debt sectors. Chris joined Wells Fargo in 2002 and ran the ABS syndicate desk before moving to a banking role as head of the Consumer Finance Group in 2010.

Prior to joining Wells Fargo, Chris was one of five principals at Quadrant Capital Ltd., an independent manager of structured credit products located in London, UK. At Quadrant Capital, Chris oversaw both the portfolio management and the treasury functions. Chris joined Quadrant Capital in 1995 from Barclays Capital, where he worked in the European Asset Securitization Group.

Chris earned a B.A. in economics from the University of Manchester (UK) and an M.B.A. from University College London. Chris grew up in London and currently lives in New York with his wife and three children.

# Dave L. Pitelka

**Executive Vice President**
Group Finance Officer
Wells Fargo & Company

Dave Pitelka is an executive vice president and Group Financial Officer for the Wholesale division of Wells Fargo & Co. In this capacity, he has a pivotal role in Financial Planning and Analysis, including long-range strategic planning, and within Capital Markets Product Control Activities.

Dave is part of the Loan and Deposit Pricing Committee, and is jointly responsible, along with the Controllers Group, for Accounting Policies and Books & Records integrating and Sox Control compliance. His other responsibilities include expense optimization initiatives, regulatory and External Reporting and Merger Integration Activities

Prior to his current position, Chief Financial Officer for all business activities conducted in the Corporate and Investment Bank for Wachovia. Dave has served as Corporate Controller for 1st American Bancshares, which was acquired by First Union in 1993, where he was a member of a small management team brought in by the Trustee to oversee orderly liquidation of existing bank franchise. From 1987 through 1991, Dave was a Partner for Deloitte & Touche, where he specialized providing accounting and auditing services to a wide range of companies in the financial services and real estate industry.

Dave received a B.A. in Accounting in 1977 from the Illinois Wesleyan University and his CFA certification from state of Florida in 1979.

# Diane Schumaker-Krieg

**Managing Director**
**Global Head of Research, Economics & Strategy**
Wells Fargo Securities, LLC
Wells Fargo & Company

Diane Schumaker-Krieg is Global Head of Research, Economics & Strategy and leads all research divisions within Wells Fargo, including Equities, High Yield, High Grade, Yankee Bonds, Preferreds, Structured Products, Municipal Bonds, Strategic Indexing, Equity Strategy, Credit Strategy and Economics. She is responsible for aligning Wells Fargo's research capabilities with the company's origination and product areas to better serve clients, manage risk and build brand awareness through award-winning research and industry conferences.

Diane and her team provide research to investors worldwide and to all of Wells Fargo, including the 35,000-person Wholesale Banking group and the 15,000+ financial advisors within Wells Fargo Advisors. Diane initiated the Wells Fargo Securities Managing Director Promotion Committee and chaired it for five years. She was recently selected to co-Chair the Wells Fargo Securities Development and Engagement Council, which governs policy development and implementation for approximately 5,000 employees.

Before joining Wachovia Securities in 2004, Diane was a managing director and co-head of U.S. Equity Research for Credit Suisse First Boston (CSFB), where she worked for 14 years and led a team of top-ranked analysts. Diane chaired CSFB's Stock Selection, Investment Policy and Research Review committees and was a member of CSFB's Global Equity Operating Committee and Managing Director Promotion Committee. Diane began her investment banking career at Dillon Read, a UBS predecessor bank, in private placements and equity capital markets.

Prior to Wall Street, Diane held several corporate treasury positions including Director of International Finance & Foreign Exchange at PepsiCo, Director of Corporate Finance at PRIMERICA, and financial analyst in the Exploration & Production Division of Mobil Oil Corp.
Diane is a Phi Beta Kappa, Sigma XI, and summa cum laude graduate of Wellesley College, and holds an M.B.A. in finance from Columbia University.

For the past six consecutive years, Diane has been recognized by American Banker on their prestigious "25 Most Powerful Women in Finance" survey. In 2014, Harvard's Smart Woman Securities named Diane "Woman of the Year." In 2007, Legal Momentum, the nation's oldest women's legal and public policy advocacy group, honored Diane as a business leader who has broken new ground.

# John Shrewsberry

**Senior Executive Vice President**
**Chief Financial Officer**
Wells Fargo & Company

Senior Executive Vice President John Shrewsberry is the chief financial officer responsible for Wells Fargo's financial management functions, including accounting and control, financial planning and analysis, line of business finance functions, asset-liability management, treasury, tax management, investor relations, and the company's investment portfolios. John is also responsible for Wells Fargo's corporate development, information technology, corporate properties and security, corporate strategy, and enterprise expense and efficiency functions. John serves on the Wells Fargo Operating, Management, and Market Risk Committees and is based in San Francisco.

A 22-year veteran of banking and investing, John served as head of Wells Fargo Securities from 2006 through May 2014, where he was responsible for investment banking, capital markets, institutional fixed income, equity, derivatives sales and trading, investment research, and a credit-intensive principal investment portfolio. From 2001 through 2005, he was the group head of Wells Fargo Commercial Capital, the successor to a commercial finance company he co-founded that became part of Wells Fargo in 2001. Previously, John worked at Goldman Sachs and Credit Suisse First Boston in the principal finance areas. He started his career as a Certified Public Accountant at Coopers & Lybrand.

John earned his B.A. in economics from Claremont McKenna College and an M.B.A. from the Yale School of Management.

John currently serves on the board for the Committee on Capital Markets Regulation. Committed to serving the communities around him, John also serves on the board of the Robert Day School of Economics and Finance, the Yale School of Management, the Yale Corporation Investment Committee and is active with the Juvenile Diabetes Research Foundation.

# George Simonetti

**Managing Director**
**Head of Global Exchange Traded Services**
Wells Fargo Securities, LLC
Wells Fargo & Company

George Simonetti is a Managing Director and Head of Global Exchange Traded Services in Wells Fargo Securities' Markets Division. Based in Charlotte, N.C., he is responsible for the expansion and oversight of Wells Fargo's derivatives clearing and futures execution businesses within the Futures Commission Merchant.

Prior to assuming his current role in 2012, George held the position of Head of Operations for Wells Fargo Securities, where he was responsible for Wells Fargo's Global Markets and Investment Banking Operations group. George also served as the Financial and Operations Principal for the firm's U.S. broker-dealer (Wells Fargo Securities, LLC).

George joined Wells Fargo in November 1994 through the First Union/Signet Bank merger where he had responsibility for all Capital Markets operations, finance and technology activities for the bank. Prior to joining First Union/Wachovia, George spent seven years with Lehman Brothers in New York where he held various senior leadership roles supporting securities operations, fixed income middle office, commodity derivatives and currency risk management.

George was born and raised in Queens, New York. He earned his B.A. in Finance from St. John's University and his Executive M.B.A. from Duke's Fuqua School of business.

# Jeremy B. Smith

**Managing Director**
Head of Wholesale Market Risk
Wells Fargo Securities, LLC
Wells Fargo & Company

Jeremy Smith is a managing director and Head of Wholesale Market Risk. Based in Charlotte, N.C., he is responsible for all market risk activity across the Wholesale Bank and Corporate Contingent Credit which includes managing credit exposure in the Derivatives Clearing, Interest Rates, and Commodities teams.

Prior to assuming his current role in 2011, Jeremy was a loan supervisor in Commercial Banking. His responsibilities included credit oversight of several Midwest States, credit policy and portfolio management.

Jeremy began his banking career with Wells Fargo in 1998. Following various assignments in Commercial Banking, he graduated from the Credit Management Training Program in 2000 and joined the Bellevue Regional Commercial Banking Office (RCBO) as a relationship manager.

During his career with Wells Fargo, he has worked in Atlanta, Ga., as a relationship manager with the Real Estate group and as the loan team manager of the Kansas City RCBO.

Jeremy earned a B.A. degree in economics with a minor in international finance at the University of Washington in Seattle. Born in Totnes, United Kingdom, he has lived and worked in the U.K., Cyprus, Saudi Arabia, Monaco, and various parts of the United States.

# Phillip Smith

**Executive Vice President, Group Head**
Government & Institutional Banking
Wells Fargo & Company

Phil Smith is an executive vice president and group head of Government & Institutional Banking at Wells Fargo. Based in Charlotte, N.C., he is responsible for banking services, public finance and sales, trading, and underwriting within this segment.

Government & Institutional Banking (GIB) provides a wide range of financial services to meet the unique needs of government, education, healthcare, and nonprofit organizations. GIB brings together specialized banking teams, investment banking professionals, and tax-exempt sales and distribution capabilities to serve more than 5,000 customers nationwide.

Prior to joining Wells Fargo, Phil spent 20 years at Bank of America in a variety of leadership positions surrounding the government and institutional client segment, including relationship manager and market executive roles. The majority of his career has been in the capital markets managing teams in sales and trading and public finance investment banking. Most recently, he served as the head of the Municipal Finance Group, which included the Public Finance Investment Bank, Institutional Sales, Trading and Underwriting Desk, and Municipal Structured Products.

Phil is a former vice chairman of the Municipal Securities Rulemaking Board. He has also served on the Securities Industry and Financial Markets Association (SIFMA) Municipal Executive Committee and the Government Finance Officers Association (GFOA) Banking Committee.
Phil currently serves on the University of Alabama Culverhouse College of Commerce Board of Visitors. He is a member of the board of directors for the Spoleto Festival U.S.A., is a co-chair on the Boy Scouts Sporting Clay committee, and is an active mentor in American Corporate Partners (ACP), a program that connects U.S. veterans to business leaders through mentorships and career advice.

Before his tenure in the banking industry, Phil served as an officer in the United States Army. He achieved the rank of captain and commanded a nuclear-capable field artillery battery. He earned his bachelor of science degree in corporate finance from the University of Alabama.

# Scott Taylor

**Managing Director**
Wells Fargo Securities, LLC
Wells Fargo & Company

Scott Taylor is a Managing Director in Compliance for Wells Fargo Securities, located in Charlotte, NC. He is responsible for managing the compliance programs covering activities related to the Swap Dealer, Futures Commission Merchant, Principal Investing and WFS Funding and Liquidity Management. Mr. Taylor is also the Chief Compliance Officer of 2 Investment Advisors.

Mr. Taylor has over 25 years of capital markets experience, the last 15 years in Compliance with Wells Fargo and its predecessors. Prior to joining First Union in Charlotte in 1998, Mr. Taylor was a swaps trader with various large banks in New York. He also has experience prior to trading in project management and external audit

Mr. Taylor holds a BA in Economics and Psychology from Trinity College (Hartford, CT) as well as an MBA in Finance from New York University. He holds FINRA licenses in Series 3, 4, 7, 14, 24, 55, 63, 65, and 79.