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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:

Banner Co-Op, Inc.;  
Neil Chandran; and  
Michael Glaspie;

Respondents

Order No. S-22-3440-23-SC01

STATEMENT OF CHARGES AND  
NOTICE OF INTENT TO  
ENTER ORDER TO CEASE AND DESIST

8 THE STATE OF WASHINGTON TO:

Banner Co-Op, Inc., Neil Chandran,  
and Michael Glaspie

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**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents Banner Co-Op, Inc., Neil Chandran, and Michael Glaspie have each violated the Securities Act of Washington. The Securities Administrator believes those violations justify the entry of an order against the Respondents to cease and desist from such violations. The Securities Administrator finds as follows:

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**TENTATIVE FINDINGS OF FACT**

**Respondents**

1. Banner Co-Op, Inc. ("Banner Co-Op") is a Delaware corporation formed in August 1998 with its principal place of business in Highland, Michigan. Banner Co-Op is a purported internet marketing platform.
2. Neil Chandran was a Nevada resident during the time period 2019 through 2022.
3. Michael Glaspie was a Florida and a Michigan resident who controlled Banner Co-Op, Inc. as its CEO and sole owner during the time period 2019 through 2022.

STATEMENT OF CHARGES AND NOTICE  
OF INTENT TO ENTER ORDER TO  
CEASE AND DESIST

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

1 **Nature of the Conduct**

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

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

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

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

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

1 **Registration Status**

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

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

6 **Related Actions**

7 11. In January 2020, the Michigan Dept. of Licensing and Regulatory Affairs (“LARA”) issued a  
8 Notice and Order to Cease and Desist against Gaspie to cease and desist from offering or selling unregistered  
9 securities; from omitting to state material facts necessary to make other statements made not misleading in  
10 connection with the offer or sale of securities; and from making false or misleading statements in records filed  
11 with the Michigan Securities Administrator. LARA alleged that Gaspie pooled funds from investors in his  
12 company, Banner Co-Op and promised to pay them returns of ten times their original profit. LARA alleged  
13 that Gaspie led investors to believe that their money was going to a cryptocurrency and artificial intelligence  
14 company and their profits would be paid after the company was sold. LARA further alleged that Gaspie failed  
15 to disclose material information to investors, including the risks of the investment.

16 12. In June 2020, Gaspie settled the LARA allegations against him by entering into a Consent  
17 Order in which he agreed to cease and desist violations of certain provision of the Michigan Securities Act  
18 and pay a \$15,000 fine.

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

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

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

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

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

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

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

2 **CONCLUSIONS OF LAW**

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

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

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

13 4. Respondents Banner Co-Op, Chandran, and Glaspie have each violated RCW 21.20.010,  
14 because, as set forth in the Tentative Findings of Fact, Respondents made untrue statements of material fact  
15 or omitted to state material facts necessary to make the statements made, in light of the circumstances in  
16 which they were made, not misleading.

17 **NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST**

18 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities  
19 Administrator intends to order, pursuant to RCW 21.20.390(1), that Banner Co-Op, Neil Chandran, and  
20 Michael Glaspie, their agents and employees each shall cease and desist from violations of RCW 21.20.010  
21 and RCW 21.20.140, and that Respondent Michael Glaspie, his agents and employees each shall cease and  
22 desist from violations of RCW 21.20.040.

**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. The Respondents Banner Co-Op, Chandran, and Glaspie 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.

Signed and Entered this 27th day of April 2023.



/s/

William M. Beatty  
Securities Administrator

Approved by:

Presented by:

/s/

Brian Guerard  
Chief of Enforcement

Martin Cordell  
Financial Legal Examiner

Reviewed by:

/s/

Huong Lam  
Financial Legal Examiner Supervisor