STATE OF NEW HAMPSHIRE
DEPARTMENT OF STATE
BUREAU OF SECURITIES REGULATION
25 CAPITOL STREET
CONCORD, NH 03301

CONSENT ORDER

Aaron E. Olson

INV-2012000003

I. For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, Aaron E. Olson, has submitted an offer of settlement, which the State of New Hampshire, Department of State, Bureau of Securities Regulation (hereinafter referred to as the "Bureau") has determined to accept. Accordingly, Aaron E. Olson and the Bureau do hereby agree as follows:

STATEMENT OF FACTS

1. Aaron E. Olson (hereinafter "Olson") is an individual who resides in Rindge, New Hampshire. Olson is not, and has never been, a licensed investment advisor representative or broker-dealer representative in the State of New Hampshire or any other jurisdiction.

2. Olson was the sole proprietor of the business AEO Associates (hereinafter "AEO"), though no registration for the above trade name was filed as required under New Hampshire law. AEO is not, and has never been, a licensed investment advisor or broker-dealer in the State of New Hampshire or any other jurisdiction.

3. Olson formed KMO Associates, LLC (hereinafter "KMO"), an LLC that was initially registered with the State of Massachusetts on December 28, 2010. KMO is not, and has never been, a licensed investment advisor or broker-dealer in the State of New Hampshire or any other jurisdiction.

4. From at least January 2007 through March 2012 (hereinafter referred to as "the
relevant time period”), Olson, through AEO and later KMO, obtained approximately twenty-seven million eight hundred thousand dollars ($27,800,000) from investors to invest on their behalf. Olson comingle investor funds he received with his own funds, and traded speculative securities, failed to maintain any separate accounting of the gains realized and losses incurred, and also sent some of the investors false earnings statements. Furthermore, Olson converted approximately $2.6 million of the funds placed with him to personal use.

STATEMENTS OF LAW

1. Olson is a “person” within the meaning of N.H. RSA 421-B:2, XVI.

2. Olson is an “investment adviser representative” within the meaning of N.H. RSA 421-B:2, IX-a.

3. Pursuant to N.H. RSA 421-B:3, I, it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly: (a) To employ any device, scheme, or artifice to defraud; (b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person. Olson is in violation of this provision for commingling the investors' funds, failing to maintain an accounting of the investors' funds, failing to disclose the lack of licensure with the Bureau, knowingly disseminating false earnings statements that inaccurately depicted significant gains in the investors’ accounts, and converting some of the investors’ funds for personal use.

4. Pursuant to N.H. RSA 421-B:6, I, it is unlawful for any person to transact business in this state as a broker-dealer, investment adviser, or agent unless such person is licensed under this chapter. Olson is in violation of this provision for failing to obtain proper licensing.
5. Pursuant to N.H. RSA 421-B:10, I(a) and (b)(2), the secretary of state may bar any person from licensure if he finds that it is in the public interest and the person has willfully violated or failed to comply with any provision of this title or a predecessor law. Furthermore, pursuant to N.H. RSA 421-B:10, I(a) and (b)(7), the secretary of state may bar any person from licensure if he finds that it is in the public interest and the person has engaged in dishonest or unethical practices in the conduct of business in the State of New Hampshire or elsewhere. Olson is subject to this provision and should be barred from future licensure for the conduct described above.

6. Pursuant to N.H. RSA 421-B:10, VI, the secretary of state, may upon hearing, assess an administrative fine of not more than $2,500 per violation. Olson is subject to this provision.

7. Pursuant to N.H. RSA 421-B:23, I, whenever it appears to the secretary of state that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule under this chapter, he shall have the power to issue and cause to be served upon such person an order requiring the person to cease and desist from violations of this chapter. Olson is subject to this provision.

8. Pursuant to N.H. RSA 421-B:26, III, any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed $2,500, or both. Each of the acts specified shall constitute a separate violation. Olson is subject to this provision.

9. Pursuant to N.H RSA 421-B:26, V, after notice and hearing, the Secretary of State may enter an order of rescission, restitution, or disgorgement against a person who has violated N.H. RSA 421-B. Olson is subject to this provision.

**UNDEARTAKING**

II. In view of the foregoing, Olson agrees to the following:
1. Olson agrees that he voluntarily consented to the entry of this Consent Order and represents and avers that no employee or representative of the Bureau has made any promise, representation, or threat to induce their execution.

2. Olson agrees to waive his right to an administrative hearing and any appeal therein under this chapter, except as provided in paragraph 7 below.

3. Olson agrees that this Consent Order is entered into for the purpose of resolving only the matter as described herein. This Consent Order shall have no collateral estoppel, res judicata or evidentiary effect in any other lawsuit, proceeding, or action, not described herein. Likewise, this Consent Order shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct by Olson which the Bureau has no knowledge of at the time of the date of the final entry of this Consent Order.

4. Olson may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation that he admitted to in this Consent Order or create the impression that the Consent Order is without factual basis.

5. Olson agrees to permanently cease and desist from further violations under this chapter, pursuant to N.H. RSA 421-B:23.

6. Olson agrees to a lifetime bar from any securities licensure in any capacity in the State of New Hampshire as presently codified in N.H. RSA 421-B.

7. Olson agrees to pay a fine to the Bureau in the amount of two hundred thousand dollars ($200,000), but the restitution ordered and federal taxes owed as part of the criminal matter, United States District Court, District of New Hampshire, case no. 1:14-cr-48-01-LM shall be satisfied fully before any fine is payable under this Consent Order. After the restitution ordered and federal taxes are paid, the Bureau's fine shall be due in full. Olson may request a limited hearing for the purposes of determining a payment plan.
should he be unable to pay the fine in full. Until such time that this fine is paid in full, Olson agrees to report to the Bureau upon his release from prison, on an annual basis on the anniversary date of this Consent Order, the status of any restitution or federal taxes paid. Olson further agrees to submit to the Bureau, on an annual basis, a copy of his personal federal tax return, and tax returns for any business that Olson has an ownership interest in, within ten days of filing with the Internal Revenue Service.

8. If Olson does not meet the conditions set forth in this Consent Order, this Order shall be voidable by the Bureau and the Bureau may proceed with a civil enforcement action.

III. Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter this order. **THEREFORE, IT IS HEREBY ORDERED THAT:**

1. Olson is hereby ordered to permanently cease and desist from further violations of N.H. RSA 421-B.

2. Olson is hereby permanently barred from any securities licensure in any capacity as presently codified in N.H. RSA 421-B,

3. Olson is hereby ordered to pay a fine of two hundred thousand dollars ($200,000) in accordance with the terms described in paragraph 7 above.

SO CONSENTED.

Executed this 15th day of May, 2014

[Signature]

Aaron Olson

Executed this ______ day of May, 2014