

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

BANKING AND SECURITIES COMMISSION MEETING 2021-3

THURSDAY, AUGUST 19, 2021

PUBLIC SESSION

The meeting of the Banking and Securities Commission was conducted remotely via Microsoft Teams. The following were in attendance:

VICE-CHAIR RICHARD VAGUE
COMMISSIONER WILLIAM LUTERMAN
COMMISSIONER JAMES BIERY
COMMISSIONER MARY ZENNER
GERARD MACKAREVICH, Commission Counsel
STEFANIE HAMILTON, Chief Counsel

MARY BETH STRINGENT, Deputy Secretary
STACY WALTER, Assistant to Secretary Richard Vague
WILL OTTO, IT Director
BRIAN BOOGHER, Network Specialist II
VIRGINIA LUCY, Communications Director
TRICIA HOKE, Commission Secretary

CALL TO ORDER AND APPROVAL OF MINUTES FOR PREVIOUS MEETING

1. At 1:03 p.m. Vice-Chair Vague called to order the meeting of the Pennsylvania Banking and Securities Commission. He explained that the meeting was being held remotely via the Microsoft Teams platform. As of the date of the meeting, the Department's office in Harrisburg remains closed to the public due to the health situation, so a physical meeting is not feasible.

2. Vice-Chair Vague stated that, as required by Section 709 of the Sunshine Act, the Commission previously published notice of this meeting in the Harrisburg Patriot News. In addition, the Commission posted an updated meeting notice on the Department's website. He explained that pursuant to the Sunshine Act the Commission would have posted a physical notice at the meeting site at the Department's Harrisburg offices at 17 North Second Street in Harrisburg. However, because those offices are closed, physical posting is not relevant. Accordingly, the Vice-Chair stated that the Commission has complied with the public notice requirements of the Sunshine Act.

3. The Vice-Chair took roll call. He noted that, with all four commissioners attending, a quorum was present for purposes of taking official action pursuant to Section 1121-A(f) of the Department of Banking and Securities Code.

4. The Vice-Chair noted that minutes of today's meeting will be taken and a draft will be circulated to the Commissioners following the meeting. He added that he will sign the minutes as Vice-Chair when the minutes are finalized at the next meeting.

5. All Commission members received copies of the draft minutes for the regular meeting held on May 20, 2021. Pursuant to a motion made by Commissioner Luterman and seconded by Vice-Chair Vague, the Commission voted to approve the minutes as final, with Vice Chair Vague and Commissioner Luterman casting affirmative votes and Commissioner Zenner and Commissioner Biery abstaining.

ADJUDICATION MATTERS

6. The Vice-Chair requested the Commissioners and Commission counsel to exit the public meeting and enter an executive session in a separate Microsoft teams call, pursuant to section 708 of the Sunshine Act, to consult with Commission counsel regarding litigation. The Vice-Chair stated that the consultation will involve two adjudication matters on the agenda, which are *PA Department of Banking & Securities Compliance Office vs. Cerebrum Financial Services, LLC and Christopher Antoine Glover*, Docket No. 180018 (SEC-OSC); and, second, *Department of Banking & Securities, Bureau of Securities Compliance and Examinations v. Marvin L. Mitchell D/B/A Mitchell Retirement Group, LLC*, Docket No. 210017 (SEC-OSC).
7. Upon returning from executive session, the Commissioners discussed taking final action in the matter of *Cerebrum Financial Services, LLC and Christopher Antoine Glover*.

According to Vice-Chair Vague, the Commission issued a previous order in the *Cerebrum Financial Services* on May 17, 2019. Cerebrum is an investment adviser and Glover is its representative who also served as the firm's managing member and chief compliance officer. The Department's Bureau of Securities Compliance and Examinations had filed an enforcement action against the respondents, alleging that the firm had

submitted to the Department a balance sheet for the period ending 9/1/2017 that showed a net worth deficiency. In its order of May 17, 2019, the Commission adopted in part the hearing officer's proposed order, reducing the assessment to \$25,000, and imposing indefinite suspensions and temporary bars from the securities industry for a minimum of one year until the Bureau determined that respondents are now in compliance with the law.

Respondents paid the \$25,000 assessment and petitioned for reinstatement. The respondents recently completed all conditions that the Commission had set, and the Department issued registrations to them. The matter is now ripe for the Commission to consider formally lifting the suspensions and bars, so that the public has notice that respondents are in good standing.

Commissioner Luterman made a motion, which Commissioner Zenner seconded, to remove the indefinite suspensions and temporary bars that the Commission previously issued against Cerebrum Financial Services, LLC and Christopher Antoine Glover.

The Vice-Chair offered the opportunity for public comment on the motion concerning Cerebrum Financial Services LLC and Christopher Antoine Glover, but no members of the public were present to comment.

A motion having been made and seconded, a roll call was conducted to adopt an Order Removing Suspensions and Bars in the matter of *PA Department of Banking & Securities, Compliance Office v. Cerebrum Financial Services, LLC and Christopher Antoine Glover*, Docket No. 180018 (SEC-OSC). The Commission unanimously agreed to the motion.

8. The Commission next took up the matter of the *PA Department of Banking & Securities Compliance Office v. Marvin L. Mitchell D/B/A Mitchell Retirement Group, LLC*, which had been discussed in executive session. Vice-Chair Vague explained that in this matter the Bureau filed an Order to Show Cause against Mr. Mitchell, alleging he engaged in securities transactions without being registered or exempt from registration, which would be a violation of section 301 (a) of the 1972 Securities Act. Before a hearing could take place, the Compliance Office and Mr. Mitchell agreed to resolve the allegations with a proposed consent agreement and order, in which Mr. Mitchell agreed not to contest the specific allegations in return for paying a fine to the Department in the amount of \$15,000.00, in six monthly installments of \$2,500.00

Commissioner Biery made a motion, which Commissioner Luterman seconded, to approve the proposed consent agreement and order.

The Vice-Chair offered the opportunity for public comment on the proposed consent agreement and order, but no members of the public were present.

A motion having been made and seconded, a roll call was conducted to approve the proposed consent agreement and order in the matter of *PA Department of Banking & Securities, Compliance Office v. Marvin L. Mitchell D/B/A Mitchell Retirement Group, LLC*, Docket No. 210017 (SEC-OSC). The Commission unanimously agreed to the motion

GENERAL PUBLIC COMMENT

9. Turning to the portion of the meeting during which members of the public may make general public comment, the Vice-Chair noted that, because no members of the public had contacted the Department to ask to participate in the remote meeting, there would be no general public comment.

CLOSING COMMENTS

10. Vice-Chair Vague welcomed Commissioner Zenner to the Commission, and welcomed back Commissioner Biery to the Commission.
11. Having no further business, Vice-Chair Vague asked for a motion to adjourn the meeting. After a motion by Commissioner Biery that was seconded by Commissioner Zenner, the Commission agreed to adjourn. The meeting was adjourned at 1:28 p.m.

Reviewed and respectfully submitted by:

RICHARD VAGUE, Vice-Chair