

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2018058120201**

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

RE: Drew R. Mantel (Respondent)
Former General Securities Representative
CRD No. 2636917

Pursuant to FINRA Rule 9216, Respondent Drew R. Mantel submits 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 Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

Mantel first registered with FINRA in November 1995, and from that time until April 1997, he was registered as a General Securities Representative through an association with a FINRA member. In August 2003, Mantel registered with FINRA as a GSR through an association with Edward D. Jones & Co., L.P. On April 10, 2018, Edward Jones filed a Uniform Termination Notice for Securities Industry Registration (Form U5), disclosing that Mantel was under internal review for some of the conduct described below.

Mantel registered with FINRA as a GSR through an association with Ameriprise Financial Services, LLC beginning in March 2018. On November 6, 2020, Ameriprise filed a Form U5 for Mantel, disclosing that the firm terminated him for some of the conduct described below. Although Mantel is not currently associated with any FINRA member, FINRA retains jurisdiction over him pursuant to Article V, Section 4 of FINRA's By-Laws.

Respondent does not have any relevant disciplinary history.

OVERVIEW

From June 2017 to September 2019, Mantel exercised discretion without written authorization in connection with approximately 140 transactions involving 13 customers. His actions violated NASD Rule 2510(b) (for conduct prior to May 8, 2019) and FINRA Rules 3260(b) (for conduct on or after May 8, 2019), and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from the April 10, 2018 Form U5 referenced above.

NASD 2510(b) stated and FINRA Rule 3260(b) states in relevant part: “[n]o member or registered representative shall exercise any discretionary power in a customer's account unless such customer has given prior written authorization to a stated individual or individuals and the account has been accepted by the member”¹

FINRA Rule 2010 requires associated persons, in the conduct of business, to “observe high standards of commercial honor and just and equitable principles of trade.” A violation of NASD Rule 2510(b) and FINRA Rule 3260(b) is a violation of FINRA Rule 2010.

From June 2017 through January 2018, while at Edward Jones, Mantel exercised discretion when executing approximately 110 transactions involving seven customers, including four seniors. From June 2018 through September 2019, while at Ameriprise, Mantel exercised discretion when executing approximately 30 transactions in seven customers’ accounts, including two seniors.² Although the customers knowingly permitted Mantel to exercise discretion, he did not have their written authorization or his firms’ approval, which in any event would not have been granted due to the firms’ policies, which prohibited the exercise of discretion except in circumstances not present here.

Mantel exercised discretion without written authorization despite receiving informal discipline from Edward Jones, in July 2014 and July 2015, and from Ameriprise, in July 2019, for the improper use of discretion. At both firms, the informal discipline consisted of written warnings in addition to oral discussions about the firms’ policies regarding the use of discretion.

Therefore, Mantel violated NASD Rule 2510 (for conduct prior to May 8, 2019) and FINRA Rules 3260(b) (for conduct on or after May 8, 2019), and 2010.

¹ FINRA Rule 3260 superseded NASD Rule 2510 on May 8, 2019.

² Including one customer for whom Mantel exercised discretion at both firms.

B. Respondent also consents to the imposition of the following sanctions:

- a three-month suspension from associating with any FINRA member 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.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, he 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 in this AWC shall be effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against him;
- 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, Respondent specifically and voluntarily waives 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 its acceptance or rejection.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 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 its subject matter in accordance with FINRA Rule 8313; and
 - 4. Respondent 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. Respondent 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 Respondent's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct.

Respondent understands that he 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.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

11/10/20

Date



Drew R. Mantel
Respondent

Reviewed by:



Lawton R. Graves, Esq.
Counsel for Respondent
Murphy & Anderson
1501 San Marco Blvd.
Jacksonville, FL 32207

Accepted by FINRA:

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

12-15-2020

Date



Michael J. Rogal
Senior Counsel
FINRA
Department of Enforcement
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