

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3966 / November 12, 2014**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-16272**

**In the Matter of**

**AARON E. OLSON,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT OF 1940,**  
**MAKING FINDINGS, AND IMPOSING**  
**REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Aaron E. Olson (“Olson” or “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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Sections III.2 and III.4 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Respondent, age 40, is a resident of Rindge, New Hampshire. From at least January 2007 through March 2012, Respondent acted as an unregistered investment adviser through two purported investment businesses that he operated, AEO Associates ("AEO"), and KMO Associates, LLC ("KMO").

2. On May 15, 2014, the New Hampshire Bureau of Securities Regulation and Respondent executed a Consent Order (INV-2012000003) in which Respondent agreed that he acted as an unlicensed investment adviser representative from at least January 2007 through March 2012. He consented to a bar from any securities licensure in the State of New Hampshire, and to cease and desist from further violations of the New Hampshire securities law.

3. Respondent agreed in the Consent Order that he had obtained approximately \$27.8 million from investors to invest on their behalf, comingled investors' funds with his own funds, traded speculative securities, failed to maintain any separate accounting of the gains realized and losses incurred, sent some investors false earnings statements, and converted approximately \$2.6 million of the funds placed with him to personal use.

4. On May 15, 2014, Respondent executed a Plea Agreement and entered a plea of guilty to four counts of attempt to defeat taxes due and owing pursuant to 26 U.S.C. §7201 in the United States District Court, District of New Hampshire, in a criminal case entitled *United States of America v. Aaron E. Olson*, No. 1:14-CR-48-01-LM.

5. In the Plea Agreement, Respondent stipulated and agreed, *inter alia*, that he:

- a. used AEO and KMO to obtain approximately \$27.8 million from individuals and organizations ostensibly to invest on their behalf in various commodity, stock and bond markets;
- b. comingled investor funds with his own funds;
- c. converted approximately \$2.6 million of the investors' funds to his own use;
- d. used some investor funds to make payments of what he falsely purported to be earnings to other investors;
- e. sent investors false earnings statements that showed significant earnings on their investments to entice them to place more funds with him to invest; and
- f. attempted to evade or defeat taxes due and owing the United States of America on income he obtained through AEO and KMO.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent be, and hereby is:

barred from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association 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.

By the Commission.

Brent J. Fields  
Secretary