

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20160483604 01**

**TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")**

**RE: James R. Schaedler, Jr., Respondent ("Schaedler")
General Securities Representative
CRD No. 4264512**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, James R. Schaedler Jr., submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:**

BACKGROUND

Schaedler entered the securities industry in August 2000 as a General Securities Representative ("GSR"). Schaedler maintained that registration through consecutive associations with three member firms between 2000 and 2010. From July 2010 to January 2017, Schaedler was registered as a GSR with Wells Fargo Clearing Services ("Wells Fargo" or "the Firm"). Schaedler worked for the Firm as a Registered Representative in Newport Beach, California and Irvine, California.

On January 10, 2017, Wells Fargo terminated Schaedler's employment. On January 20, 2017, the Firm filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") regarding Schaedler. The Form U5 disclosed that Schaedler's employment was terminated "after allegations that the financial advisor's daughter received funds via a check from a client. The majority of those funds were subsequently received by the financial advisor."

Schaedler is not currently associated with a FINRA-regulated broker-dealer.

Pursuant to Article V, Section 4 of the FINRA By-Laws, FINRA retains jurisdiction over Schaedler.

RELEVANT DISCIPLINARY HISTORY

Schaedler has no previous disciplinary history with the Securities and Exchange Commission, any state securities agency, FINRA or any other self-regulatory organization.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210(a)(1) provides that FINRA staff shall, for purposes of an investigation, complaint, examination, or proceeding, have the right to require any "person associated with a member, or any other person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically . . . with respect to any matter involved in the investigation, complaint, examination, or proceeding."

FINRA Rule 2010 requires that associated persons, in the conduct of their business, observe high standards of commercial honor and just and equitable principles of trade. A failure to comply with FINRA Rule 8210 is a violation of FINRA Rule 2010.

FINRA commenced an investigation in January 2016 into allegations that Schaedler exercised influence over a former elderly client, who ultimately amended her trust making Schaedler a partial beneficiary and the residual beneficiary of her \$2.3 million dollar estate. The investigation was later expanded to include allegations that Schaedler also improperly received a \$200,000 gift from a second elderly client.

On May 9, 2017, FINRA sent a request for information and documents pursuant to FINRA Rule 8210 to Schaedler with a response date of May 17, 2017. Schaedler, through his counsel, requested an extension to the May 9, 2017, request. FINRA extended the response date to May 26, 2017. Schaedler did not provide any documents or information to FINRA in response to the May 9, 2017, request.

As stated by his counsel to FINRA staff during a telephone call on May 31, 2017, and by this agreement, Schaedler acknowledges that he received FINRA's 8210 request for information and documents and will not produce the information requested. By refusing to produce information and documents as requested pursuant to FINRA Rule 8210, Schaedler violated FINRA Rules 8210 and 2010.

B. I also consent to the imposition of the following sanctions:

- A bar from associating with any FINRA member in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;**
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;**
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and**
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.**

Further, I specifically and voluntarily waive any right to claim bias or prejudice of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

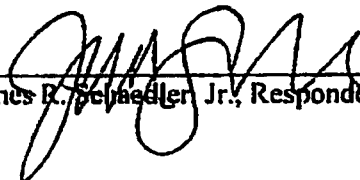
OTHER MATTERS

I understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

I, James R. Schaedler, Jr., certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

6/5/2017
June 5, 2017


James R. Schaedler, Jr., Respondent

Reviewed by:



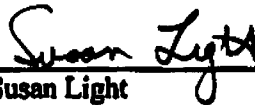
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Fax 310.836.4801

Accepted by FINRA:

6/29/17

Date

Signed on behalf of the
Director of ODA, by delegated authority



Susan Light
Senior Vice President and Chief Counsel
FINRA Department of Enforcement
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