



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
MEYERS ASSOCIATES, L.P.)
CORPORATION, CRD #34171 and) Case No. AP-10-42
SUKHWAN MICHAEL YUN, CRD #5640757,)
)
Respondents.)

FINAL ORDER TO CEASE AND DESIST AS TO RESPONDENT MEYERS ASSOCIATES, L.P. AND ORDER AWARDED CIVIL PENALTIES

Now on this 26th day of February, 2016, the Commissioner, having reviewed this matter, issues the following findings and order:

I. PROCEDURAL BACKGROUND

1. On December 13, 2010, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), through its Assistant Commissioner Mary S. Hosmer, submitted a Petition for Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed.
2. On December 16, 2010, the Commissioner issued an Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed (the "Order"). On that same day, a copy of the Order and Notice of Right to Request a Hearing were sent, via certified mail, return receipt requested, to Respondents' last known addresses.
3. On December 21, 2010, Respondent Meyers Associates, L.P. was served with the Order by certified mail at 45 Broadway, Second Floor, New York, New York 10006.
4. On May 4, 2011, the Commissioner issued a Consent Order as to Respondent Sukhwan Michael Yun in this matter.
5. Respondent Meyers Associates, L.P. failed to request a hearing in this matter pursuant to

Section 409.6-604, RSMo. (Cum. Supp. 2013).¹

6. The Commissioner has not ordered a hearing in this matter pursuant to Section 409.6-604.

II. FINDINGS OF FACT

7. Meyers Associates, L.P. (“Meyers”), is a Missouri-registered broker-dealer with a last known address of 45 Broadway, Second Floor, New York, New York 10006. Meyers is registered with the Central Registration Depository System (“CRD”) with CRD number 34171.
8. Sukhwan Michael Yun (“Yun”) is a New Jersey resident with a last known address of 280 Marin Boulevard, Apartment 4N, Jersey City, New Jersey 07302. For the period July 28, 2010, to February 24, 2011, Yun was with Meyers as an agent registered in New York, California, Illinois, Minnesota, and Virginia with CRD number 5640757. Although Yun was registered as an agent in Missouri with a previous employer, that registration terminated on October 22, 2009. Yun is not currently registered as an agent in Missouri.
9. A search of Meyers’s CRD records revealed that on November 23, 2010, the Connecticut Banking Commissioner issued an order to cease and desist, notice of intent to revoke registration as broker-dealer and notice of intent to fine (Docket No. RCF-10-7817-S) against Meyers. The action alleged that the firm violated section 36B-6(B) of the Connecticut Uniform Securities Act by employing unregistered agents, and that the firm sold unregistered securities in contravention of Section 36B-16 of that act. In addition, the action alleged that the firm engaged in fraudulent, dishonest and unethical conduct by failing to disclose to Connecticut customers that a “handling fee” charged by the firm included a profit to the firm, that certain customers paid a lower fee, and that the fee was not based on the costs of handling a particular transaction. The action also alleged that the firm failed to exercise adequate supervisory controls over its operations.
10. In December of 2010, Yun, an agent of Meyers, called a Missouri resident on behalf of Meyers and attempted to sell securities.
11. On or around 3 p.m. on December 1, 2010, a registration/licensing specialist with the Missouri Securities Division (“MR1”) received a cold call² from Yun while MR1 was at work. During that call, Yun:
 - a. identified himself and his firm, Meyers;
 - b. asked MR1 about MR1’s investment experience with brokers;

¹ Unless otherwise noted, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri.

² A method used by agents of broker-dealers to obtain new business by making unsolicited calls to potential customers who have no connection to the broker-dealer or agent.

- c. asked MR1 if MR1 was interested in investing;
 - d. attempted to solicit MR1's purchase of Nuance Communications, Inc. ("NUAN") stock;
 - e. told MR1 that NUAN was a technology stock and compared NUAN to IPOD technology; and
 - f. told MR1 that Yun could effect the transaction at that time.
12. MR1 ended the call telling Yun that MR1 needed to consult with his wife, and asked if Yun could call back the next day so MR1's wife could sit in on the conversation.
13. On December 8, 2010, Yun called MR1 a second time. MR1 informed Yun that MR1 still needed to speak with MR1's wife before making a decision. Yun then solicited the purchase of NUAN stock asserting, among other things:
- a. it was not a problem if MR1's wife wasn't around to discuss the investment;
 - b. Steve Mozniak ("Mozniak") of Apple misspoke during a recent press conference, saying Apple had acquired NUAN;
 - c. Mozniak's "slip of the tongue" likely indicated Apple was considering the purchase of NUAN;
 - d. NUAN's stock price climbed twelve percent (12%) the next day as a result of Mozniak's "slip of the tongue;"
 - e. Yun could easily see the stock price of NUAN rising to twenty-eight or twenty-nine dollars (\$28 or \$29) per share if acquired by Apple;
 - f. MR1 could invest three thousand six hundred dollars (\$3,600) in NUAN that day (\$3,600 being the minimum investment Yun's firm (Meyers) allowed) through Yun;
 - g. if MR1 invested that day, Yun would "Fed Ex" MR1 the confirmation and it would be on MR1's desk the next day;
 - h. even though MR1's wife was not there, MR1 should purchase immediately to lock in the current price of the stock; and
 - i. Yun couldn't make any guarantees about risk, but could place a stop limit order to minimize any potential losses.
14. Throughout the December 8, 2010, call, MR1 repeatedly told Yun MR1 never invested without discussing it with MR1's wife first. However, Yun continued to pressure MR1 to

make an immediate purchase, asking, “why don’t we do this?” Eventually, Yun agreed to call MR1 back the next day when MR1’s wife (“MR2”) could speak with Yun as well.

15. On December 9, 2010, Yun spoke with members of the Enforcement Section twice. Yun initiated the contact, calling MR1’s cell phone and speaking with MR1 and MR2 at approximately 12:30 p.m. Later in the day, at approximately 1:00 p.m., MR1 and MR2 called Yun to ask more questions about NUAN and Yun.
16. During the December 9, 2010, calls, Yun stated, among other things:
 - a. Yun was an investment banker with Series 7 and Series 63 licenses;
 - b. Meyers had over one hundred (100) associates, and they worked as a team, but MR1 and MR2 would work mainly with Yun;
 - c. Yun could go ahead and place the trade that day, and MR1 and MR2 could either mail or wire the money;
 - d. MR1 and MR2 needed to purchase now because NUAN had a huge contract with Apple pending;
 - e. NUAN was a five billion dollar (\$5,000,000,000) company that had one billion dollars (\$1,000,000,000) in earnings;
 - f. NUAN was the “Bentley” of stocks, would be “money in the bank,” and an investment in NUAN was “safe money”;
 - g. there was no doubt in Yun’s mind that NUAN’s stock price would reach thirty dollars (\$30) per share;
 - h. Apple was going to eventually pay a very big premium to purchase NUAN;
 - i. the market was going to rise for the rest of the year;
 - j. the market closed in approximately two hours, so MR1 and MR2 could make the purchase immediately;
 - k. Yun would not charge a commission for the first trade, but requested that MR1 and MR2 think about doing business with him after he got them a return of thirty-five percent to forty percent (35% to 40%) on NUAN; and
 - l. if MR1 and MR2 were paying by check, they should make it out to Stearn, AGG, and Leach, Meyers’s bank clearing service based in Alabama.

17. During their conversations with Yun, MR1 and MR2 heard noise in the background, including people talking, phones ringing, and people answering phones saying, “Meyers and Associates.”
18. Yun did not, at any time during his correspondence with MR1 and MR2, ask any questions regarding financial needs, age, investment objectives, or other suitability related issues.
19. On December 10, 2010, members of the Enforcement Section spoke with Meyers’s Chief Compliance Officer, Mitchell Halpern (“Halpern”) on the telephone. During that conversation, Halpern asserted that Meyers had policies in place that prohibited agents of Meyers from calling to solicit the sale of securities in states those agents were not registered in.

III. CONCLUSIONS OF LAW

20. Because Respondent Meyers failed to request a hearing within the time allowed by Section 409.6-604, and because the Commissioner never ordered such a hearing, the Order issued on December 16, 2010, against Respondent Meyers became **FINAL** by operation of law.

Violation of Employing an Unregistered Agent

21. **THE COMMISSIONER CONCLUDES** that Respondent Meyers violated Section 409.4-402(d) when Respondent Meyers employed or associated with Yun, who transacted business on behalf of Respondent Meyers by calling a Missouri resident and offering to sell the Missouri resident a security.
22. Respondent Meyers’ activities constitute employing or associating with an agent in the State of Missouri under Section 409.4-402(d).
23. Yun was not registered as an agent in the State of Missouri.
24. Respondent Meyers employed or associated with Yun, who transacted business in Missouri as an agent without being registered or exempt from registration as an agent, in violation of Section 409.4-402(d).
25. Respondent Meyers’ conduct in violation of Section 409.4-402(d) constitutes an illegal act, practice, or course of business and such conduct is, therefore, subject to the Commissioner’s authority under Section 409.6-604.
26. This order is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003. See Section 409.6-605(b).

IV. ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that Respondent Meyers, its agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this order be prohibited from violating or materially aiding in any violation of Section 409.4-402(d), by employing an unregistered agent.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Respondent Meyers shall pay a civil penalty in the amount of \$1,000 for violating Section 409.4-402(d). This amount shall be made payable to the State of Missouri. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri 65102, within 30 days from the date of this Final Order.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS TWENTY-SXITH DAY OF FEBRUARY, 2016.



JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES

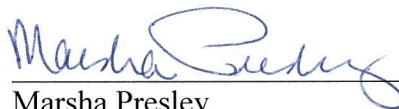
CERTIFICATE OF SERVICE

I hereby certify that on this 26th day of February, 2016, a copy of the foregoing Final Order to Cease and Desist as to Respondent Meyers Associates, L.P. and Order Awarding Civil Penalties in the above styled case was **mailed by certified U.S. mail, Return Receipt Requested, to:**

Meyers Associates, L.P.
45 Broadway
Second Floor
New York, New York 10006

and by hand-delivery to:

Mary S. Hosmer
Assistant Commissioner
Missouri Securities Division



Marsha Presley
Securities Office Manager