

1 4. In early 2018 Sean Ryan identifying himself as a “Senior Advisor” at Vanguard
2 Equities Group posted the following information on the online private neighborhood social
3 networking service, Nextdoor:

4 Sean Ryan, Los Verdes
5 Secured, Federally Government Approved 12% Return. Perfect for IRA’s, 401k’s and SEP’s
6 I am the Senior Advisor at Vanguard Equities Group. Have been Palos Verdes Resident for
7 over 56 years. We can offer a fully secure, 12% return with a publicly traded company.
8 Perfect for retirement accounts. Cash also accepted.
9 I look forward to your contact.

10 5. In March 2018, Sean Ryan responded to an inquiry made through the Vanguard
11 Equities Group website by a California resident. Through email exchanges and a phone call, Sean
12 Ryan offered the California resident an opportunity to invest a minimum of \$25,000.00 in a one-year
13 promissory note convertible to stock issued by a solar company, with the promise of 12% return on
14 investment. Over email exchanges, Sean Ryan stated that the investment was “secured,” that it was
15 “Federally Government approved for retirement accounts,” and that the investment was “backed by
16 the assets of a publicly traded company in good standing with the BBB.” He also stated that “these
17 folks have a stellar reputation going back 30 years.” According to Sean Ryan, the solar company was
18 “just on Fox Business News last week and once again, I don’t believe Fox would have them on
19 knowing they may fleece folks.”

20 6. Sean Ryan explained to the California resident that Vanguard Equities Group is
21 compensated by the solar company for the investment. The California resident was assured that he
22 would not have to pay Vanguard Equities Group anything, but that hopefully the California resident
23 will make additional investments through Sean Ryan after seeing how well the investment in the solar
24 company goes. The California resident was given the promissory note to read and sign. Sean Ryan
25 did not ask the California resident any questions about the resident’s net worth or salary.

26 Based upon the foregoing, the Commissioner is of the opinion that the promissory note
27 convertible to stock issued by a solar company and offered by Sean O’Neal, also known as Sean
28 Ryan, and Vanguard Equities Group are securities subject to qualification under the Corporate

1 Securities Law of 1968 (Corp. Code, § 25000 et seq.) that have been offered or sold without first
2 being qualified in violation of Corporations Code section 25110.

3 Pursuant to Corporations Code section 25532, Sean O’Neal, also known as Sean Ryan, and
4 Vanguard Equities Group are hereby ordered to desist and refrain from the further offer or sale of
5 securities, in the State of California, including but not limited to promissory notes, unless and until
6 qualification has been made under said law or unless the security is exempt.

7 At all relevant times, Sean O’Neal, also known as Sean Ryan, and Vanguard Equities Group,
8 engaged in the business of effecting transactions in securities, were broker-dealers within the
9 meaning of Corporations Code section 25004. The Commissioner has no record of having received a
10 broker-dealer certificate application from Sean O’Neal, also known as Sean Ryan, and Vanguard
11 Equities Group nor did they secure from the Commissioner, nor from any other similar licensing
12 entity, a certificate authorizing them to sell or induce the sale of securities.

13 The Commissioner is of the opinion Sean O’Neal, also known as Sean Ryan, and Vanguard
14 Equities Group effected, induced, or attempted to induce the purchase or sale of securities in the form
15 of promissory notes in the State of California without first applying for and securing from the
16 Commissioner a certificate authorizing them to act in that capacity, in violation of Corporations Code
17 section 25210, subdivision (a).

18 Pursuant to Corporations Code section 25532, Sean O’Neal, also known as Sean Ryan, and
19 Vanguard Equities Group are hereby ordered to desist and refrain from effecting, inducing or
20 attempting to induce the purchase or sale of securities in this state without first applying for and
21 securing from the Commissioner a certificate authorizing them to act in that capacity.

22 Beginning in early 2018, in connection with the offer and sale of securities, Sean O’Neal, also
23 known as Sean Ryan, and Vanguard Equities Group made, or caused to be made, misrepresentations
24 of material fact or omitted to state material facts necessary in order to make the statements made, in
25 light of the circumstances under which they were made, not misleading, in at least the following
26 ways: (1) by stating that the promissory note investment was “Federally government” approved for
27 retirement funds when there is no such designation; and (2) by stating that the investment was
28 “secured.”

1 Based on the foregoing, the Commissioner is of the opinion that securities in the form of
2 promissory notes were offered in the State of California by Sean O’Neal, also known as Sean Ryan,
3 and Vanguard Equities Group by means of a written or oral communication which included untrue
4 statements of material fact or omitted to state a material fact necessary to make the statements made,
5 in light of the circumstances under which they were made, not misleading, in violation of
6 Corporations Code section 25401.

7 Pursuant to Corporations Code section 25532, Sean O’Neal, also known as Sean Ryan, and
8 Vanguard Equities Group are hereby ordered to desist and refrain from offering or selling any
9 security in the State of California, including but not limited to promissory notes, by means of any
10 written or oral communication which includes an untrue statement of material fact or omits to state a
11 material fact necessary in order to make the statement made, in light of circumstances under which
12 they were made, not misleading.

13 This Order is necessary, in the public interest, for the protection of investors and consistent
14 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

15
16 Dated: July 3, 2018
17 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

18 By _____
19 MARY ANN SMITH
20 Deputy Commissioner
21 Enforcement Division
22
23
24
25
26
27
28