

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3855 / June 11, 2014**

**INVESTMENT COMPANY ACT OF 1940**  
**Release No. 31078 / June 11, 2014**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15927**

**In the Matter of THOMAS E. MEADE Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 203(f) AND 203(k) OF THE INVESTMENT ADVISERS ACT OF 1940, AND SECTION 9(b) OF THE INVESTMENT COMPANY ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”), and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”) against Thomas E. Meade (“Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

**III.**

On the basis of this Order and Respondent’s Offer, the Commission finds<sup>1</sup> that:

**Summary**

1. Private Capital Management, Inc. (“PCM, Inc.”),<sup>2</sup> formerly a registered investment adviser based in Denver, Colorado, failed to prevent, detect or respond to insider trading by a former PCM, Inc. Vice President, Drew Peterson (“Peterson”) in 2010. Meade was the President and Chief Compliance Officer (“CCO”) for PCM, Inc. during the period of January 1, 2009 through July 31, 2012 (the “Relevant Period”). Meade was aware of the unique risks for misuse of material non-public information by Peterson due to Meade’s personal relationship with Peterson’s father, who served on the board of at least one public company. Yet, Meade failed to design PCM, Inc.’s written compliance policies and procedures (“Policies and Procedures”) in light of these insider trading risks associated with PCM, Inc.’s particular operations. Additionally, Meade failed to adequately collect and review records of personal trading by PCM, Inc. employees during the Relevant Period. Furthermore, Meade failed to maintain restricted or watch lists of stocks as required under PCM, Inc.’s Policies and Procedures. Even after learning of Peterson’s insider trading, Meade failed to conduct any investigation of the trading as required by PCM, Inc.’s Policies and Procedures or document violations of PCM, Inc.’s Code of Ethics. Lastly, as CCO,

Meade was responsible for administering PCM, Inc.'s Policies and Procedures, yet he overly relied on employees to self-report violations and failed to annually assess the adequacy or effectiveness of PCM, Inc.'s Policies and Procedures that were in place.

## **Respondent**

2. Meade, 73, of Denver, Colorado, was the President and CCO of PCM, Inc., an investment adviser registered with the Commission from at least March 23, 2001 until January 22, 2013. Meade is currently President of Private Capital Management, LLC, a wholly owned subsidiary of Guaranty Bank.

## **Other Relevant Entity and Individual**

3. PCM, Inc. was a Colorado corporation formerly headquartered in Denver, Colorado. PCM, Inc. was an investment adviser registered with the Commission from at least March 23, 2001 until January 22, 2013. PCM, Inc., with a staff of four to five people, provided investment advisory services focused on no-load mutual funds to more than 300 accounts and managed more than \$150 million in assets. PCM, Inc. ceased advisory operations on July 31, 2012 and filed its Form ADVW with the Commission on January 22, 2013.

4. Peterson is a Denver resident and former Vice President at PCM, Inc. While working for PCM, Inc., Peterson made securities recommendations to PCM, Inc. clients and provided investment advice on behalf of PCM, Inc.

## **Background**

5. In April 2010, Peterson engaged in insider trading in Mariner Energy Inc. ("Mariner"), a publicly traded company. Peterson received a tip from his father, who served on the Board of Directors of Mariner as the Chairman of the Audit Committee at that time, about the pending acquisition of Mariner by another company. On the basis of this information, Peterson traded in his own accounts and also invested in Mariner on behalf of a number of PCM, Inc. clients. Peterson resigned from PCM, Inc. in August 2010.

6. In August 2011, the Commission filed a civil complaint that alleged Peterson and his father engaged in insider trading in Mariner. (SEC v. H. Clayton and Drew Clayton Peterson, No. 11-CIV-5448 (S.D.N.Y. 2011)). In the following months, the Commission amended the complaint to include a hedge fund manager who was a close friend of Peterson's, which was then followed by a criminal complaint against all three defendants. (US v. H. Clayton Peterson, 11- cr-665 (S.D.N.Y. 2011)). All three defendants pled guilty and were convicted.

7. In August 2010, the Commission's Office of Compliance Inspections and Examinations ("OCIE") conducted a cause examination of PCM, Inc. out of concerns that Peterson's trading and dissemination of material, non-public information had gone undetected ("2010 Examination"). The findings of that exam resulted in a referral to the Division of Enforcement that in turn led to these proceedings.

## **PCM, Inc., through Meade, Failed to Collect, Review and Maintain Reports of Personal Securities Transactions**

8. Section 204A of the Advisers Act mandates that every registered investment adviser subject to Section 204 of the Advisers Act "shall establish, maintain, and enforce written policies and procedures reasonably designed...to prevent the misuse in violation of this Act or the Securities Exchange Act of 1934, or the rules and regulations thereunder, of material, nonpublic information by such investment adviser or any person associated with such investment adviser." Rule 204A-1, promulgated under Section 204A, requires registered investment advisers to "establish, maintain and enforce a written code of ethics that, at a minimum" requires access persons<sup>3</sup> who have beneficial ownership of securities to submit annual holdings reports and quarterly securities transaction reports. Rule 204-2(a)(13) under the Advisers Act requires registered investment advisers to maintain these reports.

9. PCM, Inc.'s Policies and Procedures tracked much of the language in the Advisers Act as well as the language of Rule 204A-1 thereunder, and provided templates for use by employees to complete their

annual holdings and quarterly securities transaction reports. PCM, Inc.'s Policies and Procedures required that Meade, as PCM, Inc.'s CCO, collect and review these reports. Sometime prior to January 1, 2009, PCM, Inc. stopped requiring employees to submit their own reports using the templates and instead relied upon Meade's review of an online application called "Portfolio Center" to fulfill the reporting requirements. This change was never reflected in PCM, Inc.'s Policies and Procedures.

10. Portfolio Center contained much of the information used to populate brokerage statements, including date of transaction, ticker symbol, number of shares, nature of the transaction, the price of the security at which the transaction was effected and the principal amount of the transaction. The information provided by Portfolio Center may have been sufficient to meet an exception for the quarterly securities transaction reporting requirement set forth in Rule 204A- 1(b)(3) under the Advisers Act, however no such exception exists for the annual holdings reporting requirement.<sup>4</sup>

11. Meade failed to collect any of the required reports for an investment club account run by Peterson, known as Blind Seven, LLC.<sup>5</sup> Rule 204A-1(e)(3) under the Advisers Act defines "beneficial ownership" the same as 17 C.F.R. 240.16a-1(a)(2), which, among other things, includes situations where a person had a direct pecuniary interest in equity securities, with an opportunity to profit or share in any profit derived from a transaction in the account. Peterson shared in the profits derived from transactions in the account, and thus was a beneficial owner under Rule 204A- 1(e)(3) under the Advisers Act. Meade knew that Peterson was a beneficial owner of securities in this account and that it was not accessible through Portfolio Center, yet he did not require Peterson to submit any of the required reports or records. Meade's failure to collect the required reports for transactions and holdings in Peterson's Blind Seven account made it impossible for him to perform the required review of Peterson's transactions.

12. Furthermore, Meade consistently failed to adequately review transactions by other PCM, Inc. employees, even though he could access the accounts through Portfolio Center. Prior to May 2011, PCM, Inc.'s Policies and Procedures did not include a provision requiring the review of employee's personal securities transactions or holdings. For this period, Meade failed to adequately review the transactions on Portfolio Center, and instead relied a practice of reviewing transactions arbitrarily, doing cursory scans of the accounts on an irregular basis.

13. Following the 2010 Examination, OCIE cited PCM, Inc.'s lack of written procedures requiring a review of employee transactions and the lack of a formal process for such review as a weakness in PCM's compliance program in a deficiency letter dated April 21, 2011 ("Deficiency Letter"). PCM, Inc.'s response to the Deficiency Letter provided amended Policies and Procedures that included a provision requiring Meade to "review as needed and at least quarterly all [Holding] Reports and Quarterly Securities Transactions Reports or monthly statements and trade confirmations." PCM, Inc.'s response went on to claim that, notwithstanding the previous absence of procedures, the firm had in fact conducted the required review.

14. Contrary to PCM, Inc.'s response to the Deficiency Letter, Meade failed to comply with the amended Policies and Procedures. Rather, Meade continued his arbitrary practice of conducting cursory reviews of employee transactions on Portfolio Center on an irregular basis.

#### **Meade Failed to Maintain Restricted and Watch Lists of Securities as Required by PCM, Inc.'s Insider Trading Policy**

15. PCM, Inc.'s Insider Trading Policy, established in accordance with Sections 204A of the Advisers Act and Rule 204A-1 thereunder, mandated that Meade, as PCM, Inc.'s President, maintain Restricted and Watch Lists of "securities regarding which PCM, Inc. or its associated persons may have material, non-public information." The Insider Trading Policy banned trading in any security on the Restricted List and required Meade to watch for "suspicious trading activity" in any security on the Watch List.

16. Peterson's father, who was also a close friend of Meade's, served as the Chairman of Mariner's Audit Committee from 2006 until 2010. Both Peterson and Meade were in regular contact with Peterson's father and sometimes discussed his work with Mariner. Despite the low threshold for placing a security on PCM, Inc.'s Watch List, described as a situation where "PCM, Inc. may come into possession of inside information," (emphasis added) Meade never placed Mariner on either the Watch or Restricted List. In fact, Meade never placed any security on the Watch or Restricted Lists.

17. PCM, Inc.'s Policies and Procedures, as established, maintained and enforced, failed to adequately address the risks associated with personal trading activities of supervised persons. For example, until 2011 there was no requirement for PCM, Inc. to review securities transactions or holdings of its employees.

### **Meade Failed to Investigate Suspicious Trading as Required by PCM, Inc.'s Insider Trading Policy**

18. PCM, Inc.'s Insider Trading Policy also required Meade, as PCM, Inc.'s President, to identify, monitor and investigate any suspicious trading activity by PCM, Inc. or its employees. Additionally, PCM, Inc.'s Policies and Procedures required that Meade ensure PCM, Inc. made and kept all records of any violation of company's Code of Ethics.

19. In April 2010, Peterson traded in Mariner days before a merger announcement that drove the stock price up. Peterson traded in both the Blind Seven account and his personal brokerage account. Peterson also traded in Mariner for a number of PCM, Inc. clients at the same time. Meade may not have been aware of Peterson's trades in the Blind Seven account due to his failure to collect the required reports as described earlier, but he had access to Peterson's personal account through Portfolio Center as well as access to the PCM, Inc. client investments. PCM, Inc.'s Insider Trading Policy required Meade to investigate any suspicious trading and document any investigation into potential insider trading. Yet Meade failed to investigate the Mariner trades in Peterson's Portfolio Center account and in a number of PCM, Inc.'s client accounts placed at the same time, days before the merger announcement. These trades should have raised a red flag given not only the timing but also PCM, Inc.'s focus on investing client assets in no-load mutual funds. During the Commission's investigation, Meade acknowledged that the timing of these trades was suspicious, yet he failed to conduct any investigation of the trading.

20. After failing to conduct an investigation of suspicious trading following the merger announcement, Meade also failed to conduct or document any investigation following: (1) the August 2011 complaint filed by the Commission alleging insider trading by Peterson and his father; (2) the October 2011 amended complaint adding a close friend of Peterson's as a codefendant; and (3) the July 2012 announcement that all of the defendants had settled. Although Meade did consult with counsel during the 2010 Examination, Meade did not take steps, directly or with the assistance of counsel, to comply with the requirement in PCM, Inc.'s Insider Trading Policy to investigate Peterson's trades or document the investigation. Even if Meade believed that Peterson's departure from PCM, Inc. or the ongoing federal investigations absolved his duty to investigate Peterson's trades, it no way addressed the possibility that Peterson had tipped other PCM, Inc. employees or clients.

### **Meade Failed to Annually Assess the Adequacy or Effectiveness of PCM, Inc.'s Policies and Procedures and Failed to Address PCM, Inc.'s Unique Insider Trading Risk**

21. Rule 206(4)-7 under the Advisers Act, often called the "Compliance Rule," requires Commission-registered advisers to: (1) "[a]dopt and implement written policies and procedures reasonably designed to prevent violation" of the Advisers Act and the Rules thereunder by the adviser and its supervised persons; (2) review at least annually the "adequacy of the policies and procedures" and the "effectiveness of their implementation;" and (3) designate a CCO, who is a supervised person, who is "responsible for administering the policies and procedures."

22. Meade did not assess the adequacy or effectiveness of PCM, Inc.'s Policies and Procedures as required annually by Rule 206(4)-7. Meade confirmed that PCM, Inc.'s Policies have been updated only two times since PCM, Inc.'s counsel initially drafted the policies: (1) in response to OCIE's 2002 Examination recommending PCM, Inc. adopt an Insider Trading Policy; and (2) in response to OCIE's 2010 Examination as highlighted above. Furthermore, PCM, Inc.'s Policies and Procedures included outdated references to rules and regulatory frameworks that had been altered or eliminated several years earlier. While Meade did complete annual certifications attesting to a review of the policies, he did not take any steps to assess how such policies actually operated in the context of PCM, Inc.'s business.

23. PCM, Inc.'s Policies and Procedures failed to adequately address the risks associated with personal trading activities of supervised persons, particularly the unique risks for insider trading that it faced

given the close relationship of Meade and Peterson with Peterson's father, who served on the board of at least one public company. Meade was aware of the unique conflicts and risks to PCM, Inc. posed by these relationships yet took no action to address them through PCM, Inc.'s Policies and Procedures.

24. According to PCM, Inc.'s Policies and Procedures, Meade was PCM, Inc.'s President, CCO, majority owner and the designated supervisor of all PCM, Inc. staff during the Relevant Period. As a result, Meade was responsible for administering PCM, Inc.'s Policies and Procedures. However, Meade did not train his employees regarding PCM, Inc.'s Policies and Procedures and instead relied on his employees to review the Policies and Procedures on their own and self-report violations.

## **Violations**

25. As a result of the conduct described above, PCM, Inc. willfully violated, and Meade willfully aided and abetted and caused PCM, Inc.'s violations of, Section 204A of the Advisers Act and Rule 204A-1 thereunder, which requires that a registered investment adviser establish, maintain and enforce a written code of ethics that includes: (1) a standard of business conduct reflecting the adviser's and its supervised persons' fiduciary obligations; (2) the requirement that all staff comply with the federal securities laws; and (3) requirements that access persons submit for review a securities transaction report on a quarterly basis and a securities holdings report upon hiring and then at least annually thereafter and that the investment adviser review these reports periodically.

26. As a result of the conduct described above, PCM, Inc. willfully violated and Meade willfully aided and abetted and caused PCM's violations of 204(a) of the Advisers Act and Rules 204-2(a)(12-13) thereunder, which require that investment advisers registered with the Commission maintain and preserve certain books and records. Rule 204-2(a)(12)(ii) requires that registered investment advisers "make and keep true, accurate and current...a record of any violation of the code of ethics, and of any action taken as a result of the violation." Rule 204-2(a)(13) requires that registered investment advisers "make and keep true, accurate and current...a record of each report made by an access person as required by Section 275.204A-1(b)....".

27. As a result of the conduct described above, PCM, Inc. willfully violated, and Meade willfully aided and abetted and caused PCM's violations of, Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, which requires that a registered investment adviser: (1) adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act and its rules; (2) review at least annually its written policies and procedures and the effectiveness of their implementation; and (3) designate a Chief Compliance Officer responsible for administering the policies and procedures.

28. As a result of the conduct described above, Meade failed to reasonably supervise Peterson within the meaning of Section 203(e)(6) of the Advisers Act, with a view to preventing violations of the Advisers Act and rules thereunder. A safe harbor exists if there are "established procedures, and a system for applying such procedures" that would be expected to "prevent and detect the violation" and such person has reasonably discharged the duties and obligations upon him without "reasonable cause" to believe such procedures were not being complied with. Given the pervasiveness of PCM, Inc.'s failure to comply with Advisers Act Rules and its own Policies, Meade could not have had "reasonable cause" to believe that PCM, Inc. was in a position to prevent and detect Peterson's violations."

## **Undertakings**

29. Respondent undertakes to:

a. Within thirty (30) days of the entry of the Order, provide a copy of this Order to each of PCM, Inc.'s former and Private Capital Management, LLC's current advisory clients who were clients at any time between January 1, 2010 and May 31, 2014 – via mail, electronic mail, or such other method as may be acceptable to the Commission's staff, together with a cover letter in a form not unacceptable to the Commission's staff; and

b. Certify, in writing, compliance with the undertaking set forth above. The certification shall identify the undertaking, provide written evidence of compliance in the form of a narrative, and be supported by

exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Respondent agrees to provide such evidence. The certification and supporting material shall be submitted to Jay Scoggins, Assistant Director, Denver Regional Office, Division of Enforcement, Securities and Exchange Commission, 1801 California Street, Suite 1500, Denver, CO 80202, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertakings.

#### **IV.**

In view of the foregoing, the Commission deems it appropriate, in the public interest and for the protection of investors to impose the sanctions agreed to in Respondent Meade's Offer.

Accordingly, pursuant to Sections 203(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent Meade shall cease and desist from committing or causing any violations and any future violations of Sections 204, 204A, and 206(4) of the Advisers Act and Rules 204-2, 204A-1 and 206(4)-7 promulgated thereunder.

B. Respondent Meade be, and hereby is:

Pursuant to Section 203(f) of the Advisers Act, barred from associating in a compliance capacity and supervisory capacity with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and Pursuant to Section 9(b) the Investment Company Act, prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter.

Any reapplication for association in these capacities by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

C. Respondent Meade is censured.

D. Respondent Meade shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of \$100,000.00 to the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. 3717. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. 3717. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and handdelivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Thomas E. Meade as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Julie K. Lutz, Regional Director, Denver Regional Office, Division of Enforcement, Securities and Exchange Commission, 1801 California Street, Suite 1500, Denver, CO 80202.

E. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of disgorgement and pre-judgment interest. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondent was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondent may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of disgorgement and interest should not be ordered; (3) contest the amount of disgorgement and interest to be ordered; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

F. Respondent shall comply with the undertakings enumerated in Section III, Paragraph 28 above.

By the Commission.

Jill M. Peterson  
Assistant Secretary

#### **Footnotes**

1 The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

2 Guaranty Bank and Trust Company ("Guaranty Bank") acquired substantially all of PCM, Inc.'s assets pursuant to a July 2012 Asset Purchase Agreement. PCM, Inc. is no longer an investment adviser and exists under the new name Meade Investments, Inc. solely to receive earn-out payments from a July 2012 Asset Purchase Agreement. Private Capital Management, LLC, a subsidiary of Guaranty Bank, currently manages the assets of PCM, Inc.'s former clients. The events described herein apply solely to PCM, Inc. and not to Private Capital Management, LLC.

3 The term "access person" is defined in Rule 204A-1(e)(1) under the Advisers Act as any "supervised person" (broadly defined under Section 202(a)(25) of the Advisers Act as any employee who provides investment advice on behalf of the investment adviser) who: (1) has access to nonpublic information regarding clients' purchase or sale of securities; (2) is involved in making securities recommendations to clients; or (3) has access to nonpublic securities recommendations. Directors, officers and partners (and any other person occupying a similar status or performing similar functions) are presumed to be access persons if the company's primary business is providing investment advice. PCM, Inc.'s policies and procedures expanded the reporting requirements to include "all individuals associated with PCM, Inc."

4 According to Rule 204A-1(b)(2)(i)(A)-(E) under the Advisers Act, quarterly securities transaction reports must contain five different pieces of information about each transaction involving a reportable security in which an access person acquires a direct or indirect beneficial ownership interest: (1) the date of the transaction, the title, and as applicable the exchange ticker symbol or CUSIP number, interest rate and maturity date, number of shares, and principal amount of each reportable security; (2) the nature of the transaction (purchase, sale, etc.); (3) the price of the security at which the transaction was effected; (4) the name of the broker, dealer or bank with or through which the transaction was effected; and (5) the date the access person submitted the report. As set forth above, the information in Portfolio Center covered this information. According to Rule 204A-1(b)(3) under the Advisers Act, a code of ethics need not require an access person to provide a quarterly securities transaction report if "the report would duplicate information contained in...account statements that you hold in your records..."

5 Blind Seven, LLC ("Blind Seven") is an investment club founded in 1999 by Peterson and some of his friends for the purpose of making joint investments. At all relevant times, Peterson was a beneficial

owner of securities in the Blind Seven account and exercised control over the entity's investment decisions. Peterson also maintained a separate personal brokerage account that Meade was able to access through Portfolio Center.

6 A willful violation of the securities laws means merely "that the person charged with the duty knows what he is doing." *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)).