

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Jeffrey Brian Meyer
(CRD No. 4111125),

Respondent.

DISCIPLINARY PROCEEDING
No. 2012032758601

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Jeffrey Meyer ("Meyer"), while employed by Waddell & Reed, Inc. ("Waddell & Reed") and WRP Investments, Inc. ("WRP"), acted outside the scope of his employment with those firms by participating in 37 private securities transactions totaling more than \$1.5 million, without providing prior written notice to the firms of his proposed roles in the transactions. As a result of the foregoing, Meyer violated NASD Conduct Rules 3040 and 2110 and FINRA Rule 2010.

RESPONDENT AND JURISDICTION

2. Meyer entered the securities industry in January 2000 as an Investment Company Products and Variable Contracts Representative with a FINRA registered firm. In March 2001, he became registered as a General Securities Representative with another FINRA registered firm. In January 2006, Meyer became registered as a General Securities

Representative with Waddell & Reed. He remained registered in that capacity at Waddell & Reed until September 2009. In September 2009, he became registered as an Investment Company Products and Variable Contracts Representative and a General Securities Representative with WRP. He remained with WRP until August 24, 2012. Although Meyer is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the effective date of termination of Respondent's registration with WRP, namely, August 24, 2012; and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

FACTS

Meyer's Participation in Private Securities Transactions of United Private Capital

3. United Private Capital, Inc. was a corporate entity established as an investment vehicle for Forex currency trading. Between November 2008 and September 2009, United Private Capital, Inc. sold corporate guarantees totaling approximately \$1 million to 20 investors. The identity of the purchasers of the United Private Capital, Inc. corporate guarantees, and the amounts and dates of the investments by those purchasers, are set forth on Exhibit A, which is attached hereto and incorporated herein.

4. The corporate guarantees issued by United Private Capital, Inc. were securities.

5. By his own admission, while associated with Waddell & Reed, Meyer participated in each of the private securities transactions identified in Exhibit A. For example, Meyer in some instances collected checks from customers and assisted them in preparing documentation

necessary to effect the transaction. On at least one occasion, Meyer presented sales material to an individual who subsequently invested in the product.

6. Meyer's participation in the private securities transactions identified on Exhibit A was outside the course and scope of his employment at Waddell & Reed.

7. Prior to participating in the private securities transactions identified on Exhibit A, Meyer failed to provide Waddell & Reed with written or oral notice of his proposed role in those transactions.

Meyer's Participation in Private Securities Transactions of Strategic Lending Solutions

8. Strategic Lending Solutions LLC was a limited liability company established to make commercial loans to its customers using funds solicited from investors. Between January 2010 and July 2012, Strategic Lending Solutions LLC issued promissory notes totaling approximately \$300,000 to 13 investors. The identity of the purchasers of the promissory notes issued by Strategic Lending Solutions LLC, and the amounts and dates of the investments by those purchasers, are set forth on Exhibit B, which is attached hereto and incorporated herein.

9. The promissory notes issued by Strategic Lending Solutions LLC were securities.

10. By his own admission, while associated with WRP, Meyer participated in each of the private securities transactions identified in Exhibit B. For example, Meyer in some instances collected checks from customers and assisted them in preparing the documentation necessary to effect the transaction. In addition, Meyer on several occasions received selling compensation in the form of a 2% payment based on the amount of the promissory note.

11. Meyer's participation in the private securities transactions identified in Exhibit B was outside the course and scope of his employment at WRP.

12. Prior to participating in the private securities transactions identified in Exhibit B,

Meyer failed to provide WRP with written or oral notice of his proposed role in those transactions.

Meyer's Participation in Private Securities Transactions of K&M Oil Company

13. K & M Oil Company, Inc. was a corporate entity established for the purpose of purchasing and developing oil wells. Meyer invested approximately \$30,000 of his own money in K & M Oil Company, Inc. and held a one-third interest in the entity. Additionally, he served as K & M Oil Company's Secretary-Treasurer and Vice-President of Finance.

14. Between August 2010 and July 2011, K & M Oil Company, Inc. issued promissory notes totaling approximately \$238,000 to eight investors. The promissory notes issued by K & M Oil, Inc. were securities. The identity of the purchasers of the promissory notes issued by K & M Oil, Inc. and amounts and dates of the investments by those purchasers are set forth on Exhibit C, which is attached hereto and incorporated herein.

15. By his own admission, while associated with WRP, Meyer participated in the private securities transactions involving the promissory notes identified in Exhibit C. For example, Meyer retained the services of a consultant who helped prepare offering documents, attended offering presentations held in Texas, Florida and California, and in certain instances provided offering documentation to investors and accepted their investment checks.

16. Meyer's participation in the private securities transactions identified in Exhibit C was outside the course and scope of his employment at WRP.

17. Prior to participating in the private securities transactions identified in Exhibit C, Meyer failed to provide WRP with written or oral notice of his proposed role in those transactions.

FIRST CAUSE OF ACTION
Private Securities Transactions at Waddell & Reed
NASD Rules 3040 and 2110 and FINRA Rule 2010

18. The Department of Enforcement realleges and incorporates by reference paragraphs 1 through 17 above.

19. NASD Rule 3040 provides that, prior to participating in any private securities transaction, an associated person shall provide written notice to a FINRA registered firm with which he is associated describing the proposed transaction and person's role in that transaction, and stating whether he has received selling compensation in connection with the transaction.

20. NASD Rule 2110 and FINRA Rule 2010 require an associated person, in the conduct of his business, to "observe high standards of commercial honor and just and equitable principles of trade."

21. Meyer, while associated with Waddell & Reed, acted outside his scope of employment and participated in 20 private securities transactions identified on Exhibit A, without providing prior written or oral notice to Waddell & Reed of his proposed roles in those transactions.

22. As a result of the foregoing, Meyer violated NASD Rules 3040 and 2110 and FINRA Rule 2010.¹

SECOND CAUSE OF ACTION
Private Securities Transactions at WRP
NASD Rule 3040 and FINRA Rule 2010

23. The Department of Enforcement realleges and incorporates by reference paragraphs 1 through 22 above.

¹ For the period between November 2008, through December 14, 2008, the conduct is charged as a violation of NASD Rules 3040 and 2110, and for the period from December 15, 2008, through September 2009, as a violation of NASD Rule 3040 and FINRA Rule 2010.

24. Meyer, while associated with WRP, acted outside his scope of employment and participated in the 17 private securities transactions identified in Exhibits B and C, without providing prior written or oral notice to WRP of his proposed roles in, or the selling compensation that he was to receive from, those transactions.

25. As a result of the foregoing, Meyer violated NASD Rule 3040 and FINRA Rule 2010.

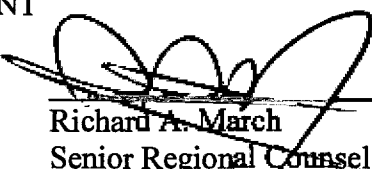
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed; and
- C. order that Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: August 21, 2014



Richard A. March
Senior Regional Counsel
Mark A. Koerner
AVP and Regional Chief Counsel
FINRA Department of Enforcement
55 W. Monroe St., Suite 2700
Chicago, IL 60603
Phone: (312) 899-4351
Fax: (312) 899-4600
E-mail: Richard.March@FINRA.org

Exhibit A

United Private Capital, Inc.		
Transactions	Date In	Amount Invested
JC	11/3/2008	\$ 380,475.00
PA	11/10/2008	\$ 61,589.00
GA	11/10/2008	\$ 18,275.00
BM & KM	11/14/2008	\$ 50,000.00
EW	1/5/2009	\$ 25,000.00
EW	1/12/2009	\$ 25,000.00
AS	1/12/2009	\$ 12,500.00
MB	2/6/2009	\$ 50,000.00
DW	2/11/2009	\$ 13,905.05
PD	2/11/2009	\$ 13,645.70
NH	3/11/2009	\$ 2,500.00
RW & DW	5/24/2009	\$ 220,358.00
RS	6/5/2009	\$ 10,050.00
BP	7/1/2009	\$ 350.00
JW	7/2/2009	\$ 6,000.00
HK	7/27/2009	\$ 17,500.00
RC	7/31/2009	\$ 24,576.23
KD	8/2/2009	\$ 8,156.59
HK	8/28/2009	\$ 32,950.51
DM	9/9/2009	\$ 1,800.00
20 Transactions	20 customers	\$ 987,131.08

Exhibit B

Strategic Lending Solutions LLC		
<u>Transactions</u>	<u>Date In</u>	<u>Amount Invested</u>
KM & BM	1/16/2010	\$ 10,000.00
AS & RS	1/27/2010	\$ 4,000.00
JP & TP	2/25/2010	\$ 50,000.00
KM & BM	4/28/2010	\$ 27,000.00
KM & BM	5/9/2010	\$ 26,900.00
DW & RW	5/10/2010	\$ 50,606.26
KM & BM	9/30/2010	\$ 72,500.00
BL & JL	9/16/2011	\$ 10,000.00
EK & JK	12/16/2011	\$ 7,150.43
TM	7/11/2012	\$ 50,000.00
10 transactions	13 customers	\$ 308,156.69

Exhibit C

K & M Oil Company, Inc.		
<u>Transactions</u>	<u>Date In</u>	<u>Amount Invested</u>
DD & KD	8/2/2010	\$ 50,000.00
JP	8/9/2010	\$ 95,446.39
BM & KM	9/20/2010	\$ 25,000.00
DB	11/15/2010	\$ 16,242.00
CG	7/1/2011	\$ 20,608.58
TH	7/9/2011	\$ 20,000.00
BM & KM	7/15/2011	\$ 10,700.00
7 transactions	8 customers	\$ 237,996.97