

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Glenn Robert King
(CRD No. 2191091),

Respondent.

DISCIPLINARY PROCEEDING
No. 2015044444801

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From in or about April 2008 through in or about March 2011, while associated with Royal Alliance Associates, Inc. ("Royal"), Respondent Glenn Robert King ("King") made fraudulent misrepresentations and omissions to seven Royal customers in connection with the sale of Unit Investment Trusts ("UITs"). King misrepresented to the customers, who were all retirees, that he would use their investment funds to purchase safe, no-risk bonds, and that he would not charge any fees or commissions on the transactions. In reality, King used the customers' funds to purchase 44 UITs, resulting in approximately \$17,000 in realized losses to the customers (and approximately \$43,000 in unrealized losses) and approximately \$38,000 in commissions to King. By this misconduct, King willfully violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Exchange Act Rule 10b-5 thereunder, and NASD Conduct Rules 2120 and 2110 and FINRA Rules 2020 and 2010.

2. From in or about January 2013 through in or about December 2014, while associated with Buckman, Buckman & Reid ("BBR"), King engaged in a pattern of short-term trading in long-term investment products in the accounts of four BBR customers. This pattern of trading was excessive and unsuitable, and resulted in approximately \$163,000 in losses to the customers, while King generated gross commissions of approximately \$210,000. By this misconduct, King violated FINRA Rules 2111 and 2010.
3. Also, from in or about January 2013 through in or about December 2014, King exercised discretion in the accounts of four BBR customers without their written authority, or the approval of his member firm. By this misconduct, King violated NASD Conduct Rule 2510(b) and FINRA Rule 2010.

RESPONDENT AND JURISDICTION

4. In February 1992, King became registered with FINRA as a General Securities Representative. From in or about October 1994 through in or about June 2011, King was registered in the same capacity through Royal.
5. King resigned from Royal in June 2011. At the time of King's resignation, Royal was conducting an internal review of King's UIT sales activities, including possible misrepresentations made by King in selling UITs.
6. From in or about January 2012 through in or about June 2015, King was registered as a General Securities Representative through BBR.
7. Although King is no longer registered or associated with a FINRA member, King remains subject to FINRA's jurisdiction for purposes of this proceeding pursuant to Article V, Section 4 of FINRA's By-Laws because (1) the Complaint was filed within two years after the date of the termination of his registration with BBR, namely June 22,

2015, and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

FACTS

KING'S FALSE AND MISLEADING STATEMENTS TO THE ROYAL CUSTOMERS

8. While associated with Royal, King worked in a branch office in Lakewood, New Jersey (the "Lakewood Branch"), which he co-owned and managed. During this period, King solicited elderly customers in retirement communities in the vicinity of the Lakewood Branch to open accounts with him by offering purportedly safe, high-yield, tax-free bonds and CDs. Further, personnel from the Lakewood Branch posted road signs in the area that advertised "5% returns on New Jersey bonds" and provided the Branch telephone number.
9. Notwithstanding these solicitations and representations, King earned the majority of his commissions at the Lakewood Branch not from the sale of bonds or CDs, but through the sale of UITs.
10. UITs are investment companies that invest in pools of securities and/or other instruments and sell interests in that pool. UITs are generally a static portfolio of holdings and are issued for a specific term and terminate after a set number of months or years.
11. During the relevant period, the UITs at issue typically included a sales charge of between 2 and 4%.
12. From in or about April 2008 through in or about March 2011, King sold approximately 44 UITs to seven Royal customers (BM, RB, CK, JC, AD, VD and DB) (collectively, the "Royal Customers") through fraudulent misrepresentations and omissions. At the time of King's solicitations, the Royal Customers were all retired, and ranged in age from 69 to

85. As a result of these fraudulent UIT trades, the Royal Customers lost approximately \$17,000 (and had unrealized losses of approximately \$43,000 in their Royal accounts when they were closed), while King received approximately \$38,000 in commissions.

A. Customer BM

13. BM is 85 years old and a retired former restaurant owner.
14. Between in or about February 2010 and in or about September 2010, King recommended to BM that he purchase several bonds. King told BM that he would not charge BM any commissions or fees in connection with the purchase of these bonds.
15. In reliance on King's representations, BM agreed to invest \$250,000, which he obtained, in part, by liquidating CDs. Contrary to King's representations, however, King used BM's funds to purchase three UITs.
16. In or about September 2010, King misrepresented to BM that he would utilize the profits that BM had earned from one of his "bonds" [a Claymore 634 Muni UIT] to purchase more shares of the same "bond." In fact, King sold the Claymore UIT without BM's knowledge or authority and used the proceeds to purchase another UIT [First Trust 2606 Insured Muni UIT].
17. Prior to his UIT purchases through King, BM had no investment experience with UITs. BM paid sales charges of approximately \$7,500 for the UITs, while King received net commissions of approximately \$4,600.
18. BM lost approximately \$6,000 as a result of King's UIT transactions.

B. Customer RB

19. RB is 73 years old and a retired police officer.

20. Between in or about July 2009 and in or about November 2010, King solicited RB to invest in bonds.
21. RB agreed to invest approximately \$770,000 in these bonds. Contrary to King's representations, however, King used RB's investment funds to purchase 11 UITs.
22. RB paid sales charges of approximately \$21,000 for the UITs, while King received net commissions of approximately \$10,000.
23. Prior to his UIT trades through King, RB had no investment experience with UITs.

C. Customer CK

24. CK is 69 years old and retired.
25. Between in or about July 2008 and in or about March 2011, King solicited CK to purchase bonds, which he described to her as safe and no risk.
26. In reliance on King's representations, CK agreed to invest approximately \$287,000 in these bonds. Contrary to King's representations, however, King used CK's investment funds to purchase six UITs.
27. In 2010 and 2011, King misrepresented to CK that some of her "bonds" had come due early and that he had purchased additional bonds for CK. In fact, on three occasions during this period, King sold a UIT in CK's account without her knowledge or authority, and used the proceeds to purchase another UIT.
28. CK paid sales charges of approximately \$6,500 for the UIT trades, while King received net commissions of approximately \$3,300.
29. Prior to her UIT trades through King, CK had no investment experience with UITs.
30. CK lost approximately \$500 as a result of King's UIT transactions.

D. Customer JC

31. JC is 73 years old and retired.
32. Between in or about April 2009 and in or about September 2010, King solicited JC to invest in tax free municipal bonds, which he described as safe, no risk, and “just like a CD.” King represented that JC would not pay any fees or commissions because the bond companies paid King.
33. In reliance on King’s representations, JC agreed to invest approximately \$346,000 in bonds. Contrary to King’s representations, however, King used JC’s funds to purchase seven UITs.
34. JC paid sales charges of approximately \$8,800 on her UIT purchases, while King received commissions of approximately \$4,500.
35. Prior to her UIT trades through King, JC had no investment experience with UITs.
36. As a result of King’s UIT transactions, JC had unrealized losses of approximately \$21,000 in her Royal account at the time it was closed.

E. Customer AD

37. AD is 78 years old and retired.
38. In or about March 2010, King solicited AD to invest in New Jersey bonds. King told AD that there was “no way” she would lose her principal investment.
39. In reliance on King’s representations, AD agreed to invest approximately \$48,000 in New Jersey bonds. Contrary to King’s representations, however, King used AD’s funds to purchase a UIT.
40. AD paid a sales charge of approximately \$1,700 for the UIT, while King’s net commission was approximately \$870.

41. AD sold the UIT in April 2011 for a loss of approximately \$4,100.

F. Customer VD

42. VD is 54 and retired.
43. From in or about January 2010 through in or about November 2010, King solicited VD to invest in bonds.
44. VD agreed to invest in bonds, and invested approximately \$865,000, which King then used to purchase 14 UITs.
45. VD paid sales charges of approximately \$26,000 for the UITs, while King received net commissions of approximately \$13,000.
46. Prior to her UIT trades through King, VD had no investment experience with UITs.
47. When VD questioned King about the confirmations that she received in the mail from Royal in 2010 for transactions in her account, King misrepresented to VD that the confirmations were for “normal reinvestments.” In fact, the confirmations were for unauthorized UIT purchases that King effected in VD’s account.
48. As a result of King’s UIT transactions, VD had unrealized losses of approximately \$22,000 in her Royal account at the time it was closed.

G. Customer DB

49. DB is 75 years old and retired.
50. In or about April 2008 and March 2010, King recommended two UITs to DB totaling approximately \$88,000.
51. DB’s initial UIT, First Trust Unity 1674 Equity Advantage Fund, was purchased for approximately \$49,000 in April 2008.

52. In or about April 2010, King misrepresented to DB that he had “converted” this investment to the “same type of UIT” that paid a higher dividend.
53. In fact, King sold DB’s First Trust Unity 1674 Equity Advantage Fund UIT without her knowledge or authority and used the proceeds to purchase another First Trust UIT, the First Trust Unit 2298 Equity Advantage UIT.
54. DB paid sales charges of approximately \$2,200 for her UIT purchases, while King received net commissions of approximately \$1,100.
55. Prior to her UIT purchases through King, DB had no investment experience with UITs.
56. DB spoke to King on several occasions as she noticed the value of her account declining. King repeatedly provided false assurances to her about the financial performance of her UITs, telling her that the investments were safe, which was untrue.
57. DB lost approximately \$5,800 as a result of King’s UIT transactions.

**KING’S UNSUITABLE SHORT-TERM TRADING OF LONG-TERM
INVESTMENT PRODUCTS**

58. From January 2012 through March 2014, at the direction of the New Jersey Bureau of Securities, BBR placed King under heightened supervision.
59. In March 2014, BBR ceased King’s heightened supervision. Almost immediately, King adopted the unsuitable and excessive trading strategy outlined herein. Indeed, during the approximately 26 months that he was under heightened supervision, King executed just seven UIT trades, all of which were liquidating transactions. By contrast, in the ten-month period from March 2014 (after the heightened supervision was lifted) to December 2014, King executed 171 UIT trades for 16 customers.

60. From in or about January 2013 through in or about December 2014, while associated with BBR, King made unsuitable recommendations to four BBR Customers: RA, LA, JE and CM (collectively, the "BBR Customers").
61. During this period, King pursued a short-term trading strategy in the BBR Customers' accounts in which he repeatedly sold UITs and closed-end funds ("CEFs") less than a year after purchasing them. King recommended that some customers sell their UIT and CEF positions less than a month after purchase.
62. CEFs are investment companies that sell a fixed number of shares in an initial public offering ("IPO"), after which the shares typically trade on a secondary market. The sales charges to the customer are built into the offering price of the CEF purchased at IPO.
63. During the relevant period, the CEFs at issue included sales charges of approximately 4.5%, plus annual expenses between 1 and 2%. In turn, King received net commissions ranging from 2 to 3%.
64. Most of King's short-term CEF transactions involved CEFs purchased at IPO. These CEFs had a "stabilization period," which was the period of time immediately following the first trading following the initial distribution of the IPO in which the lead underwriter generally supported the price of the fund. Stabilization periods did not exceed 90 days.
65. Following the IPO, the price of CEF shares in the secondary market was determined by the market and may have reflected either a premium or a discount of the shares' net asset value ("NAV") excluding the offering expenses. As disclosed in prospectuses of the CEFs that King purchased for some of the BBR Customers, CEF shares frequently traded at a discount to NAV, especially in the period of time immediately following the IPO.

66. For example, the prospectus for the Tekla Healthcare Opportunities Fund, dated July 28, 2014, stated:

Shares of closed-end investment companies frequently trade at a discount from their net asset value, which may increase investors' risk of loss. This risk may be greater for investors expecting to sell their shares in a relatively short period of time after completion of the public offering.

67. The UITs at issue had maturity dates of approximately two years and, like the CEFs at issue, generally were designed for long-term investors, as disclosed in certain sponsor's marketing materials and prospectuses.
68. For example, the prospectus for the Guggenheim Diversified Income Wave Portfolio, Series 49 UIT, dated March 12, 2014, stated: "You should not consider this investment if you are seeking a short-term investment or an investment to be used as a trading vehicle."
69. King executed short-term UIT and CEF transactions in the BBR Customers' accounts without having reasonable grounds for believing that such recommendations were suitable in view of the size, frequency, and nature of the transactions, and each customer's investment objectives, financial situation, and needs. Many of these short-term transactions involved switching, whereby King used some or all of the sale proceeds from one UIT or CEF to purchase another UIT or CEF, with little or no economic benefit to the customer.
70. King's trading in the BBR Customers' accounts also was quantitatively unsuitable, and resulted in annualized turnover rates from 3.16 to 7.07 and annualized cost-to-equity ratios from 11 to 21.43%.
71. As a result of King's unsuitable trading in the BBR Customers' accounts, the BBR Customers suffered losses of approximately \$163,000, while King generated gross commissions of approximately \$210,000.

A. Customer RA

- 72. Customer RA is 67 years old and retired. He maintained an individual IRA account with King at BBR, as well as a joint account with LA, his then wife.
- 73. RA's investment objectives per his BBR new account forms were "Balanced/Conservative Growth" and his risk tolerance was "Conservative."
- 74. Throughout 2014, King exercised discretion in RA's individual and joint accounts and did not obtain approval from RA (or LA) prior to executing trades in those accounts.

RA's IRA Account

- 75. In 2014, King effected 25 purchases and sales of securities in RA's IRA account totaling approximately \$456,000. RA paid gross commissions of approximately \$15,000 for those transactions.
- 76. The average monthly equity in RA's IRA account during this period was approximately \$89,000, resulting in an annualized turnover rate of 5.12 and an annualized cost-to-equity ratio of 16.58%.
- 77. In addition, King engaged in an unsuitable pattern of short-term trading of UITs and CEFs in RA's IRA account. As more fully detailed in Exhibit A attached to this Complaint (which contains trading schedules for all of the BBR Customers), there were approximately 12 instances in which King sold a UIT or CEF within four months of purchase and then used the proceeds to buy another UIT or CEF. Five of these transactions involved CEFs that were purchased in an IPO. The holding periods for the UITs and CEFs King purchased in RA's IRA account ranged from 24 to 128 days, with an average holding period of 69 days.

78. RA lost approximately \$11,500 in his IRA account as a result of King's unsuitable trading.

RA's Joint Account

79. In 2014, King effected 33 purchases and sales of securities in RA's joint account totaling approximately \$804,000. RA and LA paid gross commissions of approximately \$25,000 for those transactions.
80. The average monthly equity in RA's joint account during this period was approximately \$152,000, resulting in an annualized turnover rate of 5.26 and an annualized cost-to-equity ratio of 16.77%.
81. In addition, King engaged in an unsuitable pattern of short-term trading of UITs and CEFs in RA's joint account.
82. As more fully detailed in Exhibit A attached to this Complaint, there were approximately 16 instances in which King sold a UIT or CEF within four months of purchase and then used the proceeds to buy another UIT or CEF. The holding periods for the UITs and CEFs King purchased in RA's joint account ranged from 8 to 99 days, with an average holding period of 67 days.
83. RA and LA lost approximately \$26,000 in their joint account as a result of King's unsuitable trading.

B. Customer LA

84. Customer LA is 67 years old and retired. She maintained an individual IRA account with King at BBR, as well as the above-described joint account with RA.
85. LA's investment objectives per her BBR new account form were "Balanced/Conservative Growth" and her risk tolerance was "Moderate."

86. Throughout 2014, King exercised discretion in LA's IRA and joint accounts and did not obtain approval from LA prior to executing trades in those accounts.
87. In 2014, King effected 32 purchases and sales of securities in LA's IRA account totaling approximately \$772,000. LA paid gross commissions of approximately \$25,000 for those transactions.
88. The average monthly equity in LA's IRA account during this period was approximately \$89,000, resulting in an annualized turnover rate of 4.89, and an annualized cost-to-equity ratio of 16.08%.
89. In addition, King engaged in an unsuitable pattern of short-term trading of UITs and CEFs in LA's IRA account.
90. As more fully detailed in Exhibit A attached to this Complaint, there were approximately 16 instances in which King sold a UIT or CEF within six months of purchase and then used the proceeds to buy another UIT or CEF. The holding periods for the UITs and CEFs King purchased in LA's IRA account ranged from 18 to 170 days, with an average holding period of 65 days.
91. LA lost approximately \$11,500 in her IRA account as a result of King's unsuitable trading.

C. Customer JE

92. Customer JE is 52 years old. He maintained an individual account with King at BBR.
93. JE's investment objective per his BBR new account form was "Growth" and his risk tolerance was "Moderate." He disclosed a net worth of less than \$250,000.
94. Throughout 2014, King exercised discretion in JE's account and did not obtain approval from JE prior to executing trades in his account.

95. In 2014, King effected 50 purchases and sales of securities in JE's account totaling approximately \$1.27 million. JE paid gross commissions of approximately \$38,000 for those transactions.
96. The average monthly equity in JE's account during this period was approximately \$180,000, resulting in an annualized turnover rate of 7.07 and an annualized cost to equity ratio of 21.42%.
97. As more fully detailed in Exhibit A attached to this Complaint, there were approximately 20 instances in which King sold a UIT or CEF within five months of purchase and then used the proceeds to buy another UIT or CEF. Nine of these transactions involved CEFs that were purchased in an IPO. The holding periods for the UITs and CEFs King purchased in JE's account ranged from 16 to 135 days, with an average holding period of 54 days.
98. JE lost approximately \$42,000 in his IRA account as a result of King's unsuitable trading.

D. Customer CM

99. Customer CM is 60 years old and retired.
100. CM's investment objective per his BBR new account form was "Growth" and his risk tolerance was "Moderate." He disclosed annual income of less than \$50,000.
101. From in or about January 2013 through in or about June 2014, King exercised discretion in CM's BBR account and did not obtain approval from CM prior to executing trades in his account.
102. From in or about January 2013 through in or about June 2014, King effected 37 purchases and sales of securities in CM's account totaling approximately \$657,000. JE paid gross commissions of approximately \$23,000 for those transactions,

103. The average monthly equity in JE's account during this period was approximately \$133,000, resulting in an annualized turnover rate of 3.16, and an annualized cost-to-equity ratio of 21.42%.
104. As more fully detailed in Exhibit A attached to this Complaint, there were approximately 14 instances in which King sold a UIT or CEF within nine months of purchase and then used the proceeds to buy another UIT or CEF. Nine of these transactions involved CEFs that were purchased in an IPO. The holding periods for the UITs and CEFs King purchased in CM's account ranged from 54 to 256 days, with an average holding period of 123 days.
105. CM lost approximately \$52,000 in his account as a result of King's unsuitable trading.

FIRST CAUSE OF ACTION

**Fraudulent Misrepresentations and Omissions of Material Facts
(Willful Violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder,
Violations of NASD Conduct Rules 2120 and 2110, and
FINRA Rules 2020 and 2010)**

106. The Department re-alleges and incorporates by reference paragraphs 1 through 105 above.
107. Section 10(b) of the Exchange Act prohibits "any person, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national security exchange . . . to use or employ, in connection with the purchase or sale of any security . . . any manipulative or deceptive device or contrivance."
108. Rule 10b-5 of the Exchange Act prohibits any person, "directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, (a) to employ any device, scheme or artifice to defraud, (b) to make any untrue statement of a material fact or to omit to state a material

fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.”

109. FINRA Rule 2020, which replaced NASD Conduct Rule 2120, provides that “[n]o member shall effect any transaction in, or induce the purchase or sale of, any security by means of any manipulative, deceptive or other fraudulent device or contrivance.”
110. FINRA Rule 2010, which replaced NASD Conduct Rule 2110, requires members and associated persons, in the conduct of their business, to “observe high standards of commercial honor and just and equitable principles of trade.”
111. In connection with the offer and sale of UITs, and to induce customers to purchase those securities, King, by the use of the means of instrumentalities of interstate commerce (including telephone and email), or of the mails, knowingly, willfully and/or recklessly made numerous false statements to customers, and omitted to state facts necessary to make his statements not misleading.
112. As more fully described above, King misrepresented to the Royal Customers (excluding DB) that they were investing in bonds that paid a fixed rate of return, and that their investments were safe, no-risk investments that were “guaranteed,” or words to that effect, to return principal with interest upon maturity.
113. Similarly, King misrepresented to DB that her UITs were safe investments that were “guaranteed,” or words to that effect.

114. These statements were false. King purchased UITs – not bonds – in the accounts of these six Royal Customers. Additionally, approximately 25 of the 44 UITs that King recommended to the Royal Customers held stocks or options in their underlying portfolios.
115. Further, the UITs that King purchased were not guaranteed, risk-free investments, but were subject to market risk and loss of principal. In fact, with the exception of RB, the Royal Customers suffered realized losses (and had unrealized losses) from their UITs totaling approximately \$60,000.
116. King failed to disclose to all seven Royal Customers the features and risks of UITs, including: that they invest in a fixed portfolio of securities that are held until a pre-established termination date and are not actively traded; that they may be illiquid through the termination date; and that they are subject to market risk and loss of principal.
117. King also failed to disclose to the seven Royal Customers the sales charges and costs associated with each of the UITs they purchased. In addition, he affirmatively misrepresented to the customers that they would pay no commissions or fees to purchase UITs.
118. King further failed to provide all seven Royal Customers with prospectuses for their UITs, as required by Royal's procedures. In doing so, King deprived the Royal Customers of another source of information concerning those investments and further concealed from them that they were investing in UITs, not bonds, as he had misrepresented.

119. The misrepresentations and omissions in the statements made by King to the customers were made with scienter and were material because a reasonable investor would consider them important in making investment decisions, because they significantly altered the total mix of information made available to the customers, and because they denied the investors the opportunity to make an informed decision about whether to invest in the UITs.
120. By this misconduct, King willfully violated Section 10(b) of the Exchange Act and Rule 10b-5, and violated NASD Conduct Rules 2120 and 2110 (for transactions occurring before December 15, 2008) and FINRA Rules 2020 and 2010 (for transactions occurring on or after December 15, 2008).

SECOND CAUSE OF ACTION
Excessive Trading (Quantitative Suitability)
(Violations of FINRA Rules 2111 and 2010)

121. The Department realleges and incorporates by reference Paragraphs 1 through 120 above.
122. FINRA Rule 2111 requires that an associated person “who has actual or de facto control over a customer account to have a reasonable basis for believing that a series of recommended transactions, even if suitable when viewed in isolation, are not excessive and unsuitable for the customer when taken together in light of the customer’s profile.”
123. Unsuitable excessive trading occurs when a registered representative has control over trading in an account and the level of activity in that account is inconsistent with the customer’s objectives and financial situation.

124. From in or about January 2013 through in or about December 2014, King exercised control over the accounts of the BBR Customers through the use of discretion. King made the investment decisions in those accounts, including what to buy and sell, the quantities, and when each transaction would occur.
125. The trading that King effected in the BBR Customers' accounts was, as evidenced by the high annualized turnover and cost-to-equity ratios, excessive in light of the size and frequency of the transactions, the transaction costs incurred, the nature of the investments and the customers' financial situation, investment objectives and needs.
126. As a result of King's excessive trading, each of the BBR customers suffered losses.
127. By this misconduct, King violated FINRA Rules 2111 and 2010.

THIRD CAUSE OF ACTION
Unsuitable Recommendations (Qualitative Suitability)
(Violation of FINRA Rules 2111 and 2010)

128. The Department realleges and incorporates by reference Paragraphs 1 through 127, above.
129. FINRA Rule 2111 requires a member, when making a recommendation to purchase or sell a security, to have a "reasonable basis to believe that a recommended transaction ... is suitable for the customer...." A broker-dealer must first have a reasonable basis to believe, based upon a reasonable investigation, that the recommendation is suitable for at least some investors.

130. King effected short-term purchases and sales of UITs and CEFs without having a reasonable basis to believe, based upon a reasonable investigation, that such purchases and sales were suitable for the BBR customers in view of the nature, frequency and size of the transactions, the risks associated with such transactions, and in light of the customers' financial situation, investment objectives, circumstances and needs.
131. As alleged above, the UITs and CEFs that King recommended were higher cost, long-term investments that were not appropriate vehicles for short-term trading. Further, many of these short-term transactions involved switching, whereby King used some or all of the sale proceeds from one UIT or CEF to purchase another UIT or CEF, with little or no economic benefit to the customer.
132. Indeed, given these considerations, King did not have a reasonable basis to believe that such transactions were suitable for any investor.
133. By this misconduct, King violated FINRA Rules 2111 and 2010.

FOURTH CAUSE OF ACTION

Discretionary Trading Without Prior Written Authorization (Violation of NASD Conduct Rule 2510(b) and FINRA Rule 2010)

134. The Department realleges and incorporates by reference paragraphs 1 -133
135. NASD Conduct Rule 2510(b) states that no registered representative shall exercise any discretionary power in a customer's account unless such customer has given prior written authorization and the account has been accepted in writing as a discretionary account by the member firm.
136. From in or about January 2013 through in or about and December 2014, King exercised discretion in the accounts of the BBR Customers, in that he effected trades in their accounts, including transactions involving UITs and CEFs, without obtaining prior

written authorization from those customers. King also failed to obtain written acceptance of the accounts as discretionary by his employer member firm, BBR.

137. BBR prohibited the use of discretion by its representatives.

138. By this misconduct, King violated NASD Conduct Rule 2510(b) and FINRA Rule 2010

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed, including that Respondent be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest;
- C. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330; and
- D. make specific findings that Respondent willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

FINRA DEPARTMENT OF ENFORCEMENT

Dated: November 13, 2015



Michael J. Newman, Senior Regional Counsel
Christopher Kelly, Regional Chief Counsel
FINRA Department of Enforcement
581 Main Street, Suite 710
Woodbridge, NJ 07095
(732) 596-2030; Fax: (202) 721-6557
michael.newman@finra.org

Exhibit A to Glenn King Complaint
(Schedule of Transactions for Customer JE)

Trade Date	B/S	Description	Product	Quantity	Price	Debit	Credit
1/9/2014	Sell	Blackrock Multi Sector Income	CEF	5,000	\$17.22		\$86,117.80
1/9/2014	Buy	Cushing Royalty & Income Fund	CEF	5,000	\$16.98	(\$84,923.00)	
1/24/2014	Buy	Cohen & Steers Closed-End	CEF	6,800	\$12.66	(\$86,077.63)	
1/24/2014	Sell	Cushing Royalty & Income Fund	CEF	5,000	\$17.56		\$87,790.70
2/12/2014	Sell	Invesco High Income TR II	CEF	2,718	\$16.45		\$44,712.29
2/12/2014	Buy	Legg Mason BW Global Income	CEF	2,600	\$16.42	(\$42,701.80)	
3/03/2014	Sell	Apollo Tactical Income FD Inc.	CEF	855	\$17.99		\$15,381.54
3/03/2014	Sell	Ares Multi Strategy Credit	CEF	1,691	\$21.75		\$36,779.42
3/07/2014	Sell	Cohen & Steers Closed-End	CEF	6,800	\$12.98		\$88,277.46
3/12/2014	Sell	Legg Mason BW Global Income	CEF	2,600	\$16.96		\$44,098.55
3/26/2014	Buy	Nuveen All Cap Energy MLP	CEF	5,000	\$20.00	(\$100,000.00)	
3/26/2014	Buy	First Trust New Opportunities	CEF	4,250	\$20.00	(\$85,000.00)	
5/21/2014	Sell	First Trust New Opportunities	CEF	4,250	\$19.48		\$82,809.74
5/22/2014	Buy	UIT First Trust Diversified	UIT	4,114	\$10.21	(\$42,001.06)	
5/22/2014	Buy	UIT Guggenheim Defined Portfolio	UIT	3,993	\$10.02	(\$40,002.27)	
5/27/2014	Sell	Nuveen All Cap Energy MLP	CEF	5,084	\$19.93		\$101,330.22
5/27/2014	Buy	UIT Advisors Asset Management	UIT	5,027	\$9.95	(\$50,000.55)	
5/27/2014	Buy	UIT Invesco Unit Trs Closed	UIT	4,957	\$10.09	(\$50,000.27)	
5/29/2014	Sell	Blackrock Multi Sector Income	CEF	34	\$18.61		\$632.74
5/29/2014	Sell	John Hancock Preferred Income	CEF	39	\$20.50		\$799.50
5/29/2014	Sell	KKR Income Opportunities Fund	CEF	27	\$18.32		\$494.64
6/16/2014	Buy	JPMorgan Chase & Co.	CEF	1,000	\$25.00	(\$25,000)	
6/18/2014	Sell	UIT Guggenheim Defined Portfolio	UIT	2,566	\$9.75		\$25,005.67
6/19/2014	Sell	UIT Invesco Unit Trs Closed	UIT	4,957	\$9.95		\$49,304.30

Trade Date	B/S	Description	Product	Quantity	Price	Debit	Credit
6/25/2014	Buy	Duff & Phelps Select Energy	Limited Partnership	2,500	\$20.00	(\$50,000)	
7/25/2014	Sell	UIT Advisors Asset Management	UIT	5,038	\$9.90		\$49,876.20
7/28/2014	Buy	Tekla Healthcare Opportunities	CEF	2,500	\$20.00	(\$50,000)	
7/25/2014	Buy	Tekla Healthcare Opportunities	CEF	1,250	\$20.00	(\$25,000)	
7/28/2014	Sell	UIT First Trust Diversified	UIT	2,458	\$9.77		\$24,005.81
8/20/2014	Sell	Tekla Healthcare Opportunities	CEF	3,750	\$20.30		\$76,125.37
8/20/2014	Buy	UIT Smart Trust Strategic	UIT	7,939	\$9.83	(\$78,004.64)	
8/25/2014	Sell	JPMorgan Chase & Co.	CEF	1,000	\$25.00		\$25,000
8/25/2014	Buy	UIT Guggenheim Defined Portfolios	UIT	2,513	\$9.95	(\$25,004.60)	
9/08/2014	Sell	Duff & Phelps Select Energy	CEF	2,540	\$19.15		\$48,628.27
9/15/2014	Sell	UIT Guggenheim Defined Portfolio	UIT	1,459	\$9.36		\$13,660.62
9/25/2014	Buy	Goldman Sachs MLP Energy	CEF	3,100	\$20.00	(\$62,000)	
10/03/2014	Sell	UIT First Trust Diversified	UIT	1,739	\$9.36		\$16,278.26
10/21/2014	Sell	UIT Smart Trust Strategic	UIT	7,987	\$8.96		\$71,575.50
10/28/2014	Buy	Blackrock Science & Technology	CEF	4,250	\$20.00	(\$85,000)	
10/28/2014	Buy	Blackrock Science & Technology	CEF	1,250	\$20.00	(\$25,000)	
10/31/2014	Sell	UIT Guggenheim Defined Portfolios	UIT	2,549	\$9.26		\$23,594.56
11/19/2014	Sell	Blackrock Science & Technology	CEF	2,500	\$20.01		\$50,025.24
11/19/2014	Buy	UIT Guggenheim Defined Portfolio	UIT	5,045	\$9.91	(\$49,995.45)	
11/24/2014	Buy	Miller Howard High Income Eqty	CEF	5,000	\$20.00	(\$100,000)	
12/02/2014	Sell	Blackrock Science & Technology	CEF	3,000	\$19.95		\$59,852
12/02/2014	Sell	Goldman Sachs MLP Energy	CEF	3,100	\$15.21		\$47,135.40
12/17/2014	Sell	Miller Howard High Income Eqty	CEF	1,100	\$20.75		\$22,825
12/18/2014	Buy	UIT Smart Tr Diversified Income	UIT	3,374	\$9.48	(\$32,002.05)	
12/22/2014	Buy	UIT First Trust Jan Effect	UIT	7,759	\$9.67	(\$75,002.37)	
12/23/2014	Sell	Miller Howard High Income Eqty	CEF	3,900	\$20.02		\$78,079.17

Exhibit A to Glenn King Complaint
(Schedule of Transactions for Customer RA/LA Joint Account)
(Account # **6648)**

Trade Date	B/S	Description	Product	Quantity	Price	Debit	Credit
1/10/2014	Sell	Apollo Tactical Income Fd Inc.	CEF	3,300	\$17.83		\$58,839.33
1/10/2014	Buy	Hancock John Invt Tr	CEF	4,000	\$12.07	(\$48,276)	
1/17/2014	Buy	Cohen & Steers REIT	REIT	3,400	\$16.19	(\$55,042.60)	
1/17/2014	Sell	Hancock John Invt Tr	CEF	4,000	\$12.79		\$51,174.12
2/19/2014	Buy	Blackrock Util & Infrastructure	CEF	3,200	\$18.66	(\$59,711.76)	
2/19/2014	Sell	Cohen & Steers REIT	REIT	3,400	\$16.90		\$57,472
3/21/2014	Sell	Western Asset High Income Fd	CEF	7,000	\$9.31		\$65,184.75
3/26/2014	Buy	First Trust New Opportunities	CEF	3,000	\$20	(\$60,000)	
4/24/2014	Sell	Blackrock Util & Infrastructure	CEF	3,200	\$19.17		\$61,354.75
4/24/2014	Buy	UIT Guggenheim Defined Portfolio	UIT	5,967	\$10.06	(\$60,008.33)	
5/14/2014	Sell	Ares Multi Strategy Credit	CEF	1,320	\$22.15		\$29,238
5/16/2014	Buy	UIT Advisors Asset Management	UIT	3,570	\$9.80	(\$35,001.35)	
5/21/2014	Sell	First Trust New Opportunities	CEF	3,000	\$19.54		\$58,620
5/22/2014	Buy	UIT Advisors Asset Management	UIT	5,372	\$10.05	(\$54,006.33)	
6/18/2014	Sell	UIT Guggenheim Defined Portfolio	UIT	5,967	\$9.92		\$59,176.53
6/25/2014	Buy	Duff & Phelps Select Energy	CEF	3,000	\$20.00	(\$60,000)	
7/17/2014	Sell	UIT Advisors Asset Management	UIT	5,372	\$10.02		\$53,819.38
7/28/2014	Buy	Tekla Healthcare Opportunities	CEF	2,750	\$20.00	(\$55,000)	
8/21/2014	Sell	Tekla Healthcare Opportunities	CEF	2,750	\$20.25		\$55,687.78
8/25/2014	Buy	UIT Smart Trust Strategic	UIT	5,094	\$9.82	(\$50,007.80)	
9/11/2014	Sell	Duff & Phelps Select Energy	CEF	3,000	\$18.53		\$55,595.70
9/25/2014	Buy	Goldman Sachs MLP Energy	CEF	3,000	\$20.00	(\$60,000)	
10/08/2014	Sell	UIT Advisors Asset Management	UIT	3,570	\$9.25		\$33,024.64

Trade Date	B/S	Description	Product	Quantity	Price	Debit	Credit
10/28/2014	Buy	Blackrock Science & Technology	CEF	1,750	\$20.00	(\$35,000)	
11/10/2014	Sell	UIT Smart Trust Strategic	UIT	5,094	\$9.04		\$46,073.19
11/14/2014	Buy	UIT Guggenheim Defined Portfolio	UIT	4,537	\$9.92	(\$44,997.97)	
11/19/2014	Buy	UIT First Trust Dvrsfd High	UIT	2,495	\$10.02	(\$24,996.91)	
11/19/2014	Sell	Goldman Sachs MLP Energy	CEF	1,500	\$17.21		\$25,818.60
11/24/2014	Buy	Miller Howard High Income Eqty	CEF	2,500	\$20.00	(\$50,000)	
12/02/2014	Sell	Blackrock Science & Technology	CEF	1,750	\$19.95		\$34,912.50
12/02/2014	Sell	Goldman Sachs MLP Energy	CEF	1,500	\$15.31		\$22,970.25
12/22/2014	Buy	UIT Guggenheim Defined	UIT	5,424	\$9.22	(\$50,008.74)	
12/23/2014	Sell	Miller Howard High Income Eqty	CEF	2,500	\$20.02		\$50,050.25

Exhibit A to Glenn King Complaint
(Schedule of Transactions for Customer RA)
(Account # **6650)**

Trade Date	B/S	Description	Product	Quantity	Price	Debit	Credit
1/29/2014	Buy	Agic Equity & Convertible	CEF	2,400	\$18.85	(\$45,233.54)	
1/29/2014	Sell	Apollo Tactical Income Fd Inc	CEF	1,700	\$17.76		\$30,192
1/29/2014	Sell	Blackrock Income Opportunity	CEF	1,800	\$10.32		\$18,576.18
2/24/2014	Buy	Center Coast MLP	CEF	2,600	\$16.99	(\$44,173.74)	
2/24/2014	Sell	Ares Multi Strategy Credit	CEF	2,200	\$21.82		\$48,004.22
3/12/2014	Sell	Agic Equity & Convertible	CEF	2,400	\$19.37		\$46,489
3/26/2014	Buy	Nuveen All Cap Energy MLP	CEF	2,250	\$20.00	(\$45,000)	
4/04/2014	Sell	Center Coast MLP	CEF	2,600	\$17.58		\$45,720.11
4/09/2014	Buy	UIT Advisors Asset Management	UIT	4,719	\$9.54	(\$45,003.69)	
6/03/2014	Sell	Nuveen All Cap Energy MLP	CEF	2,250	\$19.65		\$44,220.83
6/03/2014	Buy	UIT First Trust Diversified	UIT	4,518	\$9.96	(\$45,003.35)	
7/28/2014	Buy	Tekla Healthcare Opportunities	CEF	2,000	\$20.00	(\$40,000)	
7/28/2014	Sell	UIT Advisors Asset Management	UIT	4,829	\$9.13		\$44,077.18
8/21/2014	Sell	Tekla Healthcare Opportunities	CEF	2,000	\$20.30		\$40,600.20
8/25/2014	Buy	UIT Guggenheim Defined Products	UIT	\$4,021	\$9.95	(\$40,009.35)	
10/08/2014	Sell	UIT First Trust Diversified	UIT	4,519	\$9.05		\$40,893.33
10/08/2014	Sell	UIT First Trust Diversified	UIT	4,518	\$9.05		\$40,884.29
10/08/2014	Buy	UIT First Trust Diversified	UIT	4,519	\$9.05	(\$40,893.33)	
10/28/2014	Buy	Blackrock Science & Technology	CEF	2,000	\$20.00	(\$40,000)	
11/20/2014	Buy	UIT Advisors Disciplined Tr	UIT	4,285	\$9.33	(\$39,997.48)	
11/20/2014	Sell	Blackrock Science & Technology	CEF	2,000	\$20.00		\$40,000
11/24/2014	Buy	Miller Howard High Income Eqty	CEF	1,750	\$20.00	(\$35,000)	
12/02/2014	Sell	UIT Guggenheim Defined Portfolios	UIT	4,021	\$9.18		\$36,907.55
12/24/2014	Sell	Miller Howard High Income Eqty	CEF	1,750	\$20.04		\$35,071.58

Trade Date	B/S	Description	Product	Quantity	Price	Debit	Credit
12/24/2014	Buy	UIT Smart Tr Closed End Fd	UIT	3,428	\$10.21	(\$35,001.94)	

Exhibit A to Glenn King Complaint
(Schedule of Transactions for Customer LA)
(Account # **6651)**

Trade Date	B/S	Description	Product	Quantity	Price	Debit	Credit
1/14/2014	Buy	Alpine Global Premier PPTYS FD	CEF	8,000	\$7.17	(\$57,351.52)	
1/14/2014	Sell	Western Asset Global Corporate	CEF	3,000	\$18.10		\$54,301.68
2/27/2014	Sell	Arrow Dow Jones Global Yield	ETF	1,800	\$26.60		\$47,885.80
3/26/2014	Buy	Nuveen All Cap Energy MLP	CEF	2,500	\$20.00	(\$50,000)	
4/16/2014	Sell	Ares Multi Strategy Credit	CEF	2,600	\$21.76		\$56,568.76
4/16/2014	Buy	UIT Guggenheim Defined Portfolio	UIT	5,507	\$9.99	(\$55,007.22)	
5/07/2014	Sell	Alpine Global Premier PPTYS Fd	CEF	8,000	\$7.12		\$56,932.40
5/16/2014	Buy	UIT Advisors Asset Management	UIT	5,412	\$9.98	(\$54,003.10)	
5/27/2014	Sell	Nuveen All Cap Energy MLP	CEF	2,500	\$19.85		\$49,628.72
5/27/2014	Buy	UIT First Trust Covered Call	UIT	4,941	\$10.12	(\$50,009.84)	
6/18/2014	Sell	UIT Guggenheim Defined Portfolio	UIT	5,507	\$9.92		\$54,614.57
6/25/2014	Buy	Duff & Phelps Select Energy	CEF	2,750	\$20.00	(\$55,000)	
7/09/2014	Sell	UIT Advisors Asset Management	UIT	5,412	\$10.02		\$54,240.69
7/28/2014	Buy	Tekla Healthcare Opportunities	CEF	2,500	\$20.00	(\$50,000)	
8/25/2014	Sell	Tekla Healthcare Opportunities	CEF	1,200	\$20.30		\$24,360
8/26/2014	Sell	Tekla Healthcare Opportunities	CEF	1,300	\$20.57		\$26,741
8/26/2014	Buy	UIT First Trust ADR Portfolio	UIT	4,918	\$10.17	(\$50,009.17)	
9/11/2014	Sell	Duff & Phelps Select Energy	CEF	2,750	\$49.99		\$50,974.41
9/19/2014	Sell	UIT First Trust Covered Call	UIT	4,941	\$9.69		\$47,876.31
9/24/2014	Buy	Citigroup FDG Inc.	Bond	48,000	\$100	(\$48,000)	
9/25/2014	Buy	Goldman Sachs MLP Energy	CEF	2,750	\$20.00	(\$55,000)	
10/22/2014	Sell	Goldman Sachs MLP Energy	CEF	2,750	\$20.20		\$55,550
10/28/2014	Buy	Blackrock Science & Technology	CEF	300	\$20.00	(\$6,000)	

	B/S	Description	Product	Quantity	Price	Debit	Credit
10/28/2014	Buy	Blackrock Science & Technology	CEF	2,750	\$20.00	(\$55,000)	
10/28/2014	Buy	Blackrock Science & Technology	CEF	2,000	\$20.00	(\$40,000)	
10/30/2014	Sell	UIT First Trust ADR Portfolio	UIT	4,944	\$9.11		\$45,051.21
11/14/2014	Sell	Blackrock Science & Technology	CEF	500	\$20.00		\$10,000
11/24/2014	Buy	Miller Howard High Income Eqty	CEF	2,500	\$20.00	(\$50,000)	
11/24/2014	Buy	UIT Guggenheim Defined Portfolio	UIT	3,995	\$10.01	(\$39,996.34)	
12/02/2014	Sell	Blackrock Science & Technology	CEF	4,550	\$19.96		\$90,810.43
12/18/2014	Buy	UIT Smart Tr Closed End Fd	UIT	5,364	\$10.25	(\$55,001.92)	
12/22/2014	Sell	Miller Howard High Income Eqty	CEF	2,500	\$20.01		\$50,019.24

Exhibit A to Glenn King Complaint
(Schedule of Transactions for Customer CM)

Trade Date	B/S	Description	Product	Quantity	Price	Debit	Credit
1/07/2013	Sell	Gabelli Equity Trust Inc.	CEF	200	\$5.76		\$1,152.50
1/09/2013	Sell	Flaherty & Crumrine/Claymore	CEF	3,023	\$20.72		\$62,638.07
1/09/2013	Sell	Flaherty & Crumrine/Claymore	CEF	0.57	\$20.72		\$11.87
1/28/2013	Buy	Pimco Dynmaic Cr Income Fd	CEF	2,600	\$25.00	(\$65,000)	
3/21/2013	Sell	Nuveen Long/Short Commodity	CEF	1,622	\$20.47		\$33,203.77
3/21/2013	Sell	Nuveen Long/Short Commodity	CEF	0.34	\$20.47		\$6.99
3/25/2013	Buy	Brookfield Mtg Opportunity	CEF	1,675	\$20.00	(\$33,500)	
4/05/2013	Sell	Prudential Global Short	CEF	1,570	\$18.80		\$29,516.16
4/05/2013	Sell	Prudential Global Short	CEF	0.52	\$18.80		\$9.80
4/10/2013	Sell	Pimco Dynamic Cr Income Fd	CEF	2,616	\$24.92		\$65,190.91
4/10/2013	Sell	Pimco Dynamic Cr Income Fd	CEF	0.51	\$24.92		\$12.81
4/25/2013	Buy	Doubleline Income Solutions Fd	CEF	3,800	\$25.00	(\$95,000)	
6/12/2013	Sell	Healthcare Trust of America	REIT	1,380	\$11.44		\$15,787.31
6/21/2013	Sell	Doubleline Income Solutions Fd	CEF	2,400	\$22.05		\$52,920.24
6/25/2013	Buy	Nuveen Flexible Investment	CEF	3,250	\$20.00	(\$65,000)	
8/23/2013	Sell	Doubleline Income Solutions Fd	CEF	1,435	\$20.75		\$29,776.35
8/23/2013	Buy	Wells Fargo Advantage Income	CEF	3,300	\$8.76	(\$28,905.36)	
9/19/2013	Sell	Nuveen Flexible Investment	CEF	3,250	\$16.35		\$53,139.82
9/25/2013	Buy	Center Coast MLP	CEF	2,750	\$20.00	(\$55,000)	
10/16/2013	Sell	Wells Fargo Advantage Income	CEF	3,324	\$8.80		\$29,255.71
10/28/2013	Buy	Ares Multi Strategy Credit	CEF	1,160	\$25.00	(\$29,000)	
11/19/2013	Sell	Center Coast MLP	CEF	2,750	\$18.93		\$52,066
11/19/2013	Buy	Arrow Dow Jones Global Yield	ETF	1,900	\$26.40	(\$50,151.80)	
11/20/2013	Buy	Avenue Income Credit Strategies	CEF	850	\$16.83	(\$14,305.25)	
11/20/2013	Sell	Healthcare Trust of America	REIT	1,380	\$10.42		\$14,372.80

	B/S	Description	Product	Quantity	Price	Debit	Credit
12/05/2013	Buy	Apollo Tactical Income Fd Inc	CEF	1,600	\$17.20	(\$27,519.84)	
12/05/2013	Sell	Brookfield Mtg Opportunity	CEF	1,763	\$16.08		\$28,347.47
4/11/2014	Buy	UIT Guggenheim Defined Portfol	UIT	5,326	\$9.95	(\$53,001.16)	
4/11/2014	Sell	Arrow Dow Jones Global Yield	ETF	1,940	\$27.33		\$53,019.29
5/07/2014	Sell	Apollo Tactical Income Fd Inc	CEF	1,600	\$18.08		\$28,927.08
5/12/2014	Buy	UIT First Trust High Yield	UIT	2,986	\$10.05	(\$30,001.54)	
5/27/2014	Buy	UIT Advisors Asset Management	UIT	2,608	\$9.97	(\$26,007.76)	
5/27/2014	Sell	Ares Multi Strategy Credit	CEF	1,192	\$21.80		\$25,987.03
6/03/2014	Buy	UIT First Trust Diversified	UIT	5,578	\$9.86	(\$55,006.33)	
6/03/2014	Sell	UIT Guggenheim Defined Portfol	UIT	5,350	\$10.15		\$54,324.44
6/11/2014	Sell	Avenue Income Credit Strategie	CEF	850	\$17.77		\$15,107.05
6/11/2014	Buy	UIT Invesco Unit Trs Closed	UIT	1,469	\$10.21	(\$15,004.66)	