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

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Securities Act of Washington by:

Meredith E. McGlown,
Respondent.

Order No. S-24-3861-24-SC01

STATEMENT OF CHARGES AND NOTICE OF
INTENT TO ENTER ORDER TO CEASE AND
DESIST, TO IMPOSE A FINE, AND TO CHARGE
COSTS

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THE STATE OF WASHINGTON TO: Meredith E. McGlown

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STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent Meredith E. McGlown has violated the Securities Act of Washington. The Securities Administrator believes these violations justify the entry of an order against Respondent Meredith E. McGlown to cease and desist from such violations, to impose a fine, and to charge costs pursuant RCW 21.20.390 and RCW 21.20.395. The Securities Administrator finds as follows:

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TENTATIVE FINDINGS OF FACT

Respondents

1. Meredith E. McGlown (“McGlown”) resides in Seattle, Washington.

Related Persons

2. “Company A” is a publicly traded Delaware corporation formed in 1999 with its principal place of business in Massachusetts. It is a biotechnology company with public reports available on EDGAR.

Nature of the Conduct

Overview

3. On July 5, 2024, the Washington State Department of Financial Institutions, Securities Division received a Municipal Security Notice Filing submitted by McGlown purportedly on behalf of

1 Company A.

2 4. Accompanied with the Municipal Security Notice Filing were the following Securities
3 Division or SEC forms completed in handwriting purportedly on behalf of Company A:

- 4 a. Cooperative/Mutual Associations Notification of Claim of Exemption;
- 5 b. Form D;
- 6 c. Notification of Claim of Exemption: Non-Profit Organization;
- 7 d. Uniform Investment Company Notice Filing; and
- 8 e. Impound of Funds Agreement.

9 5. An accompanying cover letter stated that the forms were filed by the beneficiary of the “Estate
10 Trust of Meredith McGlown, Principal Titleholder & CEEO.”

11 6. In addition, the Municipal Security Notice Filing was accompanied by filings from unrelated
12 entities that appeared to have been accessed and printed from the SEC’s EDGAR database.

13 7. Finally, the Municipal Security Notice Filing submission included vouchers to be enclosed
14 with tax payments mailed to the Internal Revenue Service. The vouchers included the name and address of
15 McGlown.

16 **Misleading Statements in Filings**

17 **Municipal Security Notice Filing**

18 8. Pursuant to RCW 21.20.327, the Securities Division requires a Municipal Security Notice
19 Filing to be filed if a municipal securities issuer is located outside of Washington and intends to sell securities
20 in Washington pursuant to the federal exemption under Section 3(a)(2) of the Securities Act of 1933.

21 9. The Municipal Security Notice Filing (“Notice Filing”) submitted by McGlown identified
22 Company A as the issuer of securities and McGlown as the user of proceeds. McGlown signed the Notice
23 Filing as the issuer’s agent. The Notice Filing stated that Company A would issue 95,000 common class A

1 shares “from the Global Fund that the predecessor (sic) has authorization to use, sell, trade, deposit and transfer
2 funds from.”

3 10. Neither Company A’s official website nor its most recent SEC filings of Form 10-K or Form
4 10-Q indicate that McGlown is an executive, officer, or agent of Company A. Furthermore, Company A is
5 not a municipality and therefore ineligible to use the municipal securities exemption.

6 **Cooperative/Mutual Associations Notification of Claim of Exemption**

7 11. The Securities Division requires an issuer to file the Cooperative/Mutual Notification of Claim
8 of Exemption form if the issuer intends to offer cooperative securities by general solicitation pursuant to the
9 exemption at RCW 21.20.320(16).

10 12. McGlown stated that Company A would offer 95,000 common class A shares at \$1.00 per
11 share and represented herself as “Principal Titleholder” of the issuer. No public information indicates that
12 McGlown is an executive, officer, or agent of Company A.

13 13. The Notification of Claim of Exemption form also requires the issuer to represent that the
14 securities to be offered represent cooperative interests consistent with the provisions of RCW
15 21.20.320(16)(b). McGlown signed the Notification of Claim of Exemption form and made these
16 representations. Company A is not a cooperative organization and therefore is ineligible to use the cooperative
17 securities exemption under RCW 21.20.320(16).

18 **Form D**

19 14. WAC 460-44A-503(1) requires a Form D notice filing to be made in Washington if the issuer
20 is relying on an exemption under Regulation D Rule 504, 506(b), or 506(c).

21 15. The Form D submitted by McGlown to the Securities Division listed Company A and another
22 well-known investment adviser firm as the issuers of the securities. The Form D represented that the previous
23 names of Company A included its actual former name, as well as the names of several other apparently

1 unrelated entities, including two well-known financial institutions. It also stated that the former names of the
2 other alleged issuer were the names of two unrelated financial institutions. However, except for the recorded
3 previous name of Company A, no public information indicates that the alleged issuers have previously used
4 the other names listed on the Form D.

5 16. Item 2 of Form D listed McGlown's personal address and contact information as the principal
6 place of business and contact information of Company A, which contradicts public information, including
7 Company A's most recent SEC filings and its website.

8 17. Item 3 of Form D listed McGlown as the "CEEEO/CEO - Commerce Executive Officer" of
9 Company A. No public information indicates that McGlown is an executive, officer, or agent of Company A.

10 18. Item 12 of the Form D represented that sales compensation would be paid to McGlown and
11 identified her CRD number as 201576942. However, this is an invalid CRD number.

12 19. There is no corresponding federal Form D filing for Company A available on EDGAR, which
13 would be required to claim exemptions under Regulation D at the federal level.

14 **Notification of Claim of Exemption: Non-Profit Organization**

15 20. The Securities Division requires the Notification of Claim of Exemption: Non-Profit
16 Organization form to be filed if an issuer intends to conduct an offering of securities in reliance on the non-
17 profit securities exemption under RCW 21.20.310(11).

18 21. The Notification of Claim of Exemption submitted to the Securities Division stated that
19 Company A is the issuer of the securities.

20 22. Item 5 of the Notification of the Notification of Claim of Exemption represented that McGlown
21 is an executive officer of the issuer. McGlown signed the Notification of Claim of Exemption as "Principal
22 Titleholder." No public information indicates that McGlown is an executive, officer, or agent of Company A.

1 23. Item 6 of the Notification of Claim of Exemption form represented that the issuer is a religious
2 organization that can demonstrate its tax-exempt status. However, Company A is a for-profit entity and is not
3 eligible to use the non-profit securities exemption under RCW 21.20.310(11). McGlown also failed to submit
4 any proof of the organization’s tax-exempt status while representing that the proof accompanied this notice.

5 **Uniform Investment Company Notice Filing**

6 24. Pursuant to RCW 21.20.327, the Securities Division requires registered investment companies
7 that offer or sell shares in Washington to file the Uniform Investment Company Notice Filing form.

8 25. The Uniform Investment Company Notice Filing submitted to the Securities Division stated
9 that Company A is the issuer of the securities. McGlown signed the Notice Filing as “CEEO/Principal
10 Titleholder.” In the “Type of Filing” section of the form, the boxes for “Open-End Mutual Fund” and a “Unit
11 Investment Trust” have both been checked and McGlown additionally specified that the issuer is an
12 investment adviser. However, there is no investment adviser registration for Company A, nor is there any
13 federal investment company registration filing for Company A available on EDGAR.

14 **Impound of Funds Agreement**

15 26. Under RCW 21.20.250, in a registered securities offering, the Securities Division may require
16 an Impound of Funds Agreement to ensure that an issuer raises a minimum offering amount prior to spending
17 any of the initial proceeds of an offering. In these types of agreements, a depository institution serves as the
18 impound agent and ensures that the proceeds will not be released to the issuer until the minimum has been
19 raised and the Securities Division notified.

20 27. The Impound of Funds Agreement submitted to the Securities Division listed Company A as
21 both the issuer and the depository institution. The Agreement stated that the issuer had applied to register its
22 securities in Washington. The Agreement stated that the minimum to be raised in this offering would be \$1
23 and that the impound account would be designated as the “Meredith McGlown Impound Account.” Public

1 information shows that Company A is not a depository institution, and Company A has not submitted an
2 application to register securities in Washington.

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

4 **CONCLUSIONS OF LAW**

5 1. Meredith E. McGlown violated RCW 21.20.350, the false filing section of the Securities Act
6 of Washington, by making any statements in any document filed with the director or in any proceeding, at the
7 time and in light of the circumstances under which they were made, false or misleading in any material respect.

8 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

9 Pursuant to RCW 21.20.390(1), and based upon the Tentative Findings of Fact and Conclusions of
10 Law, the Securities Administrator intends to order Meredith E. McGlown, and her agents and employees, to
11 each permanently cease and desist from violating RCW 21.20.350.

12 **NOTICE OF INTENT TO IMPOSE FINES**

13 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and Conclusions of Law,
14 the Securities Administrator intends to order that Respondent Meredith E. McGlown shall be liable for and
15 shall pay a fine of \$1,000.

16 **NOTICE OF INTENT TO CHARGE COSTS**

17 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law,
18 the Securities Administrator intends to order that Meredith E. McGlown shall be liable for and shall pay the
19 costs, fees, and other expenses incurred in the administrative investigation and hearing of this matter, in an
20 amount not less than \$500.

21 **AUTHORITY AND PROCEDURE**

22 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject
23 to the provisions of Chapter 34.05 RCW. Respondent Meredith E. McGlown may make a written request for

1 a hearing as set forth in the Notice of Opportunity for Hearing accompanying this Order. If a respondent does
2 not make a hearing request in the time allowed, the Securities Administrator intends to adopt the above
3 Tentative Findings of Fact and Conclusions of Law as final and to enter a permanent order to cease and desist
4 as to that respondent, to impose any fines sought against that respondent, and to charge any costs sought
5 against that respondent.

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7 SIGNED and ENTERED this 17th day of December, 2024.

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10 _____/s/_____
11 William M. Beatty
12 Securities Administrator

13 Approved by:

14 Presented by:

15 _____/s/_____
16 Brian J. Guerard
17 Chief of Enforcement

18 _____/s/_____
19 Qinwei Fan
20 Financial Legal Examiner

21 Reviewed by:

22 _____/s/_____
23 Huong Lam
Financial Legal Examiner Supervisor

