

as gambling at casinos, restaurant meals, and car payments, or lost funds trading options. These actions were particularly egregious because three of his customers were in their nineties and are experiencing mental decline.

The Bureau Chief makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Rivero, (CRD No: 5856503), residing in Red Bank, New Jersey, has been registered with the Bureau as an agent and investment adviser representative of two broker-dealers:
 - a) Wells Fargo Clearing Services, LLC (CRD #19616) (“Wells Fargo”) as an agent from December 2, 2010 to October 1, 2020, and as an investment adviser representative from January 9, 2015 to October 1, 2020; and
 - b) LPL Financial, LLC (CRD #6413) (“LPL”) from September 28, 2020 to June 9, 2021 as an agent, and from September 29, 2020 to June 9, 2021 as an investment adviser representative.
2. LPL discharged Rivero on May 12, 2021, for failing to respond to LPL’s inquiries and requested termination of his agent and investment adviser representative registrations with the Bureau on June 9, 2021. The request for termination is still pending.

Rivero Befriended the Elderly Siblings M.J.R., J.R., and C.R.

3. M.J.R., J.R., and C.R. are elderly siblings (collectively, “the Elderly Siblings”) in their nineties who have an eighth-grade level of education and whose native and primary language is Spanish. The Elderly Siblings do not speak or read English; Spanish is the only language that they understand.

4. C.R. and J.R. have diminished capacity.
5. M.J.R. handles most, if not all, of the household finances for herself and her siblings.
6. More than ten years ago, as customers of a clothing business that Rivero's mother ran out of her home, the Elderly Siblings met and became friendly with Rivero's mother and her family, including Rivero. During 2016, the two families spent time together in each other's homes and celebrated holidays together. Rivero also ran errands for the Elderly Siblings, including buying groceries and driving them to doctors' appointments.
7. Rivero later became the Elderly Siblings' financial advisor for their accounts at Wells Fargo.

Rivero Misappropriated Customer Funds

8. During the Relevant Time Period, Rivero defrauded at least four Wells Fargo customers ("Wells Fargo Customers") of at least \$529,780.
9. During the Relevant Time Period, Rivero authorized at least eleven Automated Clearing House ("ACH") transfers totaling at least \$465,000 from at least four Wells Fargo Customers' brokerage accounts to their Wells Fargo Bank, N.A. ("Wells Fargo Bank") accounts.
10. During the Relevant Time Period, Rivero assisted at least four of his Wells Fargo Customers purchase cashier's checks totaling at least \$529,780 made payable to accounts associated with Rivero's mother, and Rivero's friend.

Customers - The Elderly Siblings

11. In June 2012, the Elderly Siblings opened three joint Wells Fargo brokerage accounts (M.J.R. and J.R. opened "Joint Account #1"; M.J.R. and C.R. opened "Joint Account #2"; and C.R. and J.R. opened "Joint Account #3"), with Hany Elhelw (CRD #2632037) as the agent of record

upon the opening of the account.

12. On January 30, 2019, M.J.R., J.R., and C.R. transferred Joint Account #1, Joint Account #2, and Joint Account #3 into a new joint brokerage account at Wells Fargo in the names of M.J.R. and J.R. ("Joint Account #4"), with Rivero as the agent of record.

13. Rivero had discretionary trading authority for Joint Account #4.

14. In or about 2012, the Elderly Siblings established Wells Fargo Bank joint checking and savings accounts (M.J.R. and J.R. opened "Joint Checking #1" and "Joint Savings #1"; M.J.R. and C.R. opened "Joint Checking #2" and "Joint Savings #2"; and C.R. and J.R. opened "Joint Checking #3" and "Joint Savings #3").

15. On July 8, 2019, M.J.R. and J.R. executed an ACH Authorization Agreement for ACH on Demand transfers from Joint Account #4 to Joint Checking #1. Rivero certified that M.J.R. and J.R. authorized the ACH transfers.

16. From July 2019 to November 2020, Rivero liquidated mutual funds totaling approximately \$296,000 in Joint Account #4. During that same period, Rivero confirmed authorization for nine ACH transfers from Joint Account #4 to Joint Checking #1, totaling approximately \$365,000.

17. On more than one occasion, Rivero accompanied M.J.R. and J.R. at their Wells Fargo Bank branch, and on at least two of those occasions, Rivero drove them to the bank.

18. Rivero assisted M.J.R. in withdrawing funds from Joint Checking #1 by writing out the withdrawal slip and instructing her to sign it.

19. Rivero instructed M.J.R. to use the withdrawn funds to purchase at least nine cashier's checks, totaling at least \$220,370, payable to one of Rivero's mother's businesses ("Mother's Business #1"). Rivero had access to the funds in his Mother's Business #1's account.

20. After being deposited in the account of Rivero's Mother's Business #1, a majority of these funds, were, however, not used for the business. Rather, Rivero used the funds for personal expenses such as gambling at casinos, restaurant meals, and car payments.

21. Additionally, from January 11, 2020 through November 17, 2020, on more than one occasion, Rivero accompanied Wells Fargo Customers M.J.R. and J.R. to their Wells Fargo Bank branch and assisted them in obtaining six cashier's checks totaling at least \$219,500 that were made payable to a business owned by Rivero's friend ("Friend's Business").

22. On at least one of these occasions, on November 17, 2020, Rivero assisted M.J.R. in obtaining a cashier's check in the amount of \$150,000 made payable to the Friend's Business to invest in the business. Rivero deposited the \$150,000 cashier's check into the Friend's Business bank account.

23. Immediately thereafter, approximately \$130,000 was wired from the Friend's Business bank account to Rivero's personal trading account.

24. Rivero used the funds for options trading and lost the entire amount in less than two weeks.

Customer - K.H.

25. In or about September 1998, K.H. established an account at a bank that is now known as Wells Fargo Bank. During the Relevant Time Period, K.H. maintained checking and savings accounts at Wells Fargo Bank.

26. During the Relevant Time Period, K.H. was in her mid-sixties.

27. In or about May 2015, and January 2016, K.H. opened two individual brokerage accounts at Wells Fargo, with Rivero as the agent of record upon the opening of the accounts.

28. On April 4, 2018, K.H. executed an ACH Authorization Agreement for ACH on Demand transfers from one of her individual brokerage accounts (“K.H. Brokerage Account”) to her savings account at Wells Fargo Bank.

29. On or about November 16, 2018, Rivero liquidated mutual funds in the K.H. Brokerage Account totaling approximately \$75,000.

30. On or about November 20, 2018, pursuant to the ACH Agreement, approximately \$75,000 was transferred into K.H.’s savings account at Wells Fargo Bank.

31. On or about November 26, 2018, K.H. withdrew \$79,413.33 from her savings account and \$10,586.67 from her checking account at Wells Fargo Bank. On the same day, K.H. purchased a cashier’s check in the amount of \$90,000 payable to a second business owned by Rivero’s mother (“Mother’s Business #2”).

Rivero Violated Wells Fargo Compliance Policies

Rivero Violated the Outside Activities and Outside Investments Policies

32. During the Relevant Time Period, the Wells Fargo Compliance Policies (“Wells Fargo Policies”) contained a section entitled “Outside Activities and Outside Investments Policy” (“Wells Fargo OBA and Outside Investments Policy”).

33. The Wells Fargo OBA and Outside Investments Policy defined “Selling Away” “as soliciting (or engaging in any of the below activities) with, any client or prospect to purchase any specific investment, ownership interest, or security of any kind not offered by or through [Wells Fargo].” Prohibited activities included:

- a. Referring;

- b. Making introductions;
- c. Arranging or participating in meetings;
- d. Selling;
- e. Promoting; or
- f. Facilitating the sale.

34. The Wells Fargo OBA and Outside Investments Policy required agents to seek supervisory approval prior to engaging in certain outside activities (“OBAs”).

35. Further, the Wells Fargo OBA and Outside Investments Policy contained a policy prohibiting certain OBAs.

36. As described above, when Rivero instructed his Wells Fargo Customers to purchase cashier’s checks in the name of his Mother and Friend’s Businesses, he solicited and sold investments away from Wells Fargo.

37. Additionally, the Wells Fargo OBA and Outside Investments Policy contained a section entitled “Outside Investments” that required an agent to seek supervisory approval prior to participating in any outside investment.

38. The Wells Fargo Policies regarding Outside Investments also prohibited agents from engaging in outside investments including:

- a) Where the agent:
 - i. Participates in selling away from Wells Fargo;
 - ii. Raises capital; or
 - iii. Acts on behalf of a client.

- b) If the outside investment:
 - i. Causes an actual or potential conflict of interest;
 - ii. Presents a potential for reputational risk to Wells Fargo; or
 - iii. Otherwise negatively affects the agent’s duties and responsibilities to Wells Fargo.

39. Rivero never disclosed nor sought approval from Wells Fargo to refer, offer or sell investments in his Mother's Businesses and Friend's Business, or to have outside brokerage accounts, such as the one in which he conducted the options trading as described above.

40. Rivero was also required to complete Wells Fargo's Annual Attestations, which, among others, asked questions of their agents about outside business activities and accounts. Rivero completed Annual Attestations on September 28 2011, September 24, 2012, January 9, 2014, December 9, 2014, November 19, 2015, January 1, 2017, January 18, 2018, January 14, 2019, and November 18, 2019 (together, the "AA").

41. Rivero answered "No" on the AA forms when asked if he maintained outside brokerage or commodities accounts except for those previously disclosed to, and approved in writing by, Wells Fargo as qualifying as an exemption under the firm's Personal Investment Policy.

42. Rivero also stated in the AA forms that he did not participate in any outside activities, except for those previously disclosed to, and approved in writing by, Wells Fargo.

43. Rivero also stated in the AA forms that he did not invest in any outside investments, except for those previously disclosed to, and approved in writing by, Wells Fargo.

44. On May 28, 2020, Wells Fargo granted Rivero conditional approval for 100% ownership of Future Trends, LLC, as an outside business activity. Rivero disclosed that Future Trends, LLC was an online consignment store offering used clothing and accessories. Pursuant to this conditional approval, Rivero was prohibited from referring customers of Wells Fargo to third parties with respect to private financial deals; prohibited from raising capital outside of Wells Fargo in any way; and prohibited from soliciting anyone to invest in Future Trends, LLC or any other private transaction.

Rivero Violated Wells Fargo's Conflicts of Interest Policies

45. During the Relevant Time Period, the Wells Fargo Policies contained a section entitled "Conflicts of Interest Policy" that defined several types of conflicts of interest, including Fiduciary and Investment Conflict of Interest, Personal Finance Conflict of Interest, and Personal Relationship Conflict of Interest. Generally, these policies required agents to avoid conflicts of interest and the appearance of conflicts of interest between their personal, outside business and investment activities and the performance of their duties on behalf of Wells Fargo.

46. The Conflicts of Interest Policy states that these conflicts include any situation in which an agent's personal finances, investments, relationships, outside activities or outside investments may potentially affect the associate's ability to perform his duties or obligations to Wells Fargo responsibly and objectively, or to act in the best interest of Wells Fargo and its clients.

47. The Conflicts of Interest Policy specifically prohibited agents from:

- a. Putting one's own interests ahead of that of a client or Wells Fargo.
- b. Exerting undue influence in an existing personal or professional relationship to affect the outcome in a Wells Fargo business dealing or transaction.
- c. Creating an unfair advantage or providing an improper benefit for themselves, family members or personal friends as a result of their position.

48. During the Relevant Time Period, the Wells Fargo Policy contained a policy entitled "Improper Sales Practices and Prohibited Activities with Clients Policy" that also prohibited taking unfair advantage of a client's trust.

49. During the Relevant Time Period, the Wells Fargo Policy contained a policy entitled "Elder and Vulnerable Adult Policy" that specifically prohibited engaging in any improper sales

activities or prohibited activities with clients who are 60 years of age or older.

50. By liquidating mutual funds belonging to the Elderly Siblings and K.H. and facilitating the transfer of those liquidated funds from their brokerage accounts to their bank accounts, and then to Mother's Business #1 and Mother's Business #2, Rivero took unfair advantage of the trust of his family friends, the Elderly Siblings, and K.H. These actions were particularly egregious because each of the Elderly Siblings are in their nineties and were experiencing mental decline. Further, these actions violated Wells Fargo's Conflict of Interest Policy, the Improper Sales Practices and Prohibited Activities with Clients Policy, and the Elder and Vulnerable Adult Policy.

FINRA AWC

51. On June 4, 2021, FINRA accepted the AWC in which Rivero consented to findings, without admitting or denying them, that included the following:

- i. On May 3, 2021, pursuant to FINRA Rule 8210, FINRA sent Rivero requests to provide documents and information in connection with an investigation of the allegations made by Rivero's former customers;
- ii. On May 18, 2021, Rivero's counsel spoke with FINRA and acknowledged that Rivero had received FINRA's request and advised that Rivero would not produce the requested information or documents;
- iii. By refusing to produce the information and documents as requested by FINRA, Rivero violated FINRA Rules 8210 and 2010.

52. In the AWC, Rivero consented to the imposition of a sanction barring him from association with any FINRA member firm in any capacity.

CONCLUSIONS OF LAW

RIVERO ENGAGED IN DISHONEST AND UNETHICAL BUSINESS PRACTICES IN THE SECURITIES BUSINESS

N.J.S.A. 49:3-58(a)(1), N.J.S.A. 49:3-58(a)(2)(vii), and N.J.A.C. 13:47A-6.3(a)(15)

53. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

54. Pursuant to N.J.S.A. 49:3-58(a): “The bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant. . . (vii) has engaged in dishonest or unethical practices in the securities business, as may be defined by rule of the bureau chief.”

55. Pursuant to N.J.A.C. 13:47A-6.3(a): “‘Dishonest or unethical practices’ as used in N.J.S.A. 49:3-47 et seq. . . . shall include. . . (15) [e]ffecting any transaction in, or inducing the purchase or sale of, any security by means of any manipulative, deceptive or fraudulent device, practice, plan, program, design or contrivance.”

56. Rivero effected transactions in securities by means of a manipulative, deceptive or fraudulent practice, including, by causing approximately \$365,000 to be withdrawn from the Elderly Siblings’ brokerage account, including liquidations of mutual fund holdings, for purported investment on their behalf. Rather than investing the funds on their behalf, Rivero obtained and deposited the funds into his personal bank or brokerage account, and used the funds for his personal trading and to pay for personal expenses.

57. Rivero also effected transactions in securities by means of a manipulative, deceptive or fraudulent practice, including, by causing approximately \$75,000 to be withdrawn from K.H.’s brokerage account, including liquidations of mutual fund holdings, for purported investment on K.H.’s behalf.

58. By effecting transactions in securities by means of manipulative, deceptive or fraudulent practices, Rivero engaged in dishonest and unethical practices in the securities business. This is cause pursuant to N.J.S.A. 49:3-58(a)(2)(vii), to revoke Rivero's agent and investment adviser representative registrations and to deny him certain exemptions.

59. Based upon the foregoing, and pursuant to N.J.S.A. 49:3-58(a)(1), the revocation of Rivero's registrations as an agent and investment adviser representative and the denial of certain exemptions are in the public interest.

**RIVERO ENGAGED IN DISHONEST AND UNETHICAL BUSINESS PRACTICES IN
THE SECURITIES BUSINESS**

N.J.S.A. 49:3-58(a)(1) and N.J.S.A. 49:3-58(a)(2)(vii)

60. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

61. Pursuant to N.J.S.A. 49:3-58(a): "The bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant. . . (vii) has engaged in dishonest or unethical practices in the securities business, as may be defined by rule of the bureau chief."

62. Rivero violated Wells Fargo Policies by engaging in OBAs and Private Investments that were prohibited and not approved by supervisors. This is cause pursuant to N.J.S.A. 49:3-58(a)(2)(vii) to revoke Rivero's agent and investment adviser representative registrations and to deny him certain exemptions.

63. Pursuant to N.J.S.A. 49:3-58(a)(1), the revocation of Rivero's registrations as an agent and investment adviser representative and the denial of certain exemptions are in the public interest.

**RIVERO ENGAGED IN DISHONEST AND UNETHICAL BUSINESS PRACTICES
IN THE SECURITIES BUSINESS**

N.J.S.A. 49:3-58(a)(1) and N.J.S.A. 49:3-58(a)(2)(vii)

64. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

65. Pursuant to N.J.S.A. 49:3-58(a): “The bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant. . . (vii) has engaged in dishonest or unethical practices in the securities business, as may be defined by rule of the bureau chief.”

66. Rivero violated Wells Fargo Conflicts of Interest Policy and Elder and Vulnerable Adult Policy. This is cause pursuant to N.J.S.A. 49:3-58(a)(2)(vii), to revoke Rivero’s agent and investment adviser representative registrations and to deny him certain exemptions.

67. Pursuant to N.J.S.A. 49:3-58(a)(1), the revocation of Rivero’s registrations as an agent and investment adviser representative and the denial of certain exemptions are in the public interest.

**RIVERO IS THE SUBJECT OF AN ORDER OF A SELF-REGULATORY
ORGANIZATION EXPELLING HIM FROM A SELF-REGULATORY ORGANIZATION**

N.J.S.A. 49:3-58(a)(1) and N.J.S.A. 49:3-58(a)(2)(vi)

68. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

69. Pursuant to N.J.S.A. 49:3-58(a): “[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant ... (vi)... is the subject of an order of ... a self-regulatory organization ... suspending

or expelling him from a national securities or commodities association...”

70. Having been barred from association with any FINRA member, Rivero has effectively been expelled from a self-regulatory organization. This is cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vi) to revoke Rivero’s agent and investment adviser registrations and to deny him certain exemptions.

71. Based upon the foregoing, and pursuant to N.J.S.A. 49:3-58(a)(1), the revocation of Rivero’s registrations as an agent and investment adviser representative and the denial of certain exemptions is in the public interest.

CONCLUSION

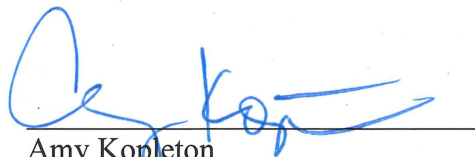
THEREFORE, it is on this 14th day of March 2022, hereby **ORDERED** that:

72. The agent registration of Mario E. Rivero, Jr. is **REVOKED**;

73. The investment adviser representative registration of Mario E. Rivero, Jr. is **REVOKED**;

74. All exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraph 9, 10, and 11 and subsection (b) are hereby **DENIED** as to Mario E. Rivero, Jr.; and

75. All exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c), and N.J.S.A. 49:3-56(g) are hereby **DENIED** as to Mario E. Rivero, Jr.



Amy Kopleton
Acting Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -89, specifically, N.J.S.A. 49:3-58(c), the Bureau Chief shall entertain on no less than three days' notice, a written application to lift the summary revocation on written application of the applicant or registrant and in connection therewith may, but need not, hold a hearing or hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary revocation.

This matter will be set down for a hearing if a written request for such a hearing is filed with the Bureau within 15 days after the respondent receives this Order. A request for a hearing must be accompanied by a written response, which addresses specifically each of the allegations set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to N.J.S.A. 49:3-50(c) and/or N.J.S.A. 49:3-58(c) to suspend or revoke any registration shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the Order to suspend or revoke any registration shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the Order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate, or modify the order in accord with the findings made at the hearing.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action revoking your registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.