

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

IN THE MATTER OF DETERMINING) Order No. S-22-3440-23-FO01
Whether there has been a violation of the)
Securities Act of Washington by:) ENTRY OF FINDINGS OF FACT AND
Banner Co-Op, Inc.;) CONCLUSIONS OF LAW AND
Neil Chandran; and) FINAL ORDER TO CEASE AND DESIST, AS TO
Michael Glaspie;) NEIL SURESH CHANDRAN
Respondents.)

THE STATE OF WASHINGTON TO: Neil Suresh Chandran

On April 27, 2023, the Securities Administrator of the state of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, To Impose Fines, and to Charge Costs, Order No. S-22-3440-23-SC01 (hereinafter referred to as “Statement of Charges”). The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing, hereinafter referred to as “Notice of Opportunity for Hearing” and an Application for Adjudicative Hearing, hereinafter referred to as “Application for Hearing,” were served on Respondent Neil Suresh Chandran (“Neil Chandran”), by U.S. Certified Mail that was delivered on May 30, 2023. The Notice of Opportunity for Hearing advised Respondent Neil Chandran, that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the notice. Respondent Neil Chandran failed to request an administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided, or otherwise.

The Securities Administrator therefore will adopt as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enter a final order against the Respondent to cease and desist from violations of the Securities Act.

1 The Securities Administrator makes the following Findings of Fact and Conclusions of Law:

2 **FINDINGS OF FACT**

3 **Respondents**

4 1. Banner Co-Op, Inc. (“Banner Co-Op”) is a Delaware corporation formed in August 1998 with
5 its principal place of business in Highland, Michigan. Banner Co-Op is a purported internet marketing
6 platform.

7 2. Neil Chandran was a Nevada resident during the time period 2019 through 2022.

8 3. Michael Glaspie was a Florida and a Michigan resident who controlled Banner Co-Op, Inc. as
9 its CEO and sole owner during the time period 2019 through 2022.

10 **Nature of the Conduct**

11 4. From approximately 2019 to 2022, Chandran, Banner Co-Op, and Glaspie promoted an
12 investment scheme in Washington and other states involving CoinDeal (“CoinDeal Investment”), a purported
13 blockchain technology business that was going to be developed by Chandran and then sold for an extremely
14 large profit to a consortium of billionaire and other wealthy investors. In connection with the offer of the
15 CoinDeal Investment, Banner Co-Op and Glaspie pooled investors’ money for the purpose of loaning it to
16 Chandran to assist in the completion of the sale.

17 5. Glaspie told a Washington investor that they were assisting Chandran in raising money that
18 would allow Chandran to sell CoinDeal in a transaction involving a number of billionaires and international
19 banks. Glaspie told the investor that by investing with Banner Co-Op, he would become a “Deal Partner” and
20 entitled to a percentage of the profits from the sale. Glaspie told the investor that he could earn a return of up
21 to \$150,000 on a \$1,000 investment.

22 6. The Respondents misrepresented details of the CoinDeal Investment and failed to provide
23 investors with material information regarding the investments such as the risks associated with it. Banner Co-
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1 Op and Gaspie promised investors rates of returns on their investment without having a reasonable basis to
2 do so. Chandran, Banner Co-Op and Gaspie allegedly misappropriated investor funds for their personal use.

3 7. Banner Co-Op and Gaspie solicited prospective investors by telephone, provided information
4 and investment receipts by email, and provided investors with informational updates and additional
5 solicitations for investments via web postings.

6 8. From about 2019 through 2022, the Respondents offered and sold about \$2,000,000 of
7 CoinDeal related investments to at least eleven Washington residents.

8 **Registration Status**

9 9. Neil Chandran, Banner Co-Op, Inc. and Michael Gaspie are not currently registered to sell
10 securities in the state of Washington and have not previously been so registered.

11 10. Michael Gaspie is not currently registered as a securities salesperson or broker-dealer in the
12 state of Washington and has not previously been so registered.

13 **Related Actions**

14 11. In January 2020, the Michigan Dept. of Licensing and Regulatory Affairs (“LARA”) issued a
15 Notice and Order to Cease and Desist against Gaspie to cease and desist from offering or selling unregistered
16 securities; from omitting to state material facts necessary to make other statements made not misleading in
17 connection with the offer or sale of securities; and from making false or misleading statements in records filed
18 with the Michigan Securities Administrator. LARA alleged that Gaspie pooled funds from investors in his
19 company, Banner Co-Op and promised to pay them returns of ten times their original profit. LARA alleged
20 that Gaspie led investors to believe that their money was going to a cryptocurrency and artificial intelligence
21 company and their profits would be paid after the company was sold. LARA further alleged that Gaspie failed
22 to disclose material information to investors, including the risks of the investment.
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1 12. In June 2020, Glaspie settled the LARA allegations against him by entering into a Consent
2 Order in which he agreed to cease and desist violations of certain provision of the Michigan Securities Act
3 and pay a \$15,000 fine.

4 13. In October 2021, the Michigan Department of Attorney General obtained a Consent Judgment
5 and permanent injunction against Banner Co-Op and Glaspie from violations of the Michigan Securities Act
6 due to his ongoing violations of the June 2020 cease and desist order.

7 14. In June 2022, the U.S. Department of Justice indicted Chandran in the U.S. District Court for
8 the District of Nebraska on three counts of wire fraud and two counts of monetary transaction in unlawful
9 proceeds for his involvement in CoinDeal.

10 15. In June 2022, the Alabama Securities Commission (“ASC”) ordered Banner Co-Op and
11 Glaspie to cease and desist from offering or selling securities in Alabama due to its involvement with
12 CoinDeal.

13 16. In January 2023, the U.S. Securities and Exchange Commission (“SEC”) filed a lawsuit against
14 Respondents Banner Co-Op, Chandran and Gillespie in which it alleged that the defendants falsely claimed
15 that investors could generate extravagant returns by investing in a blockchain technology called CoinDeal that
16 would be sold for trillions of dollars to a group of prominent and wealthy buyers. The SEC alleged that from
17 at least January 2019 to 2022, Chandran, Glaspie, and others allegedly disseminated false and misleading
18 statements to investors regarding the purported value of CoinDeal, the parties involved in the supposed sale
19 of CoinDeal, and the use of investment proceeds.

20 17. In February 2023, Michael Glaspie pleaded guilty in the U.S. District Court for the District of
21 Nebraska to one count of wire fraud relating to his role in the fraudulent offer of the CoinDeal Investment
22 scheme. The charges against Glaspie included the allegation that he falsely promised that in the event the
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1 returns from CoinDeal failed to materialize, he would repay investors their money with seven percent annual
2 interest over three years.

3 18. In March 2023, the Securities Commissioner of South Carolina issued an Order to Cease and
4 Desist against Banner Co-Op, Michael T. Glaspie and related entities in which they were ordered to cease
5 from transacting business in the state in violation of the state Securities Act, to pay \$120,000 in fines, to pay
6 a civil penalty not to exceed \$10,000, and to pay the actual costs of the investigation. The respondents in the
7 action have the right to request a hearing in the matter.

8 Based upon the above Findings of Fact, the following Conclusions of Law are made:

9 **CONCLUSIONS OF LAW**

10 1. The offer and/or sale of the CoinDeal Investment and Banner Co-Op loans in which the
11 Respondents pooled investors' money for the purpose of assisting in the sale of CoinDeal Investment as
12 described above constitute the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).

13 2. Respondents Banner Co-Op, Chandran, and Glaspie have each violated RCW 21.20.140, the
14 securities registration section of the Securities Act of Washington, because, as set forth in the Tentative
15 Findings of Fact, Respondents offered and/or sold securities for which no registration is on file with the
16 Securities Administrator.

17 3. Glaspie has violated RCW 21.20.040, the licensee registration section of the Securities Act of
18 Washington, by offering and/or selling said securities while not being registered as a securities salesperson or
19 broker-dealer in the state of Washington.

20 4. Respondents Banner Co-Op, Chandran, and Glaspie have each violated RCW 21.20.010,
21 because, as set forth in the Tentative Findings of Fact, Respondents made untrue statements of material fact
22 or omitted to state material facts necessary to make the statements made, in light of the circumstances in
23 which they were made, not misleading.
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Based upon the foregoing and finding it in the public interest:

FINAL ORDER

IT IS HEREBY ORDERED that the Respondent Neil Chandran, his agents and employees each shall cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140, the section of the Securities Act of Washington requiring registration.

IT IS FURTHER ORDERED that the Respondent Neil Chandran, his agents and employees each shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

AUTHORITY AND PROCEDURE

This FINAL ORDER is entered pursuant to the provisions of RCW 21.20.390 and is subject to the provisions of RCW 21.20.440 and Chapter 34.05 RCW. Respondent has the right to petition the superior court for judicial review of this agency action under the provisions of RCW 34.05. For the requirements for Judicial Review, see RCW 34.05.510 and sections following. Pursuant to RCW 21.20.395, a certified copy of this Order may be filed in Superior Court. If so filed, the clerk shall treat the Order in the same manner as a Superior Court judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like manner.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

SIGNED and ENTERED this 28th day of July, 2023



/s/

William M. Beatty
Securities Administrator

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Approved by:

/s/

Brian Guerard
Chief of Enforcement

Presented by:

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Huong Lam
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