

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF:

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GLORIA J. ASKINS,

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Case No. 2003-0208

Respondent.

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CONSENT ORDER

WHEREAS, the Maryland Securities Commissioner (the “Securities Commissioner”), pursuant to the authority granted in Section 11-701 of the Maryland Securities Act, Md. Ann. Code, Corps. & Ass’ns (1999 Repl. Vol. & Supp. 2006) (the “Securities Act” or “Act”), conducted an investigation into the securities related activities of Respondent Gloria J. Askins (“Askins”); and

WHEREAS, on the basis of that investigation the Securities Commissioner determined that Respondent may have violated the Securities Act by engaging in acts or practices constituting violations of Sections 11-302, 11-303 and 11-411(d) of the Securities Act and COMAR .02.02.05.12; and

WHEREAS, the Commissioner issued an Order to Show Cause against Respondent; and

WHEREAS, Respondent answered the allegations and requested a hearing; and

WHEREAS, without holding a hearing and without trial or adjudication of any issue of fact or law, the Commissioner and Respondent have reached an agreement to resolve this matter; and

WHEREAS, Respondent waives any right she may have to appeal or otherwise challenge or contest the terms in and conditions of this Consent Order; and

WHEREAS, Respondent, without admitting or denying any of the Commissioner's findings of fact or conclusions of law, except that she expressly consents to the Commissioner's jurisdiction in this proceeding pursuant to Section 11-701.1 of the Act, and consents to the terms set forth below in the sections captioned Sanctions and Consequences of Violating Consent Order; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Consent Order;

THE COMMISSIONER FINDS:

I.
JURISDICTION

1. The Securities Commissioner has jurisdiction in this proceeding pursuant to Section 11-701.1 of the Securities Act.

II.
RESPONDENT

2. Askins (CRD # 2937231) resides in Gaithersburg, Maryland. Askins was a broker-dealer agent of Prudential Securities, Inc. ("Prudential") from September 18, 1997 until July 1, 2003, and an investment adviser representative of Prudential from January 1, 1999 until July 1, 2003. She has been an investment adviser representative and broker-dealer agent of Wachovia Securities, LLC ("Wachovia") since July 1, 2003, when Wachovia entered into a joint venture with Prudential. Askins is registered as a broker-dealer agent with the NASD and the Maryland Securities Division ("Division"), and is registered as an investment adviser

representative with the Division.

III. FINDINGS OF FACT

Joseph and Margaret Byrd

3. In the early 1990s, Askins became a friend of Joseph D. Byrd (“Joseph”) and his wife Margaret R. Byrd (“Margaret”) through their church. Over time, Askins not only served as the Byrds’ broker-dealer agent and investment adviser representative, but assisted them with their personal affairs.

4. Joseph was born in May 1919 and lived all his life on a farm at 16310 Sugarland Road, Boyds, Maryland 20841. Joseph died on April 9, 2002, at the age of eighty-two.

5. Margaret was born in June 1915. Margaret died on March 1, 2004, at the age of eighty-eight.

6. Neither Joseph nor Margaret had children.

7. Askins, in her capacity as registered representative with Prudential (and later Wachovia), began to handle Margaret’s brokerage accounts in the summer or fall of 1998 and Joseph’s accounts a few months later. Askins also handled the brokerage accounts of the Joseph D. Byrd Revocable Trust (the “Trust”), and the Joseph D. Byrd Foundation, Inc. (the “Foundation”).

8. Askins served as the investment adviser representative for the Byrds, the Trust and the Foundation. As investment adviser representative, Askins had a fiduciary duty to her clients.

9. On July 22, 1993, Joseph executed the Joseph D. Byrd Revocable Trust

Agreement (the “Trust Agreement”) according to which Joseph transferred to the Trust all his interests in stock, securities, real estate and any partnership. The Trust Agreement designated Joseph as Trustee, and his wife and brother Edward as successor Co-Trustees. Upon the deaths of both Joseph and Margaret, the Trust Agreement provided for payments to two not-for-profit organizations and the balance to the Frederick County Community Foundation, Inc. for further distribution to other charitable organizations.

10. On July 21, 2000, Joseph formed the Foundation as a charitable foundation. Joseph, Margaret and Askins were designated as the directors. Askins witnessed Joseph’s signature on the document. She attended the first meeting of the incorporators on October 1, 2000, where she was named Secretary, Treasurer and member of the Board of Directors.

11. Askins served as an officer and director of the Foundation until she resigned on April 19, 2004.

12. On January 5, 2001, Joseph amended his Trust Agreement to name Margaret as a Co-Trustee and Askins and Askins’ husband William as Successor Co-Trustee and further Successor Co-Trustee, respectively. The amendment also provided that the Foundation, for which Askins was an officer and director, should be the beneficiary of the Trust after the death of both Joseph and his wife. Askins signed the Amended Trust Agreement as Successor Co-Trustee.

13. Upon the death of Joseph Byrd on April 9, 2002, Askins became eligible to serve as a Co-Trustee of the Trust. Askins resigned as a Successor Co-Trustee of the Trust by letter dated March 26, 2003, and through a formal resolution of the Trust on May 13, 2003.

Private Litigation

14. On about July 13, 2004, Edwin Dudley and Emily Dudley, who were then serving as Trustees of the Trust, sued Prudential Securities, Inc., Wachovia Securities, LLC, Gloria J. Askins and others alleging generally that the Trust had suffered harm as a result of Askins' conduct. The suit was settled in April 2005, for the sum of \$531,000 of which \$200,000 was paid by Askins personally.

Gloria Askins' Disclosure to Her Firm of Her Outside Business Activities

15. As a registered person, Askins is required to comply with industry standards of conduct. Industry standards are evidenced, in part, by the rules and requirements of her firm and of the NASD. Among other matters, her firm requires her to notify it of her outside business activities and to obtain approval before engaging in those activities. The firm also requires her to notify it of any gift or entertainment of more than \$100 in value that she receives directly or indirectly in connection with any business involvements or transactions of Prudential or Wachovia.

16. Askins did not disclose on her firm's Employee Reporting Statements that she had been named as a Successor Co-Trustee for the Byrd Trust and officer or director of the Foundation.

17. Askins did not disclose this information to the State on her Form U-4.

18. Askins produced to the Securities Division two memoranda addressed to her former Prudential branch office manager dated February 5, 1999 and February 3, 2003. The memoranda disclose various outside affiliations, including her position as officer of the Foundation in the 2003 memorandum. Wachovia has been unable to locate any record that Askins produced these memoranda to her former Prudential manager contemporaneous with the

time they were written.

19. Prudential did not approve in writing Askins' outside affiliations as officer and director of the Foundation and Co-Trustee or her designation as a successor Co-Trustee of the Trust.

Payments for the Benefit of Gloria Askins from the Byrd Accounts

20. Between March 10, 2002 and February 27, 2003, checks drawn on Trust account # 0GS-242058 at Prudential paid at least \$223,735 towards Askins' personal bills and expenses.

21. The checks used to pay Askins' bills were imprinted with a commercial mailbox address at 13017 Wisteria Drive address, which was the mailing address for account # 0GS-242058 statements of at that time, and one sequence of check numbers. Checks drawn on the same Prudential Trust account to pay Margaret Byrd's bills were imprinted with Margaret's home address and a different check sequence.

22. Askins applied for the commercial mailbox at 13017 Wisteria Drive in Germantown for the Joseph D. Byrd Foundation, of which she was the Secretary. Trust account # 0GS-242058 at Prudential changed its mailing address to the Wisteria Drive mailbox, effective November 1, 2001.

23. Askins did not disclose these benefits to her firm or seek approval from her firm before receiving these benefits.

IV.
CONCLUSIONS OF LAW

THE COMMISSIONER CONCLUDES AS A MATTER OF LAW:

24. Respondent Askins violated Section 11-302 (a) by engaging in dishonest or unethical practices and failing to act primarily for the benefit of her clients, by serving in various

fiduciary capacities in connection with her advisory clients the Foundation and Trust, by receiving for her benefit at least \$223,735 from the Trust and by failing to disclose to her employer substantial benefits she received from those clients in addition to the advisory fees and commissions she earned on the clients' accounts.

V.
SANCTIONS

NOW, THEREFORE, IT IS HEREBY ORDERED, and Respondent expressly consents and agrees:

1. Respondent shall permanently cease and desist violating Sections 11-302, 11-303 and 11-411 of the Act and COMAR .02.02.05.12B.
2. Respondent shall pay to the Office of the Attorney General a fine of \$225,000 no later than July 31, 2007. Imposition of all but \$25,000 of that fine, however, is waived in light of Askins' payment to settle the private litigation.
3. Within five business days of the issuance of the Consent Order, Respondent agrees to withdraw her licenses as a securities agent and investment advisory representative and not reapply for securities or investment advisory licenses in the future in any state. She shall not engage in any activity that requires any securities or investment advisory licenses.
4. Respondent shall comply fully with the Securities Act and the regulations promulgated thereunder.

VI.
CONSEQUENCES OF VIOLATING CONSENT ORDER

5. If Respondent fails to comply with any term of this Consent Order, the Division may institute administrative or judicial proceedings against the Respondent to enforce this Consent Order or to sanction Respondent for violating an Order of the Commissioner, and may

take any other action authorized under the Act or any other applicable law, including the issuance of fines or penalties as provided by the Act. If Respondent is found to have materially violated the terms of this Consent Order, Respondent consents in advance to a bar from engaging in the securities or investment advisory business in Maryland and a revocation of her licenses.

VII.
MODIFICATION OF CONSENT ORDER

6. The terms of this Consent Order may only be modified by a subsequent order issued by the Commissioner.

DATE OF THIS ORDER:

SO ORDERED,

August 13, 2007

/s/
Melanie Senter Lubin
Securities Commissioner

Maryland Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

CONSENTED TO
AS TO SANCTIONS ONLY:

Gloria J. Askins

On this 8 day of August, 2007, personally appeared Gloria J. Askins, signer of the foregoing Consent Order, who did duly acknowledge her signature to be her free act and deed.

Notary Public

My Commission Expires: _____

Seal:

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