

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

IN THE MATTER OF:   :  
  :  
ROBERT BRANDON PRETTYMAN,                                    : Investor Protection Matter No. 24-0117  
  :  
  :  
Respondent.    :

**SUMMARY ORDER TO CEASE AND DESIST  
AND POSTPONING REGISTRATION PENDING ENTRY OF DENIAL**

Based on a preliminary investigation conducted by the staff of the Investor Protection Unit of the Delaware Department of Justice, pursuant to the Delaware Securities Act, 6 *Del. C.* §73-101, *et seq.* (“Act”) and the Rules Pursuant to the Delaware Securities Act, 6 *Del. Admin C.* § 200 (the “Rules”), the Investor Protection Unit (the “Unit”) has determined that evidence exists to support the following findings of fact and conclusions of law:

**Findings of Fact**

1. Robert Brandon Prettyman (“Prettyman”) was an investment adviser representative and a broker-dealer agent, and was registered as such with the State of Delaware (Central Registration Depository (“CRD”) No. 5613767) until June 11, 2021.
2. On December 3, 2021, based on the results of an investigation into Prettyman, the Unit filed an administrative complaint against him. That matter was resolved via an Administrative Consent Order, executed February 3, 2023 (the “Consent Order”).
3. Pursuant to the Consent Order, Prettyman would remain unregistered in Delaware, and would become eligible for conditional registration on December 31, 2023 if certain conditions were met. It also prohibited Prettyman from conducting advisory business or contacting former clients while unregistered, and from engaging in any other conduct violative of the Act and Rules.
4. Prettyman applied for registration with the Unit on January 23, 2024; however, that application has not yet been approved, and, therefore, all of the acts complained of herein occurred while Prettyman was not registered in Delaware.

5. On April 4, 2024, a former client of Prettyman who lives in Delaware (“Client A”) contacted the Unit about Prettyman. Client A stated that he was concerned Prettyman had access to his current investment account information.
6. The Unit opened a preliminary investigation based on the information received from Client A.
7. The Unit determined that on or about June 16, 2021, Prettyman advised Client A to set up a portal user account with eMoney Advisor (“eMoney”), a business-to-business software platform that permits financial professionals and their clients to access the clients’ information after the clients link their accounts to the portal.
8. Client A terminated the advisory relationship with Prettyman in 2022, and began working with a different adviser; however, the portal remained active.
9. The investigation determined that Prettyman used the eMoney platform to view Client A’s account information on the following dates in 2024:
  - a. February 6, 2024;
  - b. February 13, 2024;
  - c. February 22, 2024;
  - d. February 27, 2024;
  - e. March 6, 2024;
  - f. March 20, 2024;
  - g. March 21, 2024;
  - h. March 25, 2024;
  - i. March 27, 2024,
  - j. April 3, 2024; and
  - k. April 12, 2024.
10. The investigation also determined that, despite being unregistered in Delaware in 2024, Prettyman had accessed information about the accounts of four additional former clients who are Delaware residents:
  - a. Prettyman accessed account information of Client B on February 6, 2024 and March 8, 2024;
  - b. Prettyman accessed account information of Client C on March 27, 2024;

- c. Prettyman accessed account information of Client D on February 8, 2024 and March 27, 2024; and
  - d. Prettyman accessed account information of Client E on February 8, 2024 and March 27, 2024.
11. On May 1, 2024, the Unit conducted an interview of Client C.
  12. Client C stated that Client C had never signed up for the eMoney platform used by Prettyman.
  13. Client C further stated that on February 13, 2024, Prettyman contacted Client C.
  14. During the call, Prettyman told Client C that Prettyman was working with an investment adviser named Mike Frustaci.
  15. Prettyman asked Client C to move Client C's assets to an account managed by Prettyman and Frustaci.
  16. Prettyman's representation to Client C that Prettyman was working with Frustaci was not true, as Frustaci was an employee of Global Asset Advisers, LLC at the time.
  17. Although Client C declined to re-engage with Prettyman on the February 13, 2024 call, Prettyman accessed the account information of Client C on March 27, 2024.
  18. Client A and Client C did not know that Prettyman, who was no longer their investment adviser, and who was not registered to act as an investment adviser in Delaware, was able to access their account information.
  19. Client A and Client C also did not know that Prettyman was, in fact, accessing their account information.

### **Statutory Scheme and Consent Order**

20. "The purpose of the Delaware Securities Act is to prevent the public from being victimized by unscrupulous or overreaching broker-dealers, agents, investment advisers or investment adviser representatives in the context of effecting transactions in securities or giving investment advice, as well as to remedy any harm caused by securities law violations. These prophylactic and remedial purposes shall be deemed of paramount importance in the interpretation of the provisions of this chapter and any rule or order hereunder, and particularly in any judicial review of sanctions or penalties imposed by the Investor Protection Director and of motions or requests by persons affected to stay such sanctions or penalties.." 6 *Del. C.* § 73-101(b).

21. “Whenever it appears that a person has violated or is about to violate this chapter or any rule or order hereunder by failing to register or engaging in fraud or other prohibited conduct, the Director may summarily issue a cease and desist order against that person.” 6 *Del. C.* § 73-601(c).
22. “In any administrative proceeding before the Director, the Director may issue orders providing for ... suspension or bar from registration ...” 6 *Del. C.* § 73-601(a).
23. “The Director may by order deny ... any registration or take such other action authorized by this chapter if the Director finds that the order is in the public interest and that the applicant ... [h]as engaged in dishonest or unethical practices within or outside this State.” 6 *Del. C.* § 73-304(a)(7).
24. No investment adviser representative “shall engage in any dishonest or unethical business practice.” Such practices include, but are not limited to, “[e]ngaging in any act, practice, or course of business which is ... deceptive, or manipulative ...” Rule 709(a)(21).
25. “The Director may by order deny ... any registration or take such other action authorized by this chapter if the Director finds that the order is in the public interest and that the applicant ... [h]as wilfully violated or wilfully failed to comply with any provision of this chapter or any rule or order hereunder.” 6 *Del. C.* § 73-304(a)(2).
26. “The Director may by order summarily postpone or suspend registration or take such other action authorized by this chapter pending final determination of any proceeding under this section.” 6 *Del. C.* § 73-304(c).
27. “The Director may by order deny ... any registration or take such other action authorized by this chapter if the Director finds that the order is in the public interest and that the applicant ... [i]s the subject of a cease and desist order of the Director ... .” 6 *Del. C.* § 73-304(a)(5).
28. “It is unlawful for an ... investment adviser representative, ... in connection with giving investment advice or otherwise acting as an ... investment adviser representative to make any untrue statement of fact that a reasonable client or prospective client would deem material or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.” 6 *Del. C.* § 73-305(b).

29. Among other things, the Consent Order ordered that:

- a. Prettyman would remain unregistered in Delaware, and would be permitted to reapply for conditional registration on December 31, 2023;
- b. Prettyman would refrain from committing any future acts or omissions that would violate the Act or the Rules promulgated thereunder; and
- c. Prior to being registered, Prettyman may not engage in investment advisory or securities activities in Delaware or with Delaware residents, or have any contact with former advisory clients in a financial services capacity.

### **Conclusions of Law**

WHEREAS, Prettyman acted as an investment adviser representative within the meaning of Section 73-103(a)(11) of the Act without being registered to do so;

WHEREAS, Prettyman has transacted business in Delaware as an investment adviser representative without being registered, in violation of the Act and the Consent Order;

WHEREAS, Prettyman contacted Client C without being registered, in willful violation of the Consent Order;

WHEREAS, Prettyman's statement to Client C that he was working with Mike Frustaci was an untrue statement of material fact, in violation of the Act;

WHEREAS, Prettyman accessed account information of former Clients A, B, C, D and E while not registered to do business as an investment adviser representative, which constitutes a dishonest and unethical practice in violation of the Act;

WHEREAS, Prettyman accessed account information of at least two clients – Clients A and C – without their knowledge, which constitutes a dishonest and unethical practice in violation of the Act;

WHEREAS, by engaging in conduct that violates the Act as described herein, Prettyman also has violated the terms of the Consent Order; and

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

## Order

NOW, THEREFORE, pursuant to Sections 73-601(c), 73-304(c), 73-304(a)(2) and 73-304(a)(7) of the Act and the Rules, IT IS ORDERED that:

1. The registration application of Prettyman is POSTPONED pending denial. If this Order remains effective, Prettyman may re-apply for registration in Delaware five years from the date of this Order.
2. Until he is registered, Prettyman must refrain from (i) engaging in any investment advisory or securities activities in Delaware or with Delaware residents or (ii) having any contact with former Delaware advisory clients in any financial services capacity that would require registration under the Act.
3. Prettyman shall immediately CEASE and DESIST from engaging in acts and practices that violate the Act, Rules and/or the Consent Order.
4. Prettyman shall immediately terminate any connection between his former Delaware clients and Prettyman's eMoney account such that he no longer has the ability to access their personal and confidential information, including account information.

Within twenty-five (25) days of receipt of written notification that this Order has been issued, Respondent(s) desiring to have this Order set aside, limited, modified or suspended may file a written request for a hearing and a written answer addressing the factual and legal findings of this Order.

The opportunity to be heard is waived if the subject of the order fails to timely file a written answer and a written request for a hearing, in which case the order will remain in effect until it is modified or vacated by the Director.

To the extent a hearing is properly requested and an answer properly filed, a hearing shall be noticed within 15 days from the date the request is received, unless the person making such a request consents to a later date.

If no hearing is properly requested within the period permitted, at the conclusion of that period, Prettyman's application for registration will be DENIED.

The entry of the Order does not preclude the Unit from seeking and obtaining other administrative, criminal and/or civil remedies in connection with the same activities underlying those referenced in the Order.

Moreover, failure to comply with the Order may result in punishment for civil or criminal contempt in Superior Court, in the same manner and to the same extent as for a contempt committed before the Superior Court, pursuant to Section 73-601(c)(2).

SO ORDERED this 3rd day of May, 2024.

BY ORDER OF THE DIRECTOR

          /s/ Jillian Lazar          

Jillian Lazar  
Investor Protection Director  
State of Delaware