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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE - Chairman  
BOB STUMP  
BOB BURNS  
TOM FORESE  
ANDY TOBIN

Arizona Corporation Commission

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In the matter of: ) DOCKET NO. S-20998A-16-0478  
)  
J. Randall Gladden (CRD #1789356), ) NOTICE OF OPPORTUNITY FOR HEARING  
) REGARDING PROPOSED ORDER OF  
Respondent. ) REVOCATION

**NOTICE: RESPONDENT HAS 10 DAYS TO REQUEST A HEARING**

**RESPONDENT HAS 30 DAYS TO FILE AN ANSWER**

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that J. Randall Gladden ("Respondent") has engaged in acts, practices, and transactions that provide grounds for revocation of his registration as a salesman under the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") and for revocation of his license as an investment adviser representative under the Arizona Investment Management Act, A.R.S. § 44-3101 *et seq.* ("IM Act").

**I.**

**JURISDICTION**

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution, the Securities Act and the IM Act.

**II.**

**RESPONDENT**

2. At all times material to this matter, Respondent has been a resident of California.

3. From on or about March 5, 2013 through August 19, 2016, Respondent was a licensed investment adviser representative with the Commission in association with the investment adviser Lord & Gladden, Inc. (CRD #115679) (*hereinafter* "Lord & Gladden").

4. On or about August 19, 2016, Lord & Gladden filed a Uniform Termination Notice for Securities Industry Registration, Form U5 ("Form U5") that terminated Respondent's investment

1 adviser representative license with the Commission. The Form U5 states Respondent was permitted to  
2 resign and provided a comment that the resignation was due to a "request to surrender by the State of  
3 California due to suspension by FINRA."

4 5. From on or about January 18, 2002 through December 31, 2014, Respondent was a  
5 registered securities salesman with the Commission in association with registered dealer Securities  
6 Equity Group (CRD #47215) ("SEG").

7 6. From on or about January 18, 2002 through March 15, 2016, Respondent was a  
8 registered agent (also called a registered representative) with FINRA and associated with the registered  
9 dealer SEG.

10 7. On or about March 15, 2016, SEG filed a Form U5 Full Termination terminating  
11 Respondent's association with SEG and terminating Respondent's registrations with FINRA. SEG listed  
12 the Reason for Termination on Form U5 as "Permitted to Resign," and SEG disclosed a Termination  
13 Explanation on Form U5 with a reference to FINRA Complaint #2014038996201.

14 8. Respondent is not currently registered or licensed with FINRA or the Commission.

15 9. Notwithstanding that Respondent is not currently registered or licensed with the  
16 Commission, under A.R.S. §§ 44-1963(D) and 44-3202(D) Respondent continues to be subject to the  
17 Commission's jurisdiction for two years after the termination of his registration or licensure for the  
18 purpose of denying, suspending or revoking his registration or licensure in connection with conduct that  
19 began before the termination of his registration or licensure.

20 **III.**

21 **FACTS**

22 10. On or about December 28, 2015 FINRA's Department of Enforcement filed a  
23 Complaint with the FINRA Office of Hearing Officers alleging that Respondent solicited his clients  
24 to invest over \$2.1 million in a church financing business controlled by Respondent that was not  
25 disclosed to and not approved by his FINRA-member broker-dealer, SEG, which violated FINRA  
26 rules.





VIII.

ANSWER REQUIREMENT

Pursuant to A.A.C. R14-4-305, if Respondent requests a hearing, Respondent must deliver or mail an Answer to this Notice of Opportunity for Hearing to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of this Notice. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at <http://www.azcc.gov/divisions/hearings/docket.asp>.


Additionally, Respondent must serve the Answer upon the Division. Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a copy of the Answer to the Division at 1300 West Washington, 3<sup>rd</sup> Floor, Phoenix, Arizona, 85007, addressed to Edward Hannsz.

The Answer shall contain an admission or denial of each allegation in this Notice and the original signature of Respondent or Respondent's attorney. A statement of a lack of sufficient knowledge or information shall be considered a denial of an allegation. An allegation not denied shall be considered admitted.

When Respondent intends in good faith to deny only a part or a qualification of an allegation, Respondent shall specify that part or qualification of the allegation and shall admit the remainder. Respondent waives any affirmative defense not raised in the Answer.

The officer presiding over the hearing may grant relief from the requirement to file an Answer for good cause shown.

Dated this 23 day of December, 2016.

  
Matthew J. Neubert  
Director of Securities