

**BEFORE THE INVESTOR PROTECTION DIRECTOR  
OF THE STATE OF DELAWARE**

**JUN 08 2016**

IN THE MATTER OF )  
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)  
MICHAEL E. DONNELLY ) IPU Case No. 14-9-2  
)  
Respondent. )  
)  
)

**SUMMARY ORDER TO REVOKE  
REGISTRATION OF MICHAEL E. DONNELLY**

Based upon a preliminary investigation conducted by the staff of the Investor Protection Unit of the Delaware Department of Justice (the “IPU”), pursuant to Title 6, § 73-304(a) of the Delaware Code of 1974, as amended, the IPU has determined that evidence exists to support the following findings and conclusions:

1. Michael E. Donnelly (“Donnelly”) (CRD # 2276988) is a Delaware-registered broker-dealer agent.
2. Donnelly pleaded guilty to securities fraud and wire fraud in December 2015. On April 11, 2016, Donnelly was sentenced to 99 months’ imprisonment, to be followed by three years of supervised release, and the payment of restitution in the amount of \$1.99 million. *See* SEC Litigation Release No. 23517, Apr. 13, 2016 (*available at: <https://www.sec.gov/litigation/litreleases/2016/lr23517.htm>*.)
3. The SEC charged Donnelly in a parallel action filed in October 2015, alleging that from 2007 through August 2014, Donnelly took funds from elderly and unsophisticated advisory clients and brokerage customers, and instead of investing the money as promised, used it to pay for his own expenses. Donnelly concealed his scheme by providing investors with false account statements, trade confirmations, and other untrue information that

purportedly reflected their investment holdings and repeatedly told investors that their fictitious “investments” were performing well.

4. Donnelly agreed to settle the SEC’s charges by consenting to a final judgment that permanently enjoined him from future violations of the antifraud provisions of the federal securities laws and agreed to disgorge his ill-gotten gains of \$1.99 million and prejudgment interest of \$365,723, which was deemed satisfied upon the entry of the order of restitution in the parallel criminal case. Donnelly also consented to an SEC order permanently barring him from the securities industry.

WHEREAS Donnelly has been convicted one or more felonies and has been permanently barred from the securities industry by the SEC;

WHEREAS, after due deliberation, the IPU finds that it is necessary and appropriate, in the public interest, for the protection of investors and is consistent with purposes fairly intended by the policy and provisions of the Delaware Securities Act to issue the following Order:

NOW, THEREFORE, by the authority of § 73-304 of the Delaware Securities Act:

IT IS HEREBY ORDERED:

- (1) The registration of **Michael E. Donnelly (CRD # 2276988)** to do business as a Delaware broker-dealer agent representative is **REVOKED**, and

Within twenty-five (25) days of receipt of written notification that this Order has been issued, Respondent(s) desiring to have this Order vacated or modified may file a written request for a hearing on the matter with the IPU at the IPU’s Wilmington office.

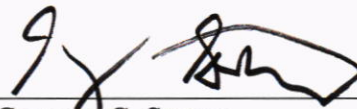
Upon receipt of such a written request for a hearing, the matter will be set down for a hearing to commence within fifteen (15) days after receipt unless the person making the request consents to a later date.

If no hearing is requested, this Order shall remain in effect until modified or vacated by the Director.

FAILURE TO COMPLY WITH THIS ORDER MAY RESULT IN CRIMINAL PROSECUTION, INJUNCTIVE PROCEEDINGS, CIVIL CONTEMPT PROCEEDINGS (INCLUDING CIVIL MONETARY PENALTIES) AND, SUBJECT TO THE RIGHT OF HEARING AFFORDED RESPONDENT UNDER THE DELAWARE SECURITIES ACT, THE IMPOSITION OF ADMINISTRATIVE MONETARY ASSESSMENTS AND STATUTORY BARS.

SO ORDERED this 8<sup>th</sup> day of June, 2016

BY ORDER OF THE DIRECTOR

A handwritten signature in black ink, appearing to read 'Gregory C. Strong', written over a horizontal line.

Gregory C. Strong  
Investor Protection Director