

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF determining
Whether there has been a violation of the
Securities Act of Washington by:

GLENDA W. ANDERSON,

Respondent.

SDO - 6 - 99

SUMMARY ORDER
SUSPENDING SECURITIES SALESPERSON
REGISTRATION
Case No. 98-12-396

THE STATE OF WASHINGTON TO: Glenda W. Anderson
9 Enatai Dr.
Bellevue, WA 98004

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent, Glenda W. Anderson, has engaged in dishonest and unethical practices in the securities business while employed as a registered securities salesperson for Investment Management & Research, and has violated provisions of Consent Agreement SDO 37-97, entered into with the Securities Division on April 8, 1997, and that those practices and violations justify the suspension and/or revocation of Respondent's securities salesperson's registration pursuant to RCW 21.20.110(1)(g).

The Securities Administrator finds that delay in suspending and/or revoking the Respondent's salesperson registration would be hazardous to the public interest and is necessary or appropriate for the protection of investors and that a Summary Order should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

1. Glenda W. Anderson ("Anderson") is registered with the State of Washington as a securities salesperson and has been affiliated with Investment Management & Research ("IMR") from July 27, 1992 until her resignation on November 24, 1998.

2. Anderson was employed by the IM&R office at 7116 Pioneer Way, Gig Harbor, WA 98335 ("Gig Harbor Branch"), from July 27, 1992 until April 17, 1998.

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360-902-8760

1 3. On March 21, 1997, Anderson signed Consent Agreement SDO-37-97 with the Securities Division, involving
2 violations of the Securities Act of Washington ch. 21.20 RCW.

3 4. On or about April 17, 1998, Anderson transferred to the IM&R branch located at 19217 36th Ave. W., Suite
4 103, Lynnwood, WA 98036 ("Lynnwood Branch").

5 5. On or about November 22, 1998, the Lynnwood Branch terminated Anderson's trading privileges. In
6 response Anderson resigned from employment with IM&R on November 23, 1998.

7 6. On or about December 7, 1998 the Washington State Securities Division ("Division") began receiving
8 complaints regarding Anderson's conduct and inquiries relating to the termination of Anderson's trading privileges.

9
10 **NATURE OF ANDERSON'S CONDUCT**

11 7. In response to those complaints the Division conducted an examination of the Lynnwood Branch and has
12 further investigated the matter which revealed the nature of Anderson's conduct.

13 Anderson Engaged in Unauthorized Trading

14 8. Anderson traded securities in several accounts without prior permission of the account holder, as the examples
15 in paragraphs 9 to 12 show.

16 9. One client stated that October 2, 1998 was the last time she spoke with Anderson and that no purchases or
17 sales were authorized at that time. Notwithstanding the lack of client approval Anderson sold the client's shares of
18 Chrysler and Excite and purchased shares of Iomega, on or about 10/29/98.

19 10. Anderson contacted a client as the client prepared to enter the hospital during the summer of 1998. Anderson
20 wanted the client to make a number of changes to her account, but gave the client no explanation as to why such changes
21 were advocated. The client told Anderson that she did not wish to make any changes at that time. After recovering from
22 her hospital stay the client found that Anderson had taken advantage of her incapacity and had made unauthorized trades
23 involving North American Funds, Fidelity Advantage Equity and Oppenheimer Quest, in the client's account.

24 11. Anderson had a meeting with a client and her supervisor Steve Sant, on October 7, 1998 involving a re-
25 financing and securities purchases were not discussed. The client had no contact with Anderson in the month that

1 followed. Despite the lack of client approval, Anderson purchased shares of Dell Computer for the client's account, on or
2 about November 5, 1998.

3 12. During the four month period from June 29, 1998 to October 28, 1998 liquidation notices were sent out for at
4 least seven transactions initiated by Anderson, indicating that many of Anderson's clients were refusing to pay for
5 transactions Anderson had made in their accounts.

6 Anderson Failed to Execute Written Discretionary Agreements

7 13. When several of Anderson's clients were questioned regarding apparent unauthorized transactions in their
8 accounts the clients stated that they had given Anderson discretion, orally, to buy or sell for their accounts. Anderson
9 failed to obtain written discretionary agreements for any of these clients, which would have allowed Anderson to trade
10 without consulting the clients first.

11 Anderson Violated Prior Consent Agreement

12 14. The terms of Consent Agreement SDO - 37-97 advised Anderson that engaging in unauthorized trading,
13 making unsuitable recommendations to customers, and the exercise of discretionary authority without having prior written
14 authorization to do so constitutes unethical practices for securities salesperson which could result in the suspension or
15 revocation of her salesperson registration. These unethical salesperson practices constitute behavior proscribed under
16 RCW 21.20.110(1)(g), RCW 21.20.010(3) and WAC's 460-22B090(8) and (9).

17 15. One example of Anderson's violation of Consent Agreement SDO-37-97 involved an elderly client who
18 complained to Anderson's supervisor, Howard Polen, that One example of Anderson's violation of Consent
19 Agreement SDO - 37-97 Anderson had made unauthorized trades in her account, on or about May 27, 1997, selling
20 shares of Intel and Microsoft and purchasing DataDimension shares.

21 **EMERGENCY**

22 16. The Securities Administrator finds that an emergency exists because Respondent knowingly and intentionally
23 engages in unethical sales practices: by making trades without clients knowledge; by making discretionary trades without
24 obtaining written discretionary agreements from her clients and such conduct presents an immediate danger to the safety

1 and welfare of the investing public and Respondent is likely to continue to do so, as shown in Respondent's conduct in
2 violation of Consent Agreement SDO - 37-97.

3 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

4 **CONCLUSIONS OF LAW**

5 17. Anderson, as described above, engaged in one or more dishonest or unethical practices in the securities
6 business, as defined by WAC 460-22B-090(8), by executing transactions on behalf of customers without authorization to
7 do so. Such practice is grounds for the suspension or revocation of her salesperson registration pursuant to RCW
8 21.20.110(1)(g).

9 18. Anderson, as described above, engaged in one or more dishonest or unethical practices in the securities
10 business, as defined by WAC 460-22B-090(9), by exercising discretionary power in effecting transactions for customers
11 accounts without first obtaining written discretionary authority, from the customers. Such practice is grounds for the
12 suspension or revocation of her salesperson registration pursuant to RCW 21.20.110(1)(g).

13 19. Anderson, as described above, engaged in acts, practices or courses of business which operate or would
14 operate as a fraud or deceit upon any person, in violation of RCW 21.20.010(3). Such practice is grounds for the
15 suspension or revocation of her salesperson registration pursuant to RCW 21.20.110(1)(g).

16 **SUMMARY ORDER**

17 Based on the foregoing and finding it in the public interest;

18 NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that the salesperson registration of Glenda W.
19 Anderson, be, and hereby is, summarily suspended pending a final determination in this proceeding.

20 **AUTHORITY AND PROCEDURE**

21 This SUMMARY ORDER is entered pursuant to the provisions of RCW 21.20.110 and is subject to the
22 provisions of RCW 21.20.120, and is subject to the provisions of ch. 34.05 RCW. The respondent, Glenda W. Anderson
23 may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
24 OPPORTUNITY FOR HEARING accompanying this order. If Ms. Anderson does not request a hearing in this matter,

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1 the Securities Administrator will, based on the foregoing Findings of Fact and Conclusions of Law, enter an order
2 revoking Ms. Anderson's securities salesperson registration.

3 DATED this _____ day of January, 1999.

4
5 _____
6 DEBORAH R. BORTNER
7 Securities Administrator

8 Presented by:

9 _____
10 Kristina L. Kneip
11 Securities Examiner

12 Approved by:

13 _____
14 Michael E. Stevenson
15 Chief of Compliance