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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK (BUFFALO)

UNITED STATES SECURITES AND EXCHANGE COMMISSION	
Plaintiff,	**ECF CASE**
v.	**COMPLAINT AND JURY DEMAND**
GRENDA GROUP, LLC, GREGORY M. GRENDA, and WALTER F. GRENDA, JR.,	
Defendants.	

Plaintiff Securities and Exchange Commission ("Commission") for its Complaint against Defendants Grenda Group, LLC ("Grenda Group" or the "Firm"), Gregory M. Grenda ("Gregory Grenda") and Walter F. Grenda, Jr. ("Walter Grenda") (collectively, "Defendants"), alleges as follows:

SUMMARY OF ALLEGATIONS

1. Walter Grenda has been barred from association with any Commission-registered investment adviser since July 2015. Despite his bar, from July 2015 to the present (the "Relevant Period"), Walter Grenda has associated with Grenda Group, a Buffalo, New York-based

Commission-registered investment adviser owned by his son, Gregory Grenda. Walter Grenda has done so with the knowledge and permission of Grenda Group and Gregory Grenda.

2. The vast majority of Grenda Group's clients were legacy clients that the Firm acquired from Walter Grenda and Reliance Financial Advisors, LLC ("Reliance"), a Buffalo, New York-based investment advisory firm that Walter Grenda co-founded and that registered with the Commission in 2011. Before 2011, Walter Grenda established decades-long relationships with his clients through an unregistered entity, Reliance Financial Group, which he co-founded in 1989.

3. In February 2014, during, and in reaction to, the Commission investigation that led to his bar (the "Reliance Investigation"), Walter Grenda sold his Reliance assets to Grenda Group and Gregory Grenda. Gregory Grenda then became the investment adviser representative ("IAR") for Walter Grenda's clients, benefitting from his father's decades-long relationships with these clients.

4. In or around February 2014, Walter Grenda then founded Generational Wealth Management ("Generational Wealth"), an estate planning and tax services firm that shares Grenda Group's office space and administrative/secretarial support.

5. In December 2014, the Commission instituted administrative and cease-and-desist proceedings (the "Admin. Proceeding") against Walter Grenda in connection with investment advice he gave to Reliance clients. In July 2015, as part of a settlement for investment adviser fraud, the Commission barred Walter Grenda from association with any Commission-registered investment advisor, with a right to re-apply after three years (the "July 2015 Order"), among other relief.

6. Despite being barred from association, Walter Grenda, during the Relevant Period, shared office space and administrative personnel with Grenda Group; retained access to Grenda Group client files and contacted Grenda Group clients; met with clients of both Grenda Group and Generational Wealth in the Firm's offices; advised at least one prospective Grenda Group client about her investments; and maintained and used the same cell phone number that he had before he was barred to communicate with the Firm's clients, among other things. Walter Grenda did the foregoing with Gregory Grenda and Grenda Group's knowledge and permission.

7. Walter Grenda also made discretionary changes to certain investment accounts of Grenda Group clients and offered Grenda Group clients discounts on Generational Wealth services.

8. Grenda Group and Gregory Grenda failed to disclose, and made deceptive statements about, Walter Grenda's bar to the Firm's clients. Defendants knew, or recklessly disregarded, that these misleading statements and omissions, combined with Walter Grenda's association with Grenda Group, gave the Firm's clients false assurances that they were still able to trust and rely on Grenda Group for investment advice, as they had trusted and relied on Walter Grenda for many years.

9. Walter Grenda also associated with Grenda Group by repeatedly impersonating his son, Gregory Grenda, on telephone calls with the Firm's broker-dealer—Charles Schwab & Co. ("Schwab")—regarding the Firm. Moreover, on at least one occasion, Walter Grenda impersonated a Grenda Group client on a telephone call with Schwab.

10. Schwab discovered Walter Grenda's impersonations, confronted Gregory Grenda, and terminated Schwab's investment management agreement with Grenda Group to serve as the Firm's broker-dealer.

11. Despite touting their relationship with Schwab to clients at the outset, and having misled their clients about Walter Grenda's bar, Grenda Group and Gregory Grenda also failed to disclose, and made deceptive statements about, Schwab's termination of its investment management agreement to serve as the Firm's broker-dealer. Grenda Group and Gregory Grenda knowingly or recklessly misled clients that Gregory Grenda had decided to terminate the relationship with Schwab (rather than vice versa) due to cost and efficiency reasons, while knowingly omitting, or recklessly disregarding, that Schwab terminated the relationship for "failure to adhere to Schwab business standards" because Walter Grenda repeatedly impersonated Gregory Grenda, and, on at least one occasion, a Grenda Group client, on calls to Schwab regarding the Firm's client investment accounts.

VIOLATIONS

12. By engaging in the conduct alleged herein, Defendants violated Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act"), 15 U.S.C. § 80b-3(f). With respect to Gregory Grenda, and in the alternative, Gregory Grenda is liable for aiding and abetting Grenda Group's violations of Advisers Act Section 203(f), 15 U.S.C. § 80b-3(f).

13. By engaging in the conduct alleged herein, Walter Grenda violated the July 2015 Order issued against him by the Commission.

14. By engaging in the conduct alleged herein, Grenda Group and Gregory Grenda violated Advisers Act Sections 206(1) and 206(2), 15 U.S.C. §§ 80b-6(1) and 80b-6(2) or, in the alternative, Gregory Grenda aided and abetted Grenda Group's violations of these provisions. Walter Grenda is liable for aiding and abetting Grenda Group's and Gregory Grenda's violations of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

15. Unless Defendants are permanently restrained and enjoined, they will again engage in the acts, practices, transactions, and courses of business set forth in this complaint and in acts, practices, transactions, and courses of business of similar type and object.

NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT

16. The Commission brings this action pursuant to authority conferred by Advisers Act Sections 209(d), (e), and (f), 15 U.S.C. § 80b-9(d), (e), and (f).

17. The Commission seeks a final judgment: (a) restraining and permanently enjoining Defendants from engaging in the acts, practices, and courses of business alleged against them herein and from committing future violations of the above provisions of the federal securities laws, and restraining and permanently enjoining Walter Grenda from committing future violations of the July 2015 Order issued by the Commission; (b) imposing civil money penalties pursuant to Advisers Act Section 209(e); and (c) ordering such other and further relief the Court may deem just and appropriate.

JURISDICTION AND VENUE

18. This Court has jurisdiction over this action pursuant to Advisers Act Sections 209(d), 209(e), 209(f), and 214, 15 U.S.C. §§ 80b-9(d), 80b-9(e), 80b-9(f), and 80b-14.

19. Venue is proper in this district pursuant to Advisers Act Section 214, 15 U.S.C. § 80b-14. Many of the transactions, acts, practices, and courses of business constituting the violations alleged herein occurred in this district. Grenda Group's offices are located in, and Gregory Grenda and Walter Grenda are domiciled and conduct business in, this district. Many of the firm's clients are also domiciled and conduct business in this district.

DEFENDANTS

20. **Grenda Group** is a New York Limited Liability Company formed in January 2014 with its principal place of business in Buffalo, New York. Grenda Group has been a

Commission-registered investment adviser following its application to succeed Reliance on January 8, 2014, which was deemed effective as of January 1, 2014. As of March 31, 2018, Grenda Group reported discretionary assets under management of approximately $32.4 million.

21. **Gregory Grenda** is a resident of Buffalo, New York and is Walter Grenda's son. Gregory Grenda is the owner, president, and chief compliance officer of Grenda Group. He is a Commission-registered IAR and holds Series 7 and 66 licenses.

22. **Walter Grenda** is a resident of Buffalo, New York and is Gregory Grenda's father. Walter Grenda co-founded Reliance and was a respondent in the Admin. Proceeding, which was captioned *Reliance Financial Advisors LLC*, AP File No. 3-16311. On July 31, 2015, Walter Grenda settled with the Commission in the Admin. Proceeding. The Commission barred him from associating with any investment adviser with the right to reapply after three years, issued a cease and desist order, and ordered him to pay approximately $77,000 in disgorgement, prejudgment interest, and civil monetary penalties. FINRA permanently barred Walter Grenda in December 2014.

RELEVANT INDIVIDUAL AND ENTITY

23. **Maryann Grenda** is Walter Grenda's wife and Gregory Grenda's mother. She is a resident of Buffalo, New York. Maryann Grenda is currently employed as a receptionist at Grenda Group and as Director of Elder Care Services at Generational Wealth.

24. **Reliance** was a Delaware Limited Liability Company registered with the Commission from January 2011 to January 2014. Its principal place of business was Buffalo, New York. Reliance was a respondent in the Admin. Proceeding. On July 31, 2015, Reliance settled with the Commission, which issued a cease and desist order, censured Reliance, and

revoked Reliance's registration. Reliance had been inactive since January 2014 when Grenda Group filed an application to succeed Reliance.

FACTS

I. The Formation of the Grenda Group.

25. Walter Grenda learned of the Reliance Investigation around July 2013.

26. On January 1, 2014, Grenda Group became a Commission-registered investment adviser. Since its inception, Gregory Grenda has been the owner, president, and chief compliance officer of Grenda Group.

27. As a result of the Reliance Investigation, Gregory Grenda "saw an opportunity" to buy Reliance. For his part, Walter Grenda anticipated a negative outcome from the Reliance Investigation and, as a result, agreed to sell his Reliance assets to Grenda Group and Gregory Grenda.

28. In February 2014, Walter Grenda sold his Reliance assets to Grenda Group and Gregory Grenda. In connection with the sale, Gregory Grenda signed a promissory note payable to Walter Grenda for $2,000,000 in exchange for the Reliance assets, which included Walter Grenda's clients from Reliance and an office building owned by Walter Grenda and Maryann Grenda, where Reliance was located and Grenda Group now operates. The promissory note obligates Gregory Grenda to pay his father in monthly installments of $15,000, through 2025.

29. Over 70% of Grenda Group's and Gregory Grenda's current advisory accounts were formerly held at Reliance, and Walter Grenda was the IAR for these accounts. Thus, Walter Grenda has established relationships with a vast majority of Grenda Group's and Gregory Grenda's clients, many of whom Walter Grenda has known for decades. Walter Grenda has close

relationships with these clients and a full understanding of these clients' financial situations. He claimed these clients "don't financially sneeze without checking with me."

30. In or around February 2014, Walter Grenda started a new and purportedly separate business, Generational Wealth. Through Generational Wealth, Walter Grenda offers estate planning and tax preparation and filing services. Walter Grenda and Generational Wealth share office space with Grenda Group and Gregory Grenda. Clients may also call Grenda Group's business line in order to speak with Walter Grenda concerning Generational Wealth. During the Relevant Period, Maryann Grenda provided administrative/secretarial support for both Grenda Group and Generational Wealth.

II. Walter Grenda Was Associated with Grenda Group Before the Commission Barred Him.

31. In 2014, prior to the July 2015 Order, Defendants held Walter Grenda out to be a part of Grenda Group. During the first quarter of 2014, Walter Grenda and Gregory Grenda sent a letter to clients on Grenda Group letterhead identifying Walter Grenda as the Firm's "Market Strategist" and Gregory Grenda as the Firm's "Chief Operating Officer." Both Walter Grenda and Gregory Grenda signed this letter.

32. In March 2014, Walter Grenda wrote to the Firm's clients on Grenda Group letterhead, under his own signature, in which he informed these clients that Gregory Grenda "will assume day-to-day management" of the Firm, which would "enable [Walter Grenda] to fully concentrate on investment and market research, risk management, and portfolio management techniques." Walter Grenda also wrote that he would "have the necessary, undivided time to . . . closely monitor[] the markets on a daily basis" for Grenda Group clients.

33. In May 2014, Walter Grenda and Gregory Grenda wrote to the Firm's clients on Grenda Group letterhead, under their own signatures, indicating that Schwab would be Grenda

Group's new client account custodian. Walter Grenda and Gregory Grenda stated that the transition to Schwab "is truly exciting" and that "Schwab only caters to large, more established [Registered Investment Advisers] and provides us with dedicated, internal service and technology teams that will improve our ability to service your accounts."

34. Gregory Grenda in turn held himself out as a member of Generational Wealth. In December 2014, he emailed a client, copying Walter Grenda, and stating that "[w]e have completed our year-end client reviews and have been able to finally get to constructing [a] personalized Generational Wealth Management Report."

III. Walter Grenda Was Barred by the Commission for Securities Fraud.

35. On December 10, 2014, the Commission instituted the Admin. Proceeding against Walter Grenda, Reliance, and Reliance's other co-owner. The Commission's Division of Enforcement alleged, among other things, that Walter Grenda (1) made materially false and misleading statements to Reliance clients by recommending and selling investments in a risky hedge fund managed by Prestige Wealth Management, LLC ("Prestige"), and (2) borrowed $175,000 from two advisory clients, claiming to need the money for business expenses, but instead using it to pay personal expenses and debts.

36. On July 31, 2015, Walter Grenda and Reliance settled with the Commission. The July 2015 Order found that Walter Grenda and Reliance willfully violated the antifraud provisions of the Securities Act, the Exchange Act, and the Advisers Act, and that Walter Grenda willfully aided and abetted violations committed by Reliance and Prestige. The Commission barred Walter Grenda from association with any investment adviser, with a right to reapply after three years; issued a cease-and-desist order against Walter Grenda; and ordered him to pay disgorgement, prejudgment interest, and civil penalties totaling approximately $77,000.

IV. Walter Grenda Continued to Associate with Grenda Group after the July 2015 Order, with Grenda Group and Gregory Grenda's Knowledge and Permission.

37. After the July 2015 Order, Walter Grenda continued to associate with Grenda Group, with Grenda Group's and Gregory Grenda's knowledge and permission, despite being barred.

38. Walter Grenda continued to work out of the Grenda Group offices, with Grenda Group's and Gregory Grenda's knowledge and permission, after the July 2015 Order. Generational Wealth and Walter Grenda shared office space and administrative support during the Relevant Period. For much of the Relevant Period, Maryann Grenda served as the receptionist for both (1) Grenda Group and Gregory Grenda and (2) Generational Wealth and Walter Grenda. During the Relevant Period, Grenda Group and Gregory Grenda also permitted Walter Grenda to receive phone calls from Generational Wealth clients on Grenda Group's main business telephone line.

39. After the July 2015 Order, Walter Grenda, with Grenda Group's and Gregory Grenda's knowledge and permission, used Grenda Group's office space and resources to solicit Grenda Group clients for Generational Wealth. Grenda Group and Gregory Grenda allowed Walter Grenda to access Grenda Group client files and contact Grenda Group clients. Walter Grenda and Gregory Grenda met with clients together in the Grenda Group's office space and Walter Grenda solicited clients for Generational Wealth on Grenda Group letterhead.

40. For example, Walter Grenda met with at least one Grenda Group client ("Client 1") regarding her investments, with Grenda Group's and Gregory Grenda's knowledge and permission. In April 2016, Walter Grenda and Gregory Grenda met with Client 1, at Grenda Group's offices, to determine if she wanted to transfer her investment accounts from another investment adviser to Grenda Group. Walter Grenda led the meeting. Walter Grenda advised

Client 1 regarding her investment portfolio, including advising her to move certain investments to cash. Walter Grenda represented to Client 1 that Grenda Group could provide her with superior performance compared to her previous investment adviser, and at a lower cost. During the meeting, Client 1 signed forms to become a Grenda Group client.

41. Neither Walter Grenda nor Gregory Grenda ever told Client 1 at the meeting or thereafter that Walter Grenda was barred by the Commission from associating with any investment adviser. Client 1 learned about Walter Grenda's disciplinary history from her previous IAR and, as a result, rescinded her investment agreement with Grenda Group.

42. Walter Grenda, with Grenda Group's and Gregory Grenda's knowledge and permission, has continued to make business decisions for Grenda Group after he was barred. For the 2014 and 2015 tax return seasons, Grenda Group coordinated with a third party accountant in order to offer its clients tax preparation services. In 2017—for the 2016 tax return season—Walter Grenda decided to perform such tax services himself and Grenda Group ceased coordination with the accountant the Firm previously used. Walter Grenda confirmed this in a January 17, 2017 email to a Grenda Group client, writing: "Due to a number of errors [by the previous tax preparer] . . . . I felt it was best that I assumed control for tax services out of this office."

43. Grenda Group and Gregory Grenda outwardly encouraged Walter Grenda's association with the Firm. For example, on August 27, 2015, clients contacted Gregory Grenda and Walter Grenda, jointly, by email, to discuss their investments. Gregory Grenda then forwarded the communication to Walter Grenda's new Generational Wealth email address to ensure he had received it. During the Relevant Period, clients also emailed both Gregory Grenda

and Walter Grenda jointly to discuss matters related to Generational Wealth, such as taxes, estate planning, and life insurance.

V. Walter Grenda Associated with the Firm After the July 2015 Order in Other Ways.

44. Between September 2015 and May 2016, Walter Grenda repeatedly impersonated his son, Gregory Grenda, in at least five telephone calls to Schwab regarding Grenda Group. In each of these calls, Walter Grenda identified himself as "Greg Grenda" and provided a Grenda Group account number in order to falsely verify his identity to the Schwab representative. For example, in one call on September 28, 2015, Walter Grenda facilitated a disbursement for a Grenda Group client; in another call on May 26, 2016, he informed the Schwab representative that he was having trouble "allocating" for Grenda Group's master account.

45. Walter Grenda also logged into the investment accounts of Grenda Group clients, using their login information, which was provided to him when he was their IAR at Reliance. For example, in July 2016, Walter Grenda logged into the 401(k) account for a Grenda Group client and made discretionary changes. After doing so, he emailed that client on July 18, 2016 and stated that he made the account changes to "better reflect the volatility and uncertainty in the markets," after which the client thanked him "for the check in and update on investment strategy."

46. Walter Grenda offered Generational Wealth services as a package deal to Grenda Group clients. For example, after the July 2015 Order, Walter Grenda solicited Grenda Group clients to use Generational Wealth for estate planning services at a "discount for being a Grenda Group client" and presented price quotes "as a Grenda Group client courtesy."

VI. Grenda Group and Gregory Grenda Affirmatively Misrepresented and Failed to Disclose Walter Grenda's Bar to the Firm's Clients.

47. Neither Grenda Group nor Gregory Grenda ever informed the Firm's clients that Walter Grenda had been barred by the Commission for securities fraud, even though Gregory Grenda acquired over 70% of the firm's accounts from Walter Grenda and Walter Grenda continued to associate with the Firm.

48. Gregory Grenda also affirmatively misled clients by downplaying, or providing alternate explanations for, Walter Grenda's new role within the Firm while failing to disclose that Walter Grenda was barred. For example, in September 2015, when a client emailed Gregory Grenda and Walter Grenda, jointly, "about Greg Grenda and his advice," Gregory Grenda did not inform that client that his father had been barred; instead, Gregory Grenda forwarded the email to his father's new Generational Wealth email address to ensure he had received it. In February 2016, when a client directed an investment inquiry to Walter Grenda by email, Gregory Grenda simply responded: "As you know, my Dad is now focused on Estate & Tax Planning," without any mention of Walter Grenda's bar.

49. When one client asked Gregory Grenda about Walter Grenda's bar after learning of it from the newspaper, Gregory Grenda stated that the Admin. Proceeding did not really involve his father, even though Walter Grenda was a named respondent. When another client made a similar inquiry after learning of Walter Grenda's bar, Gregory Grenda told the client that there was no problem and that his father had retired.

VII. Grenda Group and Gregory Grenda Affirmatively Misled, and Failed to Disclose Material Facts to, Clients Regarding Schwab's Termination of its Investment Management Agreement with Grenda Group.

50. As alleged in paragraph 44, Walter Grenda repeatedly impersonated his son on telephone calls with Schwab regarding Grenda Group.

51. On at least one other occasion, in November 2014, Walter Grenda impersonated a Grenda Group client on a call with Schwab.

52. After conducting an internal investigation, Schwab suspected that Walter Grenda disguised himself on a number of calls to Schwab concerning Grenda Group. Schwab representatives noticed that the calls were made from Walter Grenda's cell phone number and determined that the caller was Walter Grenda because of both the sound of the caller's voice and his demeanor.

53. On July 26, 2016, Schwab representatives then called Gregory Grenda as part of its investigation. Schwab representatives played for Gregory Grenda two different recordings: (1) a call in which Walter Grenda identified himself as "Gregory Grenda" and (2) a call in which Walter Grenda identified himself as a Grenda Group client. Gregory Grenda claimed that he (Gregory Grenda) made the first call. Gregory Grenda admitted to Schwab that the second caller, who purported to be a Grenda Group client, sounded like Walter Grenda. After ending the call with Schwab, however, Gregory Grenda immediately suspected that Walter Grenda was the caller on the first call.

54. That same day, July 26, 2016, Gregory Grenda confronted Walter Grenda. Walter Grenda refused to admit or deny making the impersonated calls to Schwab. Gregory Grenda nevertheless revoked Walter Grenda's permission to use the Grenda Group cell phone number, which was used to place the calls to Schwab. Gregory Grenda, however, never informed anyone at Schwab that he (Gregory Grenda) was not the caller on the first call despite claiming to Schwab that he made that call. Grenda Group and Gregory Grenda continued to permit Walter Grenda and Generational Wealth to use Grenda Group's offices even after Gregory Grenda learned of Walter Grenda's impersonated calls to Schwab.

55. On August 15, 2016, Schwab faxed a termination letter (the "Schwab Termination Letter") to Grenda Group and its clients, informing them that the relationship had been terminated "due in part to [Grenda Group's] failure to adhere to Schwab business standards." On the same day, Schwab sent a copy of the Termination Letter to Grenda Group's clients via first class mail. Thus, although Grenda Group received the Termination Letter on the day it was issued, its clients received that letter some days later.

56. On August 16, 2016, the day after Schwab faxed the Termination Letter to Grenda Group, and before Grenda Group clients received a copy of that letter via mail, Gregory Grenda *emailed* a letter to Grenda Group clients, falsely claiming that "I have decided to move our operations and client custodial services to Interactive Brokers [LLC] ['Interactive Brokers']." Gregory Grenda claimed that the transfer was motivated by three factors: technology, low cost trading, and transparency. Although Gregory Grenda referred to "transparency," he failed to inform Grenda Group clients about his calls with Schwab regarding Walter Grenda's impersonated calls, that Walter Grenda had been barred, or that Schwab had ended the relationship with Grenda Group (and not the other way around). Gregory Grenda knew, or recklessly disregarded, that his statements in the August 16, 2016 letter were misleading.

57. After receiving the Termination Letter by mail, some Grenda Group clients asked Gregory Grenda what Schwab meant by Grenda Group's "failure to adhere to Schwab business standards." Again, Gregory Grenda knowingly, or at a minimum recklessly, continued to misrepresent the facts surrounding the Termination Letter to these clients and stated nothing about the details surrounding the impersonation.

58. For example, on August 18, 2016, Gregory Grenda emailed a Grenda Group client, falsely claiming that, after a supposed "annual operational analysis and audit of our

practice," Gregory Grenda and Grenda Group decided that transferring Grenda Group's client accounts from Schwab to Interactive Brokers was "in our clients [*sic*] best interests." He then misrepresented that "[a] change from one custodian to another is simply done for operational purposes that we feel will improve our ability to exceed your expectations." Gregory Grenda knew, or recklessly disregarded, that these statements were false because he misrepresented the facts relevant to the Termination Letter and omitted mention of his own call with Schwab regarding Walter Grenda's impersonated telephone calls to Schwab.

59. As another example, on August 23, 2016, Gregory Grenda emailed another Grenda Group client, and falsely claimed:

> "I want to make it clear that I received the same letter from Schwab the same date as most of my clients so I was just as dumbfounded by their response. The letter I first sent stated that we would be leaving Charles Schwab for Interactive Brokers, so while I knew it would likely be followed up by Schwab, I am upset with the nature in which they chose to do so and its unfortunate wording . . . the manner in which they worded it was alarming. . . . At no time did [Schwab] mention anything about not 'adhering to business standards. . . .' Any implication I did something wrong is simply not true. As a matter of fact, that could not be further from the truth as I have done everything in my power to make sure my clients' interests always come first."

Gregory Grenda went on to falsely claim that Schwab sent the Termination Letter because Grenda Group purportedly began exploring a new broker-dealer relationship with Interactive Brokers. Gregory Grenda then misrepresented that:

> "I again want to be clear very clear [*sic*] in stating that I only received any sort of notification of the termination of our relationship the same time as most of clients. This transfer process is something I have been working on for nearly a month at this point in time."

Gregory Grenda's statements were false because he knew, or recklessly disregarded, that Schwab did not send the Termination Letter in response to a communication by Gregory Grenda that Grenda Group "would be leaving Charles Schwab for Interactive Brokers;" rather, Gregory Grenda knew, or recklessly disregarded, that Schwab sent the Termination Letter as a result of Schwab's investigation into Walter Grenda's impersonated telephone calls

60. Also on August 23, 2016, Gregory Grenda emailed another Grenda Group client, who had been a client of Walter Grenda and Reliance before 2014, and made similar statements to the email quoted in paragraph 59. Gregory Grenda also falsely stated to this client that "I have had many issues with [Schwab's] trading platform and [Schwab has] even gone as far as to threaten me with revoking my trading privileges." He also stated that Schwab "asked me about my relationship with my father and his contact with my clients" and claimed that he had "been nothing but forthright with them in saying that Walter handles taxes and estate planning for many clients and that he has a relationship with . . . them that exceeds simple business dealings." Gregory Grenda knew, or recklessly disregarded, that these statements were false because they misrepresented the facts relevant to the Termination Letter and omitted mention of his own call with Schwab regarding Walter Grenda's impersonated telephone calls to Schwab.

61. Gregory Grenda falsely convinced certain Grenda Group clients—who lacked the benefit of material information regarding Walter Grenda's impersonated calls and their impact on Schwab's termination of its investment management agreement with Grenda Group—that Schwab's Termination Letter was "alarming" and that Schwab had "threaten[ed]" him.

FIRST CLAIM FOR RELIEF
Violation of Section 203(f) of the Advisers Act
(All Defendants)

62. The Commission re-alleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 61 as if fully set forth herein.

63. During the Relevant Period, Grenda Group and Gregory Grenda were "investment advisers" within the meaning of Advisers Act Section 202(a)(11), 15 U.S.C. § 80b-2(a)(11), because they were persons who, for compensation, engaged in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.

64. By engaging in the conduct alleged herein, Walter Grenda willfully associated with an investment adviser without the consent of the Commission after he had been barred by the Commission.

65. By allowing Walter Grenda to engage in the conduct alleged herein, Grenda Group and Gregory Grenda permitted Walter Grenda to remain associated with the Firm without the consent of the Commission after Walter Grenda had been barred by the Commission.

66. By reason of the foregoing, Defendants violated Advisers Act Section 203(f), 15 U.S.C. § 80b-3(f).

SECOND CLAIM FOR RELIEF
In the Alternative, Aiding and Abetting Grenda Group's Violations of Section 203(f) of the Advisers Act
(Gregory Grenda)

67. The Commission re-alleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 61 as if fully set forth herein.

68. During the Relevant Period, Grenda Group was an "investment adviser" within the meaning of Advisers Act Section 202(a)(11), 15 U.S.C. § 80b-2(a)(11), because it was a

person who, for compensation, engaged in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.

69. By allowing Walter Grenda to engage in the conduct alleged herein, Grenda Group permitted Walter Grenda to remain associated with the Firm without the consent of the Commission after Walter Grenda had been barred by the Commission.

70. By engaging in the conduct alleged herein, Gregory Grenda knowingly or recklessly provided substantial assistance to Grenda Group in its violations of Advisers Act Section 203(f), 15 U.S.C. § 80b-3(f).

71. As a result, Gregory Grenda aided and abetted Grenda Group's violations of Advisers Act Section 203(f), 15 U.S.C. § 80b-3(f) and is liable under that section pursuant to Advisers Act Section 209(f), 15 U.S.C. § 80b-9(f).

THIRD CLAIM FOR RELIEF
Violation of Sections 206(1) of the Advisers Act
(Grenda Group and Gregory Grenda)

72. The Commission re-alleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 61 as if fully set forth herein.

73. During the Relevant Period, Grenda Group and Gregory Grenda were "investment advisers" within the meaning of Advisers Act Section 202(a)(11), 15 U.S.C. § 80b-2(a)(11), because they were persons who, for compensation, engaged in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.

74. As set forth above, Grenda Group and Gregory Grenda made materially false and misleading statements and omissions to Grenda Group clients, including regarding Walter

Grenda's bar and Schwab's termination of its investment management agreement with the Firm. Grenda Group and Gregory Grenda knew or were reckless in not knowing of the conduct they are alleged to have engaged in herein.

75. Grenda Group and Gregory Grenda, directly or indirectly, singularly or in concert, by use of the mails or any means or instrumentality of interstate commerce, while acting as investment advisers, employed devices, schemes, or artifices to defraud a client or prospective client with scienter.

76. As a result, Grenda Group and Gregory Grenda have violated and, unless enjoined, will continue to violate Advisers Act Section 206(1), 15 U.S.C. § 80b-6(1).

FOURTH CLAIM FOR RELIEF
Violation of Sections 206(2) of the Advisers Act
(Grenda Group and Gregory Grenda)

77. The Commission re-alleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 61 as if fully set forth herein.

78. During the Relevant Period, Grenda Group and Gregory Grenda were "investment advisers" within the meaning of Advisers Act Section 202(a)(11), 15 U.S.C. § 80b-2(a)(11), because they were persons who, for compensation, engaged in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.

79. As set forth above, Grenda Group and Gregory Grenda made materially false and misleading statements and omissions, including regarding Walter Grenda's bar and Schwab's termination of its investment management agreement with the Firm. Grenda Group and Gregory Grenda were at least negligent in engaging in the conduct alleged herein.

80. Grenda Group and Gregory Grenda, directly or indirectly, singularly or in concert, by use of the mails or any means or instrumentality of interstate commerce, while acting as investment advisers, engaged in transactions, practices, or courses of business which operate as a fraud or deceit upon a client or prospective client, with at least negligence.

81. As a result, Grenda Group and Gregory Grenda have violated and, unless enjoined, will continue to violate Advisers Act Section 206(2), 15 U.S.C. § 80b-6(2).

FIFTH CLAIM FOR RELIEF
Aiding and Abetting Grenda Group's and Gregory Grenda's Violation of Sections 206(1) and (2) of the Advisers Act (Walter Grenda)

82. The Commission re-alleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 61 as if fully set forth herein.

83. During the Relevant Period, Grenda Group and Gregory Grenda were "investment advisers" within the meaning of Advisers Act Section 202(a)(11), 15 U.S.C. § 80b-2(a)(11), because they were persons who, for compensation, engaged in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.

84. By engaging in the conduct alleged herein, Grenda Group and Gregory Grenda, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, acting knowingly, recklessly, or negligently: (a) have employed devices, schemes, or artifices to defraud; and/or (b) have engaged in transactions, practices, or courses of business which operate as a fraud or deceit upon a client or prospective client, in violation of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. § 80b-6(1) and (2).

85. By engaging in the conduct alleged herein, Walter Grenda knowingly or recklessly provided substantial assistance to Grenda Group and Gregory Grenda in their violations of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. § 80b-6(1) and (2).

86. As a result, Walter Grenda aided and abetted Grenda Group's and Gregory Grenda's violations of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. § 80b-6(1) and (2), and is liable under those sections pursuant to Advisers Act Section 209(f), 15 U.S.C. § 80b-9(f).

SIXTH CLAIM FOR RELIEF
In the Alternative, Aiding and Abetting Grenda Group's Violations of Sections 206(1) and (2) of the Advisers Act (Gregory Grenda)

87. The Commission re-alleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 61 as if fully set forth herein.

88. During the Relevant Period, Grenda Group was an "investment adviser" within the meaning of Advisers Act Section 202(a)(11), 15 U.S.C. § 80b-2(a)(11), because it was a person who, for compensation, engaged in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.

89. By engaging in the conduct alleged herein, Grenda Group by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, acting knowingly, recklessly, or negligently: (a) has employed devices, schemes, or artifices to defraud; and/or (b) has engaged in transactions, practices, or courses of business which operate as a fraud or deceit upon a client or prospective client, in violation of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. § 80b-6(1) and (2).

90. By engaging in the conduct alleged herein, Gregory Grenda knowingly or recklessly provided substantial assistance to Grenda Group in its violations of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. § 80b-6(1) and (2).

91. As a result, Gregory Grenda aided and abetted Grenda Group's violations of Advisers Act Sections 206(1) and 206(2), 15 U.S.C. § 80b-6(1) and (2), and is liable under those sections pursuant to Advisers Act Section 209(f), 15 U.S.C. § 80b-9(f).

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court enter a Final Judgment:

I.

Finding that Defendants violated the securities laws and rules promulgated thereunder as alleged against them herein.

II.

Finding that Walter Grenda violated the July 2015 Order issued by the Commission.

III.

Permanently restraining and enjoining Defendants from violating, directly or indirectly, the securities laws and rules promulgated thereunder they are alleged to have violated and restraining and permanently enjoining Walter Grenda from committing future violations of the July 2015 Order issued by the Commission.

IV.

Ordering Defendants to pay civil monetary penalties pursuant to Advisers Act Section 209(e), 15 U.S.C. § 80b-9(e).

V.

Granting such other and further relief as the Court may deem just and proper.

Dated: New York, New York
August 30, 2018

Respectfully submitted,

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