

State of Missouri  
Office of Secretary of State

Case No. AP-06-23

IN THE MATTER OF:

SHAWN E. AARON, CRD# 2596836  
19003 Cour Estates  
Lutz, Florida 33558

Respondent.

**ORDER BARRING AGENT FROM REGISTRATION**

On the 7th day of June, 2006, Lori Neidel, Chief Enforcement Counsel, as counsel for the Enforcement Section, submitted a Petition for Administrative Relief, alleging cause for an action upon the registration or registration application of Shawn E. Aaron. After reviewing the petition, the Commissioner issues the following findings of fact, conclusions of law and summary order:

**FINDINGS OF FACT**

1. Shawn E. Aaron ("Respondent") has a residence address of 19003 Cour Estates, Lutz, Florida 33558.
2. Respondent was registered in Missouri as a representative of Gunnallen Financial, Inc. ("Gunnallen") from January 4, 2002 until his voluntary termination from the firm on July 18, 2005.
3. On April 6, 2004, Respondent bought 5,180 shares of Optelecom-NFK, Inc. ("The Company") stock at \$12.87 per share for a total cost of \$66,683. Beginning on the same day and continuing through April 19, 2004, Respondent purchased an additional 134,540 shares of the Company at prices ranging from \$13.02 per share through \$14.78 per share on behalf of 54 clients. Respondent and these clients held a total of 139,720 shares or approximately 4% of the total shares outstanding in the Company as of April 2004.
4. On April 16, 2004, Respondent called the Chairman and CEO ("Chairman") of the Company and left a voicemail that stated Respondent owned 10% of the Company's stock and he wanted to talk to the Chairman about taking the stock to "a new" or "the next" level. The Chairman replayed the voicemail for the Company's Investor Liaison Consultant ("ILC") and asked the ILC to return Respondent's call.
5. On April 19, 2004 ILC called Respondent and had a one hour conversation. During the conversation, Respondent reiterated that he owned 10% or 300,000 shares of the Company's stock. Respondent asked ILC to give him reasons that he should continue to buy the Company's stock otherwise he could "drive the stock down to six bucks if I dumped 300,000 shares on the market."
6. In the April 19, 2004, conversation, Respondent claimed to be the top producer at Gunnallen and said that he was responsible for increasing the stock prices of two other companies as well as being instrumental in the development of a third company. Respondent asked ILC if the Company planned on "doing a raise" which ILC understood to mean raising capital for the Company.
7. On May 6, 2005, The Department of Market Regulation ("DMR") alleged that Respondent violated NASD Conduct Rule 2110 when he made false representations and threatened the Company by stating that he owned a significant amount of the company's stock and would or could drive down the price of the company's securities, unless he received inside information about the company or other consideration.
8. On March 3, 2006, a NASD Hearing Panel issued a Hearing Panel Decision, finding that Respondent violated NASD Conduct Rule 2110 by making misrepresentations and threatening a Nasdaq-listed company. The decision suspended Respondent in all capacities for two years, required Respondent to re-qualify in all capacities and pay a fine of \$50,000 plus costs in the amount of \$2,503.80 prior to returning to the industry. A copy of the NASD Hearing Panel's decision is attached as **Exhibit A**.

**CONCLUSIONS OF LAW**

9. Section 409.4-412(c) RSMo., provides that:

If the commissioner finds that the order is in the public interest and subsection (d) (1) to (6), (8), (9), (10), or (12) and (13) authorizes the action, an order under this act may censure, impose a bar, or impose a civil penalty in an amount not to exceed a maximum of five thousand dollars for a single violation or fifty thousand dollars for several violations. . . .

10. Section 409.4-412(d), RSMo., states that a person may be disciplined under subsections (a) to (c) if the person. . .

5. Is the subject of an order, issued after notice and opportunity for hearing by...

C. the Securities and Exchange Commission or by a self-regulatory organization suspending or expelling the registrant from membership in the self-regulatory organization....”

11. Section 409.4-412(f), RSMo., states:

The commissioner may suspend or deny an application summarily; restrict, condition, limit, or suspend a registration; or censure, bar, or impose a civil penalty on a registrant before final determination of an administrative proceeding. Upon issuance of an order, the commissioner shall promptly notify each person subject to the order that the order has been issued, the reasons for the action, and that within fifteen days after the receipt of a request in a record from the person the matter will be scheduled for a hearing. If a hearing is not requested and none is ordered by the commissioner within thirty days after the date of service of the order, the order becomes final by operation of law. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend the order until final determination.

12. The NASD Hearing Panel Decision suspending the Respondent is a qualifying suspension by a self-regulatory organization under Section 409.4-412(d)(5)(C), RSMo.

13. The Missouri Commissioner of Securities is empowered to issue such orders as he may deem just. Section 409.6-604(a), RSMo.

14. This order is in the public interest.

### **ORDER**

IT IS THEREFORE ORDERED that Shawn E. Aaron is BARRED from registration as a broker-dealer agent in the State of Missouri.

IT IS FURTHER ORDERED that Respondent is hereby provided notice that if Respondent requests a hearing on this matter, a date for such a hearing will be scheduled within fifteen (15) days of the Commissioner’s receipt of such a request in a record from the Respondent. Respondent is also hereby provided notice that if he fails to request a hearing within thirty (30) days of the date of service of this Order, this Order will become final by operation of law.

SO ORDERED.

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFERSON CITY, MISSOURI THIS 12<sup>TH</sup> DAY OF JUNE, 2006.

ROBIN CARNAHAN  
SECRETARY OF STATE

(Signed/Sealed)  
MATTHEW D. KITZI  
COMMISSIONER OF SECURITIES