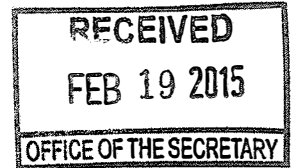


UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING  
File No. 3-16178

In the Matter of

Gregory T. Bolan, Jr. and  
Joseph C. Ruggieri,

Respondents.

JOSEPH RUGIERI'S REPLY TO THE DIVISION OF ENFORCEMENT'S  
SUPPLEMENTAL SUBMISSION

Respondent Joseph C. Ruggieri responds to the Division of Enforcement's Supplemental Submission Opposing Respondents' Motions for Summary Disposition as follows:

1. Paragraph 1 does not concern the personal benefit element and should be disregarded.<sup>1</sup>
2. Paragraph 2 does not concern the personal benefit element and should be disregarded.
3. Paragraph 3 does not concern the personal benefit element and should be disregarded.
4. Paragraph 4 does not concern the personal benefit element and should be disregarded.
5. Paragraph 5 does not concern the personal benefit element and should be disregarded.

---

<sup>1</sup> The Division's inclusion of these allegations violates the Order, dated February 12, 2015, which ordered the Division to proffer "the evidence it has or expects to establish at a hearing on the personal benefit element." Order, at 2.

6. Paragraph 6 does not concern the personal benefit element and should be disregarded. Additionally, paragraph 6 contains no facts not already before the Court.

7. Paragraph 7 does not concern the personal benefit element and should be disregarded. Additionally, paragraph 7 contains no facts not already before the Court.

8. Paragraph 8 does not concern the personal benefit element and should be disregarded.

9. The allegation in Paragraph 9 is not a material fact as to the benefit element. Mr. Ruggieri cannot confirm whether Mr. Bolan spoke to other traders more often than he spoke to him, and the telephone records are inconclusive because multiple individuals used the trading desk line. However, the testimony cited by the Division reflects that Mr. Bolan spoke with another trader, Chip Short, as well as Bruce Mackle at the trading desk, and that Mr. Bolan speculated that he spoke equally toward the end of his tenure to Mr. Ruggieri and Mr. Mackle and that he probably spoke to Mr. Ruggieri “the most” over the past couple of years. (Ex. 110 at 54-55). Whether Mr. Bolan spoke mostly with Mr. Ruggieri as part of his job at Wells Fargo has no bearing on the benefit element. Finally, paragraph 9 contains no facts not already before the Court.

10. The Division provides no evidence or other citation to its investigatory record in support of the allegation that “at least by October 2009, Bolan and Ruggieri had established a strong relationship and rapport.” This sentence should thus be disregarded. Other than the first, unsupported sentence, paragraph 10 contains no facts not already before the Court, and Mr. Ruggieri does not dispute those facts. Indeed, the fact that Mr. Ruggieri provided positive feedback about Mr. Bolan to his supervisors as early as October 2009 is fatal to the Division’s benefit theory.

11. Mr. Ruggieri does not dispute the facts alleged in Paragraph 11. Additionally, paragraph 11 contains no facts not already before the Court. The facts alleged in paragraph 11 do

not evidence an exchange or a meaningfully close personal relationship sufficient to establish a personal benefit.

12. Mr. Ruggieri does not dispute that he and Mr. Bolan “socialized” outside the office, along with other Wells Fargo employees. The Division omits the fact that Mr. Bolan testified that, over the course of their tenure together, the two “socialized” a total of seven times – at most – and that Wells Fargo employees joined them in these outings. In the interest of providing a complete and accurate record to the Court, Mr. Ruggieri respectfully refers the Court to the following:

Division: Did you socialize with Mr. Ruggieri outside of the workplace while employed at Wells Fargo?

Bolan: Yes.

Division: How frequently did you socialize with Mr. Ruggieri outside of the workplace while employed at Wells Fargo?

Bolan: maybe, four times. Three or four times.

Division: What about in 2009?

Bolan: I'd say probably once, maybe twice.

Division: And in 2011?

Bolan: I'd say zero, maybe once.

Division: Take us through what you did at each of these visits with Mr. Ruggieri.

Bolan: Well, we would go to the bar and we would discuss work and we'd discuss family, and we just would be guys.

Division: Was it just the two of you?

Bolan: Typically, no.

Division: Typically, who else was there?

Bolan: Other colleagues from Wells Fargo.

Ex. 110A at 30. The facts alleged in paragraph 12 do not evidence an exchange or a meaningfully

close personal relationship sufficient to establish a personal benefit.

13. Mr. Ruggieri does not dispute the facts alleged in Paragraph 13. The fact that the Respondents entertained clients together as part of their Wells Fargo duties is not material to the benefit element. The facts alleged in paragraph 13 do not evidence an exchange or a meaningfully close personal relationship sufficient to establish a personal benefit.

14. Mr. Ruggieri does not dispute the contents of the emails referenced in paragraph 14. The facts as evidenced on the face of these emails is not material to the benefit element because it does not speak to a benefit provided by Mr. Ruggieri to Mr. Bolan. The facts alleged in paragraph 14 do not evidence an exchange or a meaningfully close personal relationship sufficient to establish a personal benefit.

15. Mr. Ruggieri does not dispute the contents of the emails referenced in paragraph 15. Additionally, paragraph 15 contains no facts not already before the Court. The email does not establish anything other than that Respondents were work colleagues who were trying to improve their sector team, and is thus not material to the benefit element. The facts alleged in paragraph 15 do not evidence an exchange or a meaningfully close personal relationship sufficient to establish a personal benefit.

16. Paragraph 16 does not concern the personal benefit element and should be disregarded. Additionally, paragraph 16 contains no facts not already before the Court.

17. Paragraph 17 does not concern the personal benefit element and should be disregarded. Additionally, paragraph 17 contains no facts not already before the Court.

18. Paragraph 18 does not concern the personal benefit element and should be disregarded. Additionally, paragraph 18 contains no facts not already before the Court.

19. The Division provides no evidence for the allegation that Respondents “had become friends and trusted colleagues” within six months of working together. This statement should thus

be disregarded. The rest of paragraph 19 does not concern the personal benefit element and should also be disregarded. Additionally, other than the unsupported allegation, paragraph 19 contains no facts not already before the Court.

20. Paragraph 20 does not concern the personal benefit element and should be disregarded. Additionally, paragraph 20 contains no facts not already before the Court.

21. Paragraph 21 does not concern the personal benefit element and should be disregarded. Additionally, paragraph 21 contains no facts not already before the Court.<sup>2</sup>

22. Mr. Ruggieri does not dispute the contents of the email cited in paragraph 22. Additionally, paragraph 22 contains no facts not already before the Court. There is no basis to draw the inference suggested by the Division that the positive feedback was in exchange for purported tips on three ratings changes, especially in light of the fact that Mr. Ruggieri's compensation was guaranteed then.

23. Mr. Ruggieri does not dispute the contents of the email cited in paragraph 23. Additionally, paragraph 23 contains no facts not already before the Court. There is no basis to draw the inference suggested by the Division that the positive feedback given in December 2010 was in exchange for a purported tip in August 2010, especially in light of the fact that Mr. Ruggieri's compensation was guaranteed then.

24. Paragraph 24 does not concern the personal benefit element and should be disregarded. Additionally, the first and last sentences of paragraph 24 contain no facts not already before the Court. The expected testimony from Mr. Wickwire in the second sentence of paragraph 24 is immaterial to the benefit element.

25. Paragraph 25 does not concern the personal benefit element and should be

---

<sup>2</sup> After first ignoring and then denying the fact that Mr. Ruggieri's compensation was guaranteed, the Division finally admits that "during one calendar year," Mr. Ruggieri "in fact had a verbal compensation guarantee".

disregarded. Additionally, paragraph 25 contains no facts not already before the Court.

26. Mr. Ruggieri does not dispute the contents of the Nomination Form cited in paragraph 26. Additionally, paragraph 26 contains no facts not already before the Court. There is no basis to draw the inference that the feedback from the trading desk was in exchange for any alleged tip from Mr. Bolan to Mr. Ruggieri.

27. Mr. Ruggieri does not dispute the facts cited in paragraph 27. However, for completeness, Mr. Ruggieri respectfully refers the Court to Mr. Wickwire's full testimony about the promotion that the Division failed to highlight. Notably, Mr. Wickwire testified that the feedback from the trading desk was "a piece" of the determination to promote Mr. Bolan, and a less important piece than other sources of feedback. *See* Ex. 132 at 79-80 ("The sales rank and the impact rank, which really reflect what clients think of his research product, are much more important. But [feedback from the trading desk, including from Mr. Ruggieri, Mr. Brown and Mr. Bartlett] would have been a piece of it.").

28. Paragraph 28 does not concern the personal benefit element and should be disregarded. The allegations in Paragraph 28 are also unsupported by any evidence or anticipated testimony.

29. Paragraph 29 does not concern the personal benefit element and should be disregarded.

30. Paragraph 30 does not concern the personal benefit element and should be disregarded.

31. Paragraph 31 does not concern the personal benefit element and should be disregarded.

32. Paragraph 32 does not concern the personal benefit element and should be disregarded.

33. Paragraph 33 does not concern the personal benefit element and should be disregarded.

34. Paragraph 34 does not concern the personal benefit element and should be disregarded. Additionally, paragraph 34 contains no facts not already before the Court.

35. Paragraph 35 does not concern the personal benefit element and should be disregarded. Additionally, the paragraph does not allege facts as to Mr. Ruggieri.

36. Paragraph 36 does not concern the personal benefit element and should be disregarded. Additionally, the paragraph does not allege facts as to Mr. Ruggieri.

37. Paragraph 37 does not concern the personal benefit element and should be disregarded. Additionally, the paragraph does not allege facts as to Mr. Ruggieri.

38. Paragraph 38 does not concern the personal benefit element and should be disregarded. Additionally, the paragraph does not allege facts as to Mr. Ruggieri.

39. Paragraph 39 does not concern the personal benefit element and should be disregarded. Additionally, the paragraph does not allege facts as to Mr. Ruggieri.

40. Paragraph 40 does not concern the personal benefit element and should be disregarded. However, for completeness, Mr. Ruggieri refers the Court to the following language from his U5, which states the reason for the termination as follows:

Loss of confidence due to failure to escalate issues regarding the inappropriate dissemination of information.

Ex. 164 at 1.

Additionally, the U5 describes the subject matter of the internal review as follows:

Internal review of failure to escalate issues regarding the inappropriate dissemination of information.

*Id.* at 3.

41. Mr. Ruggieri does not dispute the facts alleged in paragraph 41. The Division fails to provide

a citation for the allegation that the friendship continued after Respondents' departures from Wells Fargo. Mr. Ruggieri respectfully refers the Court to Ex. 110A at 31, in which Mr. Bolan describes that he communicated frequently with Mr. Ruggieri after Wells Fargo because he was interviewing at ISI, where Mr. Ruggieri was then employed, but that after Mr. Bolan obtained employment at Madison Williams, the communication between the two "died off" and became "extremely infrequent". The facts alleged in paragraph 41 concern events that transpired after the alleged trades and are thus not material to the benefit element. The facts alleged in paragraph 41 do not evidence an exchange or a meaningfully close personal relationship sufficient to establish a personal benefit.

42. Mr. Ruggieri does not dispute the facts alleged in paragraph 42. The facts alleged in paragraph 42 concern events that transpired after the alleged trades and are thus not material to the benefit element. The facts alleged in paragraph 42 do not evidence an exchange or a meaningfully close personal relationship sufficient to establish a personal benefit.

43. Mr. Ruggieri does not dispute the facts alleged in paragraph 43. The facts alleged in paragraph 43 concern events that transpired after the alleged trades and are thus not material to the benefit element. The facts alleged in paragraph 43 do not evidence an exchange or a meaningfully close personal relationship sufficient to establish a personal benefit.

44. Mr. Ruggieri does not dispute the facts alleged in paragraph 44. The facts alleged in paragraph 44 concern events that transpired after the alleged trades and are thus not material to the benefit element. The facts alleged in paragraph 44 do not evidence an exchange or a meaningfully close personal relationship sufficient to establish a personal benefit.

45. Mr. Ruggieri does not dispute the contents of the email referenced in paragraph 45. The fact that a trader and an analyst in the health care sector would communicate about a research note is not material to the benefit element. The facts alleged in paragraph 45 concern events that transpired after the alleged trades and are thus not material to the benefit element. The facts

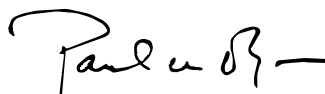


alleged in paragraph 45 do not evidence an exchange or a meaningfully close personal relationship sufficient to establish a personal benefit.

- 46. Paragraph 46 concerns Trader A and not Mr. Ruggieri, and no response is required.
- 47. Paragraph 47 concerns Trader A and not Mr. Ruggieri, and no response is required.
- 48. Paragraph 48 concerns Trader A and not Mr. Ruggieri, and no response is required.
- 49. Paragraph 49 concerns Trader A and not Mr. Ruggieri, and no response is required.
- 50. Paragraph 50 concerns Trader A and not Mr. Ruggieri, and no response is required.
- 51. Paragraph 51 concerns Trader A and not Mr. Ruggieri, and no response is required.
- 52. Paragraph 52 concerns Trader A and not Mr. Ruggieri, and no response is required.
- 53. Paragraph 53 concerns Trader A and not Mr. Ruggieri, and no response is required.

Dated: New York, New York  
February 18, 2015

SERPE RYAN LLP



---

Paul W. Ryan  
Silvia L. Serpe  
1115 Broadway – 11<sup>th</sup> Floor  
New York, New York 10010  
(212) 257-5010

*Attorneys for Respondent  
Joseph C. Ruggieri*