

Wells Fargo Advisors now under investigation by Galvin, Investment News, ft. Brendan McGarry

Brendan P. McGarry, Esq., was quoted in an article by Mark Schoeff Jr. published in *InvestmentNews* on March 8, 2018.

Massachusetts securities regulator cites DOL fiduciary rule when discussing probe that will focus on investors moved into higher-fee accounts, 401(k) rollovers.

Massachusetts Secretary of the Commonwealth William Galvin opened an investigation of Wells Fargo Advisors on Thursday, targeting whether the firm inappropriately moved investors into higher-fee accounts. The Massachusetts action comes on the heels of the U.S. Department of Justice's ordering Wells Fargo to conduct an internal investigation of its wealth and investment management business after whistleblowers flagged "sales problems" in the unit.

Mr. Galvin said he would seek information about the transfer of clients from brokerage accounts to managed and advisory accounts and unsuitable recommendations involving 401(k) rollovers and alternative investments.

The Massachusetts regulator recently brought an enforcement action against Scottrade Inc. related to the partially implemented Labor Department fiduciary rule. He referred to that regulation again in relation to his probe of Wells Fargo Advisors.

Mr. Galvin is setting the tone "as the regulator who is going to lead the push on the DOL rule," said Brendan McGarry, an attorney at Kaufman Dolowich Voluck.