



1 4. On or about April 17, 1998, Anderson transferred to the IMR branch located at 19217 36<sup>th</sup> Ave. W.,  
2 Suite 103, Lynnwood, WA 98036 (“Lynnwood Branch”).

3 5. On or about November 22, 1998, the Lynnwood Branch terminated Anderson’s trading privileges.  
4 In response Anderson resigned from employment with IMR on November 23, 1998.

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

### 8 **NATURE OF ANDERSON’S CONDUCT**

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

#### 11 Anderson Engaged in Unauthorized Trading

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

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

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

23 11. Anderson and her supervisor Steve Sant, had a meeting with one of Anderson’s client’s, on October  
24 7, 1998. involving a re-financing, During the meeting securities transactions were not discussed. The client

1 had no contact with Anderson in the month that followed. Despite the lack of client approval, Anderson  
2 purchased shares of Dell Computer for the client's account, on or about November 5, 1998.

3 12. During the four month period from June 29, 1998 to October 28, 1998 liquidation notices were sent  
4 out for at least seven transactions initiated by Anderson, indicating that many of Anderson's clients were  
5 refusing to pay for 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  
8 in their accounts the clients stated that they had given Anderson discretion, orally, to buy or sell for their  
9 accounts. Anderson failed to obtain written discretionary agreements for any of these clients, which would  
10 have allowed Anderson to trade 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  
13 trading, making unsuitable recommendations to customers, and the exercise of discretionary authority without  
14 having prior written authorization constitute unethical practices for securities salespersons which could result in  
15 the suspension or revocation of her salesperson registration. These unethical salesperson practices constitute  
16 behavior proscribed under 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  
18 client who complained to Anderson's supervisor, Howard Polen, that Anderson had made unauthorized  
19 trades in the client's account. The client told Polen, that on or about May 27, 1997 Anderson sold shares of  
20 Intel and Microsoft and purchased DataDimension shares, without the client's authorization.

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

22 **CONCLUSIONS OF LAW**

23 16. Anderson, as described above, engaged in one or more dishonest or unethical practices in the  
24 securities business, as defined by WAC 460-22B-090(8), by executing transactions on behalf of customers

1 without authorization to do so. Such practice is grounds for the suspension or revocation of her salesperson  
2 registration pursuant to RCW 21.20.110(1)(g).

3 17. Anderson, as described above, engaged in one or more dishonest or unethical practices in the  
4 securities business, as defined by WAC 460-22B-090(9), by exercising discretionary power in effecting  
5 transactions for customers accounts without first obtaining written discretionary authority, from the customers.  
6 Such practice is grounds for the suspension or revocation of her salesperson registration pursuant to RCW  
7 21.20.110(1)(g).

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

### 11 **ORDER AND CONSENT**

12 The Securities Division and Anderson have agreed on a basis for resolution and Anderson agrees  
13 to entry of this Consent Order pursuant to the Securities Act of Washington without admitting or  
14 denying the Securities Division's allegations and conclusions.

15 Based on the foregoing,

16  
17 1. It is Agreed that Anderson pay, prior to the entry of this Order, to the State of Washington \$  
18 1,000, which amount represents the investigative and legal costs in this matter.

19 2. It is Agreed that Anderson withdraw her salesperson registration from the State of Washington  
20 and that she will not apply for reinstatement.

21 3. It is Agreed and Ordered that the Securities Division shall suspend all proceedings against  
22 Anderson and, provided that Anderson complies with the terms and conditions set forth herein, upon the  
23 conclusion of the five (5) year period, from the date of this order, shall vacate the Summary Order Suspending  
24 Securities Salesperson Registration SDO-6-99.

- 1 5. It is Agreed that respondent Anderson waives her right to a hearing in this matter.  
2 6. It is Agreed that the Securities Division has jurisdiction to enter this order.

3 DATED this \_\_\_\_\_ day of \_\_\_\_\_, 1999.  
4

5  
6 \_\_\_\_\_  
7 Glenda W. Anderson  
8 Respondent

9 \_\_\_\_\_  
10 DEBORAH R. BORTNER  
11 Securities Administrator

12 Presented by:

13 \_\_\_\_\_  
14 Kristina L. Kneip  
15 Securities Examiner

16 Approved by:

17 \_\_\_\_\_  
18 Michael E. Stevenson  
19 Chief of Compliance  
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21  
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