

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5080 / December 20, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18942

In the Matter of

Walter F. Grenda, Jr.,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Walter F. Grenda, Jr. (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraph III.2, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that

1. Respondent is a resident of Buffalo, New York and was the co-founder of a Buffalo, New York-based investment advisor, Reliance Financial Advisors, LLC (“Reliance”), which registered with the Commission in 2011. On July 31, 2015, Respondent and Reliance settled with the Commission in *In the Matter of Reliance Financial Advisors LLC, et al.*, File No. 3-16311, for violations of the antifraud provisions of the securities laws, in which Respondent was barred from associating with any investment adviser with the right to reapply after three years, issued a cease and desist order, and ordered to pay approximately \$77,000 in disgorgement, prejudgment interest, and civil monetary penalties (the “July 2015 Order”).

2. On December 7, 2018, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Advisers Act Sections 203(f), 206(1), and 206(2) and the July 2015 Order in the civil action entitled Securities and Exchange Commission v. Grenda Group, LLC, et al., Civil Action Number 1:18-CV-00954, in the United States District Court for the Western District of New York.

3. The Commission’s complaint alleged that, after the July 2015 Order and despite his associational bar, Respondent continued to associate with Grenda Group, LLC (“Grenda Group”), a Buffalo, New York-based, Commission-registered investment adviser owned by Respondent’s son, Gregory M. Grenda (“Gregory Grenda”). The complaint alleged that Respondent continued to associate with Grenda Group by, among other things, sharing office space and administrative personnel with Grenda Group, retaining access to Grenda Group client files and contacting Grenda Group clients, meeting with Grenda Group clients in the firm’s offices, advising at least one prospective Grenda Group client about her investments, and maintaining and using the same cell phone number that he had before he was barred to communicate with Grenda Group clients. The complaint also alleged that Respondent aided and abetted Grenda Group’s and Gregory Grenda’s deceptive statements and material omissions made to Grenda Group clients.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order;

and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields
Secretary