

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:)

JEFFREY BRIAN MEYER (CRD 4111125)) FILE NO. 1200077
_____))

TEMPORARY ORDER OF SUSPENSION AND PROHIBITION

TO RESPONDENT: JEFFREY MEYER
 151 Northlight Passe
 Lake in the Hills, IL
 60156

 K&M OIL
 Attn: JEFFREY MEYER
 9 Crystal Lake Road
 Suite 250
 Lake in the Hills, IL
 60156

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein finds:

1. Respondent **Jeffrey Brian Meyer** (“**Meyer**”) was, at all times relevant herein, a resident of Illinois with a last known address of 151 Northlight Passe in Lake in the Hills, Illinois. **Meyer** is licensed with the State of Illinois to act as a salesperson of securities and as an investment advisor representative.
2. From approximately September 2009 through August 2012 **Meyer** was employed as a registered representative with WRP Investments, Inc., an Ohio corporation doing business in Illinois, where he acted as a salesperson of securities and investment advisor. **Meyer** worked from the WRP office located at 9 Crystal Lake Road, Suite 110, in Lake in the Hills, Illinois
3. Prior to **Meyer**’s employment with WRP Investments, Inc., **Meyer** was a registered representative with Waddell & Reed, Inc., a Kansas corporate entity that does business in Illinois.
4. **K&M Oil Fund, LLC**, (“**K&M**”) was an Illinois limited liability corporation doing business from 9 Crystal Lake Road, Suite 250, in Lake in the Hills, Illinois. That entity

Temporary Order of Suspension and Prohibition

was involuntarily dissolved in January of 2012. **K&M Oil Company, Inc.**, is an Illinois corporation doing business from the same address. **Meyer** is an executive for **K&M Oil Company, Inc**

5. In August of 2012 WRP Investments, Inc., terminated its relationship with **Meyer** due to his refusal to disclose his outside business activities and for refusing to cooperate with the firm in its internal investigation into **Meyer's** undisclosed outside business activity.
6. During 2011 **Meyer** offered and sold to one Illinois investor five investment notes into **K&M** for a total of fifty thousand dollars (\$50,000.00) that were to mature in July of 2011.
7. **Meyer** also offered and sold **K&M** notes to four additional Illinois residents, all of which were customers of WRP.
8. **Meyer** had not disclosed to WRP his work for **K&M** nor had he disclosed that he was an executive with **K&M Oil Company, Inc.**
9. **Meyer** did not disclose to the four WRP clients he sold the **K&M** notes to that the notes were not authorized WRP products, nor that **Meyer** had not disclosed his work for **K&M** to WRP.
10. Nor did **Meyer** disclose to the investors the risks associated with investing into **K&M Oil Company, Inc.**
11. More recently a customer of Waddell & Reed complained of an investment note **Meyer** offered and sold for ten thousand dollars (\$10,000.00) in May 2009 when **Meyer** was still a representative with Waddell & Reed. **Meyer** had not disclosed his outside business activity to Waddell & Reed, nor had **Meyer** disclosed to the customer that the product was not an approved Waddell & Reed investment.
12. NASD Rule 3030 (replaced by FINRA Rule 3270) requires registered persons to provide prompt written notice of any outside business activity to their firm. Furthermore, both WRP and W&R's policies and procedures require written disclosure of outside business activities
13. As a registered representative **Meyer** was required to submit certain information to the "Web CRD", a central records depository maintained by the State regulators and FINRA
14. **Meyer** was assigned a CRD identification number of 4111125, and was responsible for updating the information contained in his profile.
15. **Meyer** did not disclose, in his Web CRD profile, his outside business activities as they relate to his offer and sale of interests in **K&M**.
16. **Meyer** has not worked for a registered securities firm since August of 2012.

Temporary Order of Suspension and Prohibition

17. **Meyer's registrations as a salesperson of securities and as an investment advisor representative with the State of Illinois was terminated in August of 2012.**
18. **Section 12. A of the Illinois Securities Law of 1953 (the "Act") states that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.**
19. **Pursuant to the Act and the Rules and Regulations promulgated under the Act, securities salespersons are required, through their broker-dealer, to file an application for registration with the Secretary of State by filing a U-4 form through the CRD system. The U-4 form must be amended within ten (10) business days when the salesperson experiences a change that renders any information contained in the initial application for registration inaccurate.**
20. **Section 12 D of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any application, report, or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any Order of the Secretary of State issued pursuant to Section 11 hereof.**
21. **Section 12.E of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to make or cause to be made in any application, report, or document filed under this Act or any rule or regulation made by the Secretary of State pursuant to this Act, any statement which was false or misleading with respect to any material fact.**
22. **Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.**
23. **Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.**
24. **Section 8 E(1)(b) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State finds that the salesperson or investment adviser representative has engaged in any unethical practice in connection with any security, the offer or sale of securities or in any fraudulent business practice**
25. **Section 8.E(1)(g) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State**

Temporary Order of Suspension and Prohibition

finds that the salesperson or investment adviser representative has violated any of the provisions of this Act

26. Section 8.E(1)(h) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State finds that such salesperson or investment adviser representative has made any material misrepresentation to the Secretary of State in connection with any information deemed necessary by the Secretary of State to determine a salesperson's or investment adviser representative's business repute or qualifications.
27. Section 8.E(1)(m) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State finds that the salesperson or investment adviser representative has conducted a continuing course of dealing of such nature as to demonstrate an inability to properly conduct the business of a salesperson or investment adviser representative.
28. Section 8.E(3) of the Act provides, *inter alia*, That the Secretary of State may institute a revocation or suspension proceeding within 2 years after the withdrawal of a registrant's application for registration became effective and enter a revocation or suspension order as of the last date on which registration was effective.
29. Meyer's failure to amend his U-4 filings to update his outside business activity disclosure constitutes violations of Sections 12.A, D and E of the Act, and pursuant to Sections 8.E.(1)(b), (g), (h), and (m), subject to the provisions of Section 11.F of the Act, his registrations in the State of Illinois are subject to revocation.
30. Meyer's omission to disclose to the investors that the **K&M** notes he offered and sold were part of his outside business activity and were not authorized products of WRP or Waddell & Reed, constitutes violations of Sections 12 A , F and G of the Act.
31. Meyer's refusal to cooperate with WRP's internal investigation of his undisclosed outside business activities constitutes an unethical business practice under Section 8E.(1)(b), and, along with his refusal to disclose his outside business activities, demonstrates Meyer's inability to properly conduct the business of a salesperson or investment advisor representative
32. That Section 11.F.(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily suspend the registrations of a salesperson or investment adviser representative if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act.
33. Also, Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily or prohibit suspend the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an

Temporary Order of Suspension and Prohibition

imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.

34. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order pursuant to the authority granted under Section 11.F of the Act which suspends the salesperson and investment adviser representative registrations of **Jeffery Meyer**.
35. The entry of this Temporary Order of Suspension and Prohibition prohibiting Meyer from offering or selling securities and suspending his registrations as an investment advisor representative and salesperson of securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **JEFFERY BRIAN MEYER** is **PROHIBITED** from offering or selling securities in or from the State of Illinois and his registrations are **SUSPENDED** until the further Order of the Secretary of State.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: July 23, 2013



JESSE WHITE
Secretary of State
State of Illinois

Jason Chronopoulos
Enforcement Attorney
Office of the Secretary of State
Illinois Securities Department
69 W. Washington, Suite 1220
Chicago, Illinois 60602
JChronopoulos@ILSOS.net