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Attorney for Office of Securities and Insurance, Montana State Auditor

BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE,
HELENA, MONTANA

IN THE MATTER OF:)	CASE NO. SEC-2013-58
)	
ROBERT S. MEYER, individually)	CONSENT AGREEMENT AND
and in his capacity as a salesperson for)	FINAL ORDER
Chelsea Financial Services,)	
)	
)	
Respondents.)	

This Consent Agreement and Final Order (Agreement) is entered into by the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), acting pursuant to the authority of the Securities Act of Montana, Mont. Code Ann. § 30-10-101, et seq. (Act); and Robert S. Meyer (Respondent).

RECITALS

WHEREAS, the CSI determined Respondent is a Montana licensed salesperson working for Chelsea Financial Services (CFS) and was previously tasked with supervising Joseph Biondolillo, the a CFS salesperson who was the subject of one or more complaints from Montana residents;

WHEREAS, the CSI conducted an investigation of all CFS accounts in Montana;

WHEREAS, the CSI's investigation determined that Meyer supervised two Montana investor accounts managed by Biondolillo and that such supervision ended on or about January 2, 2011;

WHEREAS, the CSI determined that Meyer did not comply with his responsibilities concerning Biondolillo's heightened supervision agreement with the CSI, as demonstrated by the following:

- a. There was discretionary trading in a Montana client account, although CFS procedures forbade such trading;
- b. Two securities were traded 98 times, and commissions charged Montana investors during the time period Meyer was Biondolillo's supervisor totaled \$30,059.93 out of their aggregate \$142,206.44 investment. The Looper turnover rates on the two investigated accounts were above the threshold for a presumption of excessive trading.

WHEREAS, the CSI alleged that Respondent violated Mont. Code Ann. § 30-10-201(13)(k) by failing to supervise the subject salesperson;

NOW, THEREFORE, in consideration of the following mutual undertakings, the CSI and Respondents enter into the following:

STIPULATIONS AND CONSENTS

1. Without admitting or denying any of the CSI's allegations, Respondent stipulates and agrees to the following:
 - A. Within ten business days from the execution of this Agreement, Respondent Meyer shall pay a fine of \$7,500.00. A failure to pay the fine will result in revocation of Respondent's salesperson's license. The fine must be made payable to the State of Montana and sent to the Office of the Commissioner of Securities and Insurance, Montana State Auditor, c/o Lisa Monroe, Legal Assistant, 840 Helena Avenue, Helena, MT 59601.
 - B. Respondent agrees to comply with the terms and conditions of this Agreement, the Securities Act of Montana, and all other regulations of the state of Montana.
2. Each party to this Agreement stipulates and agrees as follows:

- A. Respondent acknowledges that he has read and understands each term of this Agreement and that he enters into this Agreement voluntarily and without reservation.
- B. Respondent and the CSI agree that this Agreement resolves the alleged violations set forth in the Recitals.
- C. The CSI warrants and represents that it does not now have any intent to bring any further action against Respondent based upon the conduct alleged in the Recitals.
- D. With respect to the Recitals, Respondent specifically and affirmatively waives a contested case hearing and his right to appeal under the Montana Administrative Procedures Act, including Title 2, chapter 4, part 7, and elects to resolve this matter on the terms and conditions set forth therein.
- E. Respondent fully and forever releases and discharges the CSI from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or not asserted, known or unknown, foreseen or unforeseen, arising out of the Recitals.
- F. This Agreement is entered without adjudication of any issue, law or fact. It is entered solely for the purpose of resolving the CSI's investigation and allegations, and is not intended to be used for any other purpose.
- G. This Agreement constitutes the entire agreement between the parties and no other promises or agreements, either express or implied, have been made by the CSI or by any member, officer, agent, or representative of the CSI to induce Respondent to enter into this Agreement.
- H. This Agreement may not be modified orally, and any subsequent modifications to this Agreement must be mutually agreed upon in writing to be effective.

- I. This Agreement shall be incorporated into and made part of the attached Final Order issued by the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner) herein.
- J. Upon the signing of the Final Order by the Commissioner or her representative, this Agreement and Final Order will be an order of the CSI. The CSI has jurisdiction over the enforcement of the Final Order, and failure to comply with it may constitute separate violations of the Act, as provided in Mont. Code Ann. § 30-10-305, and may result in subsequent legal action by the CSI.
- K. This Agreement shall be effective upon signing of the Final Order.
- L. This Agreement and Final Order are public records under Montana law and as such may not be sealed or otherwise withheld from the public.

DATED this 27th day of May, 2013

**OFFICE OF THE COMMISSIONER OF
SECURITIES AND INSURANCE**

By: 

BRETT O'NEIL

Attorney

DATED this 15th day of May, 2013

ROBERT S. MEYER




FINAL ORDER

Pursuant to the authority vested by Mont. Code Ann. § 2-4-603 and §§ 30-10-101, et seq., and upon review of the foregoing Consent Agreement and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the Office of the Commissioner of Securities and Insurance, Montana State Auditor, and Respondent Robert S. Meyer, is adopted as set forth fully herein.

DATED this 24th day of May, 2013.

MONICA J. LINDEEN
Commissioner of Securities and Insurance
Montana State Auditor

By: 

LYNNE EGAN
Deputy Securities Commissioner

cc. Brett O'Neil
Michael P. Gilmore