

**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:

Gary Meier,
Aaron O’Neal,

Respondents.

Order No. S-16-2029-23-CO03

CONSENT ORDER AS TO AARON O’NEAL
AND ORDER RESCINDING ORDER NO.
S-16-2029-17-FO01

INTRODUCTION

On August 10, 2017, the Securities Administrator of the Securities Division of the Department of Financial Institutions (Securities Division) issued order number S-16-2029-17-SC01, a 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 (Statement of Charges) against Respondents Gary Meier and Aaron O’Neal.

The Statement of Charges, together with the Notice of Opportunity to Defend and Opportunity for Hearing (Notice of Opportunity for Hearing) and an Application for Adjudicative Hearing (Application for Hearing), was served on Aaron O’Neal on August 18, 2017.

The Notice of Opportunity for Hearing advised Aaron O’Neal 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.

Aaron O’Neal, however, failed to request an administrative hearing, either on the Application for Hearing or otherwise, within twenty days of receipt of the Statement of Charges and Notice of Opportunity for Hearing.

1 The Securities Administrator, therefore, on September 19, 2017, adopted a Final Order against Aaron
2 O'Neal to cease and desist from violations of the Securities Act of Washington, to deny any future securities
3 registrations, to impose fines, and to charge costs.

4 Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division and Respondent
5 Aaron O'Neal now enter into this Consent Order to settle the allegations described in the Statement of Charges
6 and rescind the Final Order.

7 Respondent Aaron O'Neal neither admits nor denies the following Findings of Fact or Conclusions of
8 Law.

9 FINDINGS OF FACT

10 Respondents

11 1. Gary Meier (CRD #1591561) has been registered with the Securities Division as a securities broker-
12 dealer representative from 1986 to 2015 and as an investment adviser representative from 2002 to 2017.
13 Throughout this time, Gary Meier lived and maintained an office in Vancouver, Washington.

14 In February 2017, the Securities Division issued a Statement of Charges No. S-15-1759-16-SC01
15 against Gary Meier alleging that he engaged in the following unethical business practices as an investment
16 adviser in Washington: executing transactions in client accounts without obtaining prior authority to do so;
17 making unsuitable investment recommendations through the purchase of speculative penny stock in client
18 accounts; misrepresenting to clients the future value of their penny stock holdings; and engaging in
19 unregistered investment advisor activity. The Securities Division and Gary Meier entered into Consent Order
20 No. S-15-1759-17-CO01 in November 2017.

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

1 Related Party

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

5 Overview

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

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

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

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

21 Gary Meier’s Unethical Business Practices

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

1 8. In 2010 and 2011, Gary Meier entered into agreements with Lightfleet to facilitate the sale of
2 investments in Lightfleet.¹ As compensation, Lightfleet agreed to pay Gary Meier a commission of 4% or
3 5% of the total amount invested by an investor introduced to Lightfleet by Gary Meier. Gary Meier received
4 this commission in the form of stock in Lightfleet.

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

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

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

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

18 13. Gary Meier did not notify or seek the approval of Pacific West Securities to arrange for the sale of
19 investments in Lightfleet. Pacific West Securities only allowed a representative to engage in private
20 securities transactions, like the sale of Lightfleet stock, if the transactions were recorded on the books and
21 records of the firm, in which case the firm would require all of the documents related to the private securities
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23 ¹ Gary Meier signed both agreements with Lightfleet as an associate of David Callaham and Associates.

1 sales. Pacific West Securities also required that the representative list the private securities transaction as an
2 outside business activity on his or her Form U4. Gary Meier did not arrange for these sales of Lightfleet
3 stock to be effectuated through Pacific West Securities, and, as discussed below, Gary Meier did not disclose
4 these private securities transactions on his Form U4.

5 *Failure to Disclose Conflict of Interest*

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

8 *Filings with the Securities Division*

9 15. To register as a broker-dealer representative or as an investment adviser representative, a registrant
10 must complete and file with the Securities Division through the Central Registration Depository (CRD) and
11 Investment Adviser Registration Depository (IARD) a Form U4, the Uniform Application for Securities
12 Industry Registration or Transfer form. The Form U4 requests a range of information from the registrant,
13 including personal information, legal and financial history, and outside business activities. Once registered, a
14 registrant must file an amended Form U4 with the Securities Division within thirty days of any information
15 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,
17 the time during which he arranged for the sale of Lightfleet stock. In each of these amended filings, when
18 asked to list his current outside business activities, Gary Meier disclosed his participation in some outside
19 business activities. However, he failed to disclose his work with Lightfleet.

20 17. Gary Meier further failed to file an amended Form U4 with the Securities Division through CRD and
21 IARD to document his work with Lightfleet.¹

22 Aaron O'Neal's Unethical Business Practices

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

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

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

6 20. Aaron O’Neal used to work for a mortgage lender, and in 2011, Aaron O’Neal contacted a
7 Washington resident, one of his previous clients at the lender, to sell him investments in Lightfleet. Through
8 2011, Aaron O’Neal facilitated the sale of at least \$600,000 of stock in Lightfleet to this former client. Aaron
9 O’Neal earned approximately \$22,500 in cash and 1,000 shares of Lightfleet stock as compensation from
10 Lightfleet.

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

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

16 *Filings with the Securities Division*

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

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22 _____
23 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.

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

4 *Misstatements of Material Facts to the Securities Division*

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

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

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

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

19
20 Based upon the above Findings of Fact, the following Conclusions of Law are made:
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22

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

1 **CONCLUSIONS OF LAW**

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

4 2. Aaron O’Neal engaged in dishonest or unethical business practices as defined in WAC 460-22B-
5 090(2), by effecting sales of securities in Lightfleet not recorded on the books or records of the firm that he
6 represented and without his firm’s written authorization. This misconduct is grounds for the denial of future
7 securities registrations for Aaron O’Neal and the assessment of a fine pursuant to RCW 21.20.110(1)(g).

8 3. Aaron O’Neal violated WAC 460-22B-060 and WAC 460-24A-205 by failing to update or amend his
9 filings with the Securities Division through CRD and IARD to reflect his arrangements with Lightfleet. This
10 misconduct is grounds for the denial of future securities registrations for Aaron O’Neal and the assessment
11 of a fine to both pursuant to RCW 21.20.110(1)(b).

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

17 **CONSENT ORDER**

18 IT IS AGREED AND ORDERED that Respondent Aaron O’Neal shall cease and desist from violating
19 WAC 460-22B-060 and WAC 460-24A-205, regulations that require broker-dealer representatives and
20 investment adviser representatives to timely update or amend their filings with the Securities Division through
21 CRD and IARD.

22 IT IS FURTHER AGREED AND ORDERED that Respondent Aaron O’Neal shall not make
23 application for, nor be granted, any investment adviser, investment adviser representative, broker-dealer, or

1 securities salesperson registration for a period of six months, from the entry of this consent order, for which
2 he will be credited three months for time served.

3 IT IS FURTHER AGREED AND ORDERED that Respondent Aaron O’Neal shall be liable for and
4 pay investigative costs in the amount of \$3,000.

5 IT IS FURTHER AGREED AND ORDERED that Respondent Aaron O’Neal shall be liable for and
6 shall pay a fine in the amount of \$3,000.

7 IT IS AGREED that Respondent Aaron O’Neal enters into this Consent Order freely and voluntarily
8 and with a full understanding of its terms and significance.

9 IT IS AGREED that the Securities Division has jurisdiction to enter this order.

10 IT IS AGREED that in consideration of the foregoing, the Securities Division hereby rescinds the Final
11 Order S-16-2029-17-FO01.

12 IT IS AGREED that in consideration of the foregoing, the Respondent waives their right to a hearing
13 and to judicial review of this matter pursuant to Chapter 34.05 RCW.

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15 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

16

17 Signed this 15 day of July 2023.

18 Signed by:

19 /s/ Aaron O’Neal

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Aaron O’Neal, Individually

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23 SIGNED and ENTERED this 31 day of August 2023.



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Approved by:

/s/

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