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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING) Order No.: S-16-2029-17-SC01
Whether there has been a violation of the)
Securities Act of Washington by:) STATEMENT OF CHARGES AND NOTICE OF INTENT
Gary Meier and Aaron O’Neal,) TO ENTER ORDER TO CEASE AND DESIST, TO
Respondents.) SUSPEND REGISTRATION, TO DENY REGISTRATION,
) TO IMPOSE FINES, AND TO CHARGE COSTS
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THE STATE OF WASHINGTON TO: Gary Meier (CRD #1591561)
Aaron O’Neal (CRD #4629971)

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents Gary Meier and Aaron O’Neal have each violated the Securities Act of Washington. The Securities Administrator believes that those violations justify the entry of an order against Gary Meier and Aaron O’Neal to cease and desist from such violations and to charge costs pursuant to RCW 21.20.390 and RCW 21.20.110, to suspend Gary Meier’s investment adviser representative registration and to deny Aaron O’Neal’s broker-dealer representative registration pursuant to RCW 21.20.110, and to impose fines against Gary Meier and Aaron O’Neal pursuant to RCW 21.20.110 and RCW 21.20.395. The Securities Administrator finds the following:

TENTATIVE FINDINGS OF FACT

Respondents

1. Gary Meier (CRD #1591561) has been registered with the Securities Division as a securities broker-dealer representative from 1986 to 2015 and as an investment adviser representative from 2002 to present. Throughout this time, Gary Meier has lived and maintained an office in Vancouver, Washington.

In February 2017, the Securities Division issued a Statement of Charges No. S-15-1759-16-SC01 against Gary Meier alleging that he engaged in the following unethical business practices as an investment adviser in Washington: executing transactions in client accounts without obtaining prior authority to do so; making unsuitable investment recommendations through the purchase of speculative penny stock in client accounts; misrepresenting to clients the future value of their penny stock holdings; and engaging in unregistered investment advisor activity. An administrative hearing on Statement of Charges No. S-15-1759-16-SC01 is scheduled for November 2017.

STATEMENT OF CHARGES AND NOTICE
OF INTENT TO ENTER ORDER TO
CEASE AND DESIST, TO SUSPEND
REGISTRATION, TO DENY REGISTRATION,
TO IMPOSE FINES, AND TO CHARGE COSTS

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia WA 98507-9033
360-902-8760

1 Aaron O'Neal (CRD #4629971) has been registered with the Securities Division as investment adviser
2 representative from 2009 to 2013 and as a securities broker-dealer representative from 2009 to January 2017.
3 Throughout this time, Aaron O'Neal has lived and worked in the Portland, Oregon area.

4 Related Party

5 3. Lightfleet Corporation is an Oregon corporation formed in 2003 for the purpose of developing computer
6 networking technology. Lightfleet has been registered to do business in Washington since 2003 and is located in
7 Camas, Washington.

8 Overview

9 4. Lightfleet has sought to raise capital through private securities sales since 2006. To promote the sale of
10 Lightfleet securities, the company compensated individuals who facilitated the sale of investments in the company.
11 Investments in private startup companies are highly illiquid and subject to significant risk.

12 5. From approximately 2009 to 2011, Gary Meier and Aaron O'Neal facilitated the sale of investments in
13 Lightfleet for money. Both Gary Meier and Aaron O'Neal were registered as broker-dealer and investment adviser
14 representatives in Washington at the time.

15 6. In the course of facilitating the sale of investments in Lightfleet, Gary Meier and Aaron O'Neal engaged in
16 unethical business practices as defined in the Securities Act of Washington by effecting securities transactions outside
17 of and without the knowledge of the firms they represented. Gary Meier and Aaron O'Neal further failed to document
18 this work in their respective regulatory filings. Gary Meier also engaged in unethical business practices by failing to
19 disclose to his clients who invested in Lightfleet through him, that he received compensation from Lightfleet. And
20 Aaron O'Neal actively concealed his unethical business practices to the Securities Division.

21 7. Securities transactions outside the books and records of a broker-dealer firm escape the oversight of the firm,
22 limiting the firm's ability to supervise its representatives. Broker-dealer representatives are generally prohibited from
23 effecting transactions off of the books and records of their broker-dealers.

24 Gary Meier's Unethical Business Practices

25 *Effecting Securities Sales Outside of and Without the Knowledge of Employing Firm*

8. In 2010 and 2011, Gary Meier entered into agreements with Lightfleet to facilitate the sale of investments in
Lightfleet.¹ As compensation, Lightfleet agreed to pay Gary Meier a commission of 4% or 5% of the total amount
invested by an investor introduced to Lightfleet by Gary Meier. Gary Meier received this commission in the form of
stock in Lightfleet.

¹ Gary Meier signed both agreements with Lightfleet as an associate of David Callaham and Associates.

1 9. From 2009 to 2011, Gary Meier earned over 2,000 shares in Lightfleet as compensation for facilitating the sale
2 of over \$600,000 of investments in the company from at least 7 investors, at least 4 of whom were Washington
3 residents.

4 10. During this time period, Gary Meier worked as a securities broker-dealer representative at Pacific West
5 Securities, Inc. and as an investment adviser representative at Pacific West Financial Consultants, Inc. Gary Meier
6 primarily solicited the sale of Lightfleet stock to his clients at these firms.

7 11. Most of Gary Meier's clients who purchased Lightfleet stock through Gary Meier were approximately 60 years
8 old at the time. At least one client was 80 years old at the time of his investment through Gary Meier. None of these
9 investors indicated to Gary Meier that they had a speculative investment objective or aggressive risk tolerance.

10 12. Gary Meier did not direct these sales of Lightfleet stock through Pacific West Securities and specifically told
11 one of his clients that the client's purchase of Lightfleet stock would not be effected through Pacific West Securities.

12 13. Gary Meier did not notify or seek the approval of Pacific West Securities to arrange for the sale of investments
13 in Lightfleet. Pacific West Securities only allowed a representative to engage in private securities transactions, like the
14 sale of Lightfleet stock, if the transactions were recorded on the books and records of the firm, in which case the firm
15 would require all of the documents related to the private securities sales. Pacific West Securities also required that the
16 representative list the private securities transaction as an outside business activity on his or her Form U4. Gary Meier
17 did not arrange for these sales of Lightfleet stock to be effectuated through Pacific West Securities, and, as discussed
18 below, Gary Meier did not disclose these private securities transactions on his Form U4.

19 *Failure to Disclose Conflict of Interest*

20 14. Gary Meier also failed to disclose to at least two investors, both of whom were his advisory clients, that
21 Lightfleet would compensate him for these investors' investments in the company.

22 *Filings with the Securities Division*

23 15. To register as a broker-dealer representative or as an investment adviser representative, a registrant must
24 complete and file with the Securities Division through the Central Registration Depository (CRD) and Investment
25 Adviser Registration Depository (IARD) a Form U4, the Uniform Application for Securities Industry Registration or
Transfer form. The Form U4 requests a range of information from the registrant, including personal information, legal
and financial history, and outside business activities. Once registered, a registrant must file an amended Form U4 with
the Securities Division within thirty days of any information in the registrant's initial Form U4 changing.

16 16. Gary Meier filed 6 amendments to his Form U4 with the Securities Division between 2009 and 2011, the time
17 during which he arranged for the sale of Lightfleet stock. In each of these amended filings, when asked to list his
18 current outside business activities, Gary Meier disclosed his participation in some outside business activities. However,
19 he failed to disclose his work with Lightfleet.

17. Gary Meier further failed to file an amended Form U4 with the Securities Division through CRD and IARD to document his work with Lightfleet.

Aaron O'Neal's Unethical Business Practices

Effecting Securities Sales Outside of and Without the Knowledge of Employing Firm

18. In 2011, Aaron O'Neal entered into an agreement with Lightfleet to facilitate the sale of investments in the company.² The agreement allowed, indirectly, for Aaron O'Neal to receive a commission from Lightfleet of 5% of the total amount invested by an investor introduced to Lightfleet by Aaron O'Neal.

19. Aaron O'Neal worked as a securities broker-dealer representative and investment adviser representative at Metlife Securities, Inc. at that time.

20. Aaron O'Neal used to work for a mortgage lender, and in 2011, Aaron O'Neal contacted a Washington resident, one of his previous clients at the lender, to sell him investments in Lightfleet. Through 2011, Aaron O'Neal facilitated the sale of at least \$600,000 of stock in Lightfleet to this former client. Aaron O'Neal earned approximately \$22,500 in cash and 1,000 shares of Lightfleet stock as compensation from Lightfleet.

21. Aaron O'Neal did not disclose to this Lightfleet investor that Lightfleet would compensate Aaron O'Neal for the investor's investment in the company.

22. Aaron O'Neal communicated with Lightfleet through his wife's company. He did not direct these sales of Lightfleet stock through Metlife Securities. And Aaron O'Neal did not notify or receive permission from Metlife Securities to engage in private securities transactions.

Filings with the Securities Division

23. As a registered broker-dealer representative and investment adviser representative with the Securities Division, Aaron O'Neal was required to file an amended Form U4 with the Securities Division within thirty days of any information in the his initial Form U4 changing. Aaron O'Neal, however, failed to file any amendment to his Form U4 to list his work with Lightfleet as an outside business activity.

24. Instead, in a 2011 and a 2012 amended Form U4 filing with the Securities Division,³ the time period during and shortly after his work with Lightfleet, when asked whether he was currently engaged in an outside business activity, Aaron O'Neal falsely stated no.

Misstatements of Material Facts to the Securities Division

² Aaron O'Neal arranged for his wife Anne O'Neal, on behalf of her Oregon limited liability company Sloane Management LLC, to sign the actual agreement.

³ Metlife Securities filed these Form U4 amendments on behalf of Aaron O'Neal.

1 25. When questioned by the Securities Division's Examination Unit about his receipt of funds from Lightfleet,
2 Aaron O'Neal misrepresented that his wife had received compensation from Lightfleet in exchange for cleaning
3 services she provided to the company. Aaron O'Neal denied ever facilitating the sale of stock in Lightfleet.

4 26. When later questioned by the Securities Division's Enforcement Unit about his receipt of funds from
5 Lightfleet, Aaron O'Neal misrepresented that his wife had received compensation from Lightfleet because she had
6 introduced to Lightfleet a friend who later invested in the company. Aaron O'Neal again denied ever facilitating the
7 sale of stock in Lightfleet.

8 27. As part of the Securities Division's investigation, the Washington resident, who invested in Lightfleet through
9 Aaron O'Neal, stated that he had no contact with Aaron O'Neal's wife and only communicated with Aaron O'Neal
10 about investing in Lightfleet. Further, the Chief Financial Officer of Lightfleet testified that while Aaron O'Neal's wife
11 did complete some paperwork on behalf of Aaron O'Neal, Aaron O'Neal was the person responsible for facilitating
12 investments in Lightfleet and received compensation for doing so.

13 28. To date, investors in Lightfleet have yet to receive a return on their investment.

14 **CONCLUSIONS OF LAW**

15 Based on the above Findings of Fact, the following Conclusions of Law are made:

16 1. The purchase and sale of stock in Lightfleet as described above constitutes the sale of securities as defined in
17 RCW 21.20.005(14) and (17).

18 2. Gary Meier engaged in dishonest or unethical business practices as defined in WAC 460-22B-090(2), by
19 effecting sales of securities in Lightfleet not recorded on the books or records of the firm that he represented and
20 without his firm's written authorization. This misconduct is grounds for the suspension of Gary Meier's investment
21 adviser representative registration and the assessment of a fine pursuant to RCW 21.20.110(1)(b) and RCW
22 21.20.110(1)(g).

23 3. Aaron O'Neal engaged in dishonest or unethical business practices as defined in WAC 460-22B-090(2), by
24 effecting sales of securities in Lightfleet not recorded on the books or records of the firm that he represented and
25 without his firm's written authorization. This misconduct is grounds for the denial of future securities registrations for
26 Aaron O'Neal and the assessment of a fine pursuant to RCW 21.20.110(1)(b) and RCW 21.20.110(1)(g).

27 4. Gary Meier violated WAC 460-22B-060 and WAC 460-24A-205 by failing to update or amend his filings with
28 the Securities Division through CRD and IARD to reflect his arrangements with Lightfleet. This misconduct is
29 grounds for the suspension of Gary Meier's investment adviser representative registration and the assessment of a fine
30 to both pursuant to RCW 21.20.110(1)(b).

31 5. Aaron O'Neal violated WAC 460-22B-060 and WAC 460-24A-205 by failing to update or amend his filings
32 with the Securities Division through CRD and IARD to reflect his arrangements with Lightfleet. This misconduct is

1 grounds for the denial of future securities registrations for Aaron O'Neal and the assessment of a fine to both pursuant
2 to RCW 21.20.110(1)(b).

3 6. Gary Meier engaged in dishonest or unethical business practices as defined in RCW 21.20.020 and WAC 460-
4 24A-220(11), by failing to disclose to his clients that he would receive compensation from his clients' purchase of
5 securities in Lightfleet. This misconduct is grounds for the suspension of Gary Meier's investment adviser
6 representative registration and the assessment of a fine pursuant to RCW 21.20.110(1)(b) and RCW 21.20.110(1)(g).

7 7. Gary Meier violated RCW 21.20.350 by submitting false Form U4 filings with the Securities Division. This
8 misconduct is grounds for the suspension of Gary Meier's investment adviser representative registration and the
9 assessment of a fine pursuant to RCW 21.20.110(1)(b).

10 8. Aaron O'Neal engaged in dishonest and unethical business practices as defined in WAC 460-22B-090 through
11 his material misrepresentations to the Securities Division on two separate occasions that he had not received
12 compensation from Lightfleet for facilitating investments in the company. This misconduct is grounds for the denial of
13 future securities registrations for Aaron O'Neal and the assessment of a fine pursuant to RCW 21.20.110(1)(b) and
14 RCW 21.20.110(1)(g).

15 9.

16 **NOTICE OF INTENT OF ORDER TO CEASE AND DESIST**

17 Pursuant to RCW 21.20.390(1), and based upon the above Tentative Findings of Fact and Conclusions of Law,
18 the Securities Administrator intends to order that Gary Meier shall cease and desist from violations of RCW 21.20.020,
19 RCW 21.20.350, WAC 460-22B-060, and WAC 460-24A-205 and that Aaron O'Neal shall cease and desist from
20 violations of WAC 460-22B-060 and WAC 460-24A-205.

21 **NOTICE OF INTENT TO SUSPEND REGISTRATION**

22 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and Conclusions of Law,
23 the Securities Administrator intends to order that the investment adviser representative registration of Gary Meier be
24 suspended for 6 months.

25 **NOTICE OF INTENT TO DENY FUTURE REGISTRATIONS**

Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and Conclusions of
Law, the Securities Administrator intends to deny any future broker-dealer, broker-dealer representative, investment
adviser, or investment adviser representative registrations that Aaron O'Neal may file.

NOTICE OF INTENT TO CHARGE COSTS

Pursuant to RCW 21.20.110(7) and RCW 21.20.390, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Gary Meier and Aaron O’Neal shall each be separately liable for and pay costs, fees, and expenses incurred in the administrative investigation and hearing of no less than \$3,000.

NOTICE OF INTENT TO IMPOSE FINES

Pursuant to RCW 21.20.110(4) and RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that Gary Meier and Aaron O’Neal shall each be separately liable for and pay a fine of \$3,000.

AUTHORITY AND PROCEDURE

This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the provisions of Chapter 34.05 RCW. Gary Meier and Aaron O’Neal may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order. If a respondent does not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order to cease and desist as to that respondent, to suspend or deny the registration of that respondent, to impose any fines sought against that respondent, and to charge any costs sought against that respondent.

Signed and Entered this 10th day of August 2017.



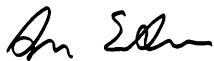
William M. Beatty
Securities Administrator

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Eric Palosaari
Financial Legal Examiner

Approved by:



Suzanne Sarason
Chief of Enforcement

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