

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008015254101**

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

RE: Harold Lee Glover, Respondent
CRD No. 4658038

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Harold Lee Glover ("Glover"), 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

Glover first became associated with a FINRA regulated broker-dealer in July 2003. From July 2003 through October 2008, Glover was registered as an Investment Company/Variable Contracts Products Representative ("IR") with Northwestern Mutual Investment Services, LLC ("Northwestern" or the "Firm").¹ Following his resignation from Northwestern, Glover worked for Blanton Financial Group, a FINRA regulated broker-dealer, in a non-registered capacity from October 2008 to February 2009. Since April 1, 2009, Glover has been registered as an IR with Allstate Financial Services, LLC.

OVERVIEW

Between October 2003 and March 2005 (the "Relevant Period"), Glover engaged in private securities transactions by recommending that three of his customers invest in the investment funds of Parish Economics LLC ("Parish Economics"). Glover never informed the Firm that he recommended that certain of his customers invest in the Parish

¹ Glover began working at Northwestern in 2001 as an insurance agent.

Economics investment funds. In 2007, federal authorities exposed Parish Economics as a Ponzi scheme and Glover's three customers lost approximately \$470,000 by investing in these funds. By engaging in private securities transactions without providing the requisite prior written notification to his Firm, Glover violated NASD Conduct Rules 3040 and 2110.

FACTS AND VIOLATIVE CONDUCT

Glover's Business Relationship with Parish and Parish Economics

In or around 1992, Glover and his wife first began investing in Parish Economics' investment funds. Parish Economics was a business operated by Albert E. Parish, Jr., a local Charleston, South Carolina personality/businessman that purported to offer investments in several funds, including futures and stock pools. Between 1992 and 2007, Glover and his wife invested approximately \$20,000 with Parish Economics investment funds. Over the years, the Glovers received statements from Parish Economics that rarely showed a negative return.

In or around October 2001, when Glover joined Northwestern as an insurance agent, Northwestern assigned Glover the Parish account in which Parish held multiple Northwestern life insurance policies. While Glover handled Parish's insurance business, Parish was never a securities customer of Glover.

Glover Recommends Parish Economics to his Customers

Between October 2003 and March 2005, while Glover was a registered representative with Northwestern, he recommended that three of his customers invest in the Parish Economics investment funds. Parish Economics investment funds were not a Firm approved investment. Glover did not receive any compensation for recommending Parish Economics to these customers.

In 2007, Parish Economics was found to be a Ponzi scheme that had defrauded approximately 600 investors out of in excess of \$100 million.² Glover's three customers who invested in the Parish Economics investment funds lost a combined total of approximately \$470,000 in these investments.

Glover Recommends Parish Economics to Customer N.H.

Glover knew N.H. through a business networking organization and she became one of Glover's first securities customers. In the fall of 2003, N.H. met with Glover to go over her investment needs. After recommending certain conservative investments, Glover recommended that N.H. invest some of her money with Parish Economics. After her

² On October 5, 2007, Parish pled guilty to three federal charges of securities fraud related to the Parish Economics pools. Parish is currently serving a 25-year sentence in a federal penitentiary.

meeting with Glover, N.H. invested \$15,000 with Parish Economics, all of which she lost.

Glover Recommends Parish Economics to Customer R.P.

Glover also knew R.P. through a business networking organization, and R.P. also became one of Glover's customers at Northwestern. In 2003, R.P. had recently graduated from medical school and on Glover's recommendation, put her money in an IRA and other conservative investments.

In or around October 2003, R.P. told Glover that she wanted to invest \$5,000 in something that performed better than her conservative investments. In response, Glover recommended Parish Economics investment funds. Glover informed R.P. about Parish and Parish Economics. He also gave R.P. Parish's business card and told her to set up a meeting with Parish.

On October 24, 2003, Glover sent an email to Parish that stated: "I have referred two people to you to participate in the investment pool. [R.P.] . . . would contribute 5k. [N.H.] . . . wants to contribute 15k."

R.P. met with Parish and afterwards invested, and ultimately lost, \$285,000 in his investment pools.

Glover Recommends Parish Economics to Customer V.K.

In or around March 2004, Glover's customer, V.K., who had invested in certain annuities and mutual funds through Glover, asked Glover to recommend an investment with a high rate of return. Glover informed V.K. about Parish Economics and told V.K. that he and his wife were receiving a high rate of return from their investment with Parish Economics.

On March 25, 2004, Glover sent an email to Parish stating that he is "moving forward" with V.K. and two other potential investors, indicating that "[a]ll three are good candidates for the investment pool." Thereafter, V.K. made her initial investment with Parish Economics.

On February 8, 2005, almost one year after V.K. initially invested with Parish Economics, Glover sent V.K. an email stating that he wanted to review the overall investment framework that he was recommending for her, which included determining "an amount for Parish Economics." Glover's email further instructed V.K. to send an email to Parish, telling him "that you are already in the stock pool, and that you want to invest 50k and what does he suggest."

V.K. later sent an email to Parish (copying Glover), in which she stated she intended to invest more money with Parish and asking him for advice on which pools she should invest. Parish responded later that evening with advice on where the money should be

invested. Parish also told her to send a check to Parish Economics and he will complete the contracts and send them to her for her signature.

On March 2, 2005, Glover sent an email to Parish, in which he informed Parish that he handles some of V.K.'s father's funds, and that he "may be another good client for the investment pools." Subsequently, V.K. withdrew money from a brokerage account at the Firm that she managed for her father and invested those funds in Parish Economics.

In total, V.K. invested \$257,710 of her and her father's money in Parish Economics. Over the years, V.K. withdrew \$87,000 from her Parish Economics account. She lost the remaining \$170,710 to the Parish Economics' Ponzi scheme.

Glover Failed To Give Prior Written Notice of Transactions

Northwestern's policies and procedures during the Relevant Period specifically prohibited its registered representatives from participating in any manner in any securities transaction outside the regular course or scope of their employment with the Firm "without prior written notice to and prior written approval from the Compliance/Best Practices department." Glover never gave the Firm any notice of his recommendations of Parish Economics to N.H., R.P., and V.K.

By engaging in private securities transactions without providing the requisite prior written notification to his Firm, Glover violated NASD Conduct Rules 3040 and 2110.

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

1. A suspension from association with any FINRA-regulated broker-dealer in any capacity for four months; and
2. A fine of \$5,000.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

The fine shall be due and payable either immediately upon reassociation with a FINRA registered broker-dealer following the four month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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 prejudgment of the General Counsel, 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 response to public inquiries about my disciplinary record;
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 right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I 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.

4/30/10

Date

Harold Lee Glover

Harold Lee Glover
Respondent

Reviewed by:

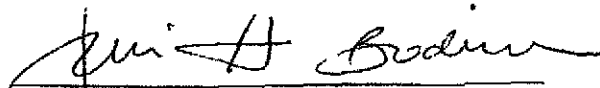
5/4/10
Date


James B. Hood, Esq.
Counsel for Respondent
Hood Law Firm
172 Meeting Street
P.O. Box 1508
Charleston, SC 29401
T: (843) 577-4435
F: (843) 722-1630

Accepted by FINRA:

5/19/10
Date

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


Julie H. Broderick
Director
FINRA Department of Enforcement
14 Wall Street
New York, New York 10005
T: (646) 315-7313
F: (202) 689-3414