

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2021072340501**

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

RE: Glenn Donnell (Respondent)
General Securities Representative
CRD No. 2239397

Pursuant to FINRA Rule 9216, Respondent Glenn Donnell 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 accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Donnell first registered with FINRA as a General Securities Representative (GS) through a member firm in 1992. Donnell registered with FINRA as a GS through Investacorp, Inc. (CRD No. 7684) in December 1998. While there, he registered with FINRA as a General Securities Principal and an Investment Banking Representative and Principal. In July 2020, Securities America, Inc. (CRD No. 10205) acquired Investacorp, and Donnell remained registered in all of those categories with FINRA through Securities America until July 21, 2021. From July 2021 until September 2023, Donnell registered with FINRA in the same categories through Sigma Financial Corporation (CRD No. 14303). On September 11, 2023, Sigma Financial filed a Uniform Termination Notice for Securities Industry Registration for Donnell, terminating his registration through the firm.

Although Donnell is not currently associated with a member firm, he remains subject to FINRA's jurisdiction under Article V, Section 4(a) of FINRA's By-Laws.¹

OVERVIEW

Between July 2019 and January 2023, Donnell exercised discretion without prior written authorization by executing 280 transactions in eleven accounts for six customers in violation of FINRA Rules 3260(b) and 2010. During the same time period, Donnell

¹ For more information about the respondent, visit BrokerCheck® at www.finra.org/brokercheck.

mismarked 1,100 trades as unsolicited. By causing his firms to maintain inaccurate books and records, Donnell violated FINRA Rules 4511 and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a customer complaint to FINRA.

FINRA Rule 3260(b) prohibits a registered representative from exercising discretionary power in a customer's account unless (1) the customer has given prior written authorization and (2) the representative's member firm has accepted the account as discretionary, as evidenced in writing by the member.

A violation of Rule 3260(b) is also a violation of FINRA Rule 2010, which requires that members and their associated persons "observe high standards of commercial honor and just and equitable principals of trade" in the conduct of their business.

Between July 2019 and January 2023, Donnell exercised discretion to effect 280 trades in eleven customer accounts while associated at Sigma Financial, Securities America, and Investacorp. Although the customers had given Donnell express or implied authority to exercise discretion in their accounts, none of the customers provided written authorization for Donnell to exercise discretion.

The written supervisory procedures for Sigma Financial prohibited registered representatives from exercising discretion in a customer's account. On his Sigma Financial annual compliance questionnaires for 2021 (executed in December 2021) and 2022 (executed in January 2023), Donnell incorrectly replied "no" to the question asking: "Do you have any discretionary accounts, i.e., clients who have given you the authority to make decisions on their behalf and authorized you to execute any purchases or sales without their prior approval of each trade?" Although Investacorp and Securities America's WSPs permitted time and price discretion on the same business day the representative spoke to the customer, Donnell exercised discretion days or weeks after speaking with his customers and sometimes without communicating with the customers at all about the specific trades.

Therefore, Donnell violated FINRA Rules 3260(b) and 2010.

FINRA Rule 4511 requires members to make and preserve books and records in conformity with FINRA Rules, the Securities Exchange Act of 1934, and applicable Exchange Act rules. Section 17(a) of the Exchange Act and Exchange Act Rule 17a-3 require member firms to make and keep a record of "each brokerage order" showing "the terms and conditions of the order," including whether the order was solicited. Inherent in the obligation to make and preserve books and records is the requirement that they be accurate.

A registered representative who causes his or her firm to fail to comply with this recordkeeping obligation violates FINRA Rule 4511. A violation of FINRA Rule 4511 is also a violation of FINRA Rule 2010.

Between July 2019 and August 2023, Donnell mismarked at least 1,100 solicited trades, all in marijuana securities, which trade over the counter, as unsolicited. At Securities America, Donnell untruthfully answered the firm's direct inquiries about the solicited vs. unsolicited nature of the trades. While associated with Sigma Financial, Donnell marked the trades as unsolicited in order to avoid the firm's trade system block on solicited over-the-counter trades. Donnell's mismarking caused Securities America and Sigma Financial to maintain inaccurate books and records.

Therefore, Donnell violated FINRA Rules 4511 and 2010.

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

- A four-month suspension from associating with any FINRA member in all capacities and
- a \$12,500 fine

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 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.

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 right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

- 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.

August 9, 2024

Date

Glenn Donnell

Glenn Donnell
Respondent

Reviewed by:

Leila Shaver

Leila Shaver
Counsel for Respondent
My RIA Lawyer
44 Milton Avenue, #314
Alpharetta, GA 30009

Accepted by FINRA:

August 15, 2024

Date

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

Marianne H. Combs

Marianne H. Combs²
Counsel
FINRA
Department of Enforcement
9509 Key West Avenue
Rockville, MD 20850

² Licensed to practice law in Alabama, Florida, and Illinois only.