

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014040546101**

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

RE: Glenn Scott Searles, ("Searles" or "Respondent")
General Securities Representative
CRD No. 2400403

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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

Searles entered the securities industry in 1993, when he became licensed with a FINRA regulated broker-dealer as a Series 7 General Securities Representative ("GSR"). From 1993 through 2006, Searles was associated with eight different FINRA regulated broker-dealers. In May 2006, Searles became associated with First Allied Securities, Inc. ("First Allied"), a FINRA regulated broker-dealer, and remained associated with First Allied until October 2013. In October 2013, Searles became associated with Cetera Advisors LLC ("Cetera"), a FINRA regulated broker-dealer, where he remained until March 2017. On March 20, 2017, Cetera filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") disclosing that Searles had voluntarily resigned from Cetera on March 17, 2017. Although Searles has not reassociated with another FINRA regulated broker-dealer, pursuant to Article V, Section 4(a) of FINRA's By-Laws, FINRA retains jurisdiction over Searles.

RELEVANT DISCIPLINARY HISTORY

Searles has no relevant disciplinary history in the securities industry.

OVERVIEW

In 2012 and 2016, Searles failed to report on his Uniform Application for Securities Industry Registration ("Form U4") one unsatisfied judgment and failed to report timely one lien, in violation of Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010.

In 2012, Searles made a misrepresentation to his employing FINRA regulated broker-dealer when he answered that he did not have unsatisfied liens against him on an annual compliance questionnaire, in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

1. *Violation of Article V, Section 2(c) of FINRA's By-Laws, and FINRA Rules 1122 and 2010.*

Article V, Section 2(c) of FINRA's By-Laws provides that every application for registration filed with FINRA shall be kept current at all times by supplementary amendments which must be filed within thirty days after learning of the facts or circumstances giving rise to the amendment. FINRA Rule 1122 provides that no member or person associated with a member shall file incomplete or inaccurate information so as to be misleading. The accuracy of an applicant's Form U4 is critical to the effectiveness of a self-regulatory organization's ability to screen and monitor the professionals within the securities industry. When a registered representative's Form U4 has not been promptly updated, the Form U4 is misleading, and the representative has violated FINRA Rule 2010.

On March 7, 2012, the City of Strongsville, Ohio obtained a judgment against Searles for \$3,912.99 for underpayment of taxes. The judgment provided that Searles would make monthly payments of \$250 to satisfy the judgment. Searles failed to timely make certain payments under the judgment. On August 15, 2012, the court entered a judgment lien against Searles. Searles satisfied the judgment on December 19, 2012.

Between March 7, 2012 and the present, Searles had filed numerous Form U4 amendments, none of which disclosed the judgment.

On October 30, 2014, the State of Ohio obtained a judgment and lien against Searles for \$2,973.94 related to his underpayment of state income taxes for tax year 2012. Searles satisfied the lien on June 8, 2015. Searles received notice of the lien in at least February 2016, when he received a letter from the State of Ohio listing the lien.

Between February 2016 and August 26, 2016, Searles filed two amendments to his Form U4, neither of which disclosed the lien. Searles did not disclose the lien on his Form U4 until August 26, 2016.

By virtue of the foregoing, Searles violated Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010.

2. *Violation of FINRA Rule 2010.*

FINRA Rule 2010 requires associated persons to "observe high standards of commercial honor and just and equitable principals of trade." Providing misleading or false answers to a FINRA regulated broker-dealer on compliance questionnaires is a violation of FINRA Rule 2010.

On June 29, 2012, Searles completed an annual compliance questionnaire for First Allied. In response to the question, "Do you have any unsatisfied judgments or liens against you," Searles answered "no."

At the time he answered the questionnaire, Searles had several unsatisfied liens reported on his Form U4 and the unsatisfied City of Strongsville judgment. As a result, Searles' answer was false and misleading.

By virtue of the foregoing, Searles violated FINRA Rule 2010.

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

A five-month suspension from association with any FINRA regulated broker-dealer in any capacity and a \$5,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm, 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 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.

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.

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 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

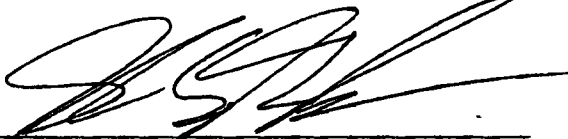
C. If accepted:

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.

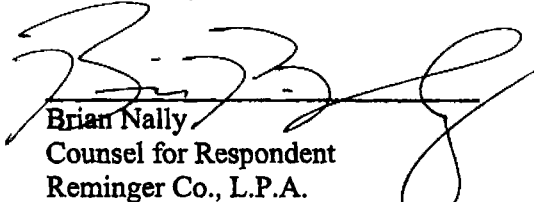
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute 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.

4/27/17
Date (mm/dd/yyyy)


Glenn Scott Searles, Respondent

Reviewed by:


Brian Nally
Counsel for Respondent
Reminger Co., L.P.A.
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Cleveland, OH 44115
Phone: (216) 430-2106

Accepted by FINRA:

5/15/17
Date

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


Richard Chin
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FINRA Department of Enforcement
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