

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:)	
)	CONSENT ORDER
Solium Financial Services LLC,)	
)	Matter No. 20195107
Respondent.)	
<hr style="width: 40%; margin-left: 0;"/>)	

WHEREAS, Solium Financial Services LLC (hereinafter “SFS” or the “Respondent”) is a broker-dealer with a principal place of business at 50 Tice Boulevard, Suite A-18 Woodcliff Lake, New Jersey 07677, and is registered as a broker-dealer with the Securities Division of the South Carolina Attorney General’s Office (the “Division”); and

WHEREAS, on May 1, 2019, Morgan Stanley acquired Solium Capital Inc., which included its subsidiaries Solium Holdings USA LLC and SFS (hereinafter collectively with SFS and its affiliates, “Solium”); and

WHEREAS, after the acquisition, SFS self-reported to state securities regulators that it had transmitted certain securities orders in certain jurisdictions at a time when SFS was not registered as a broker-dealer in such jurisdictions; and

WHEREAS, certain members of the North American Securities Administrators Association, with Alabama serving as the lead state (collectively, the “State Regulators”), conducted a coordinated investigation of SFS to determine whether SFS’s activity was in violation of the relevant jurisdictions’ broker-dealer registration requirements; and

WHEREAS, SFS has cooperated during the course of the investigation and has agreed to resolve the investigation with the State Regulators; and

WHEREAS, SFS admits that the Division has jurisdiction over SFS and the subject matter of this proceeding, and hereby elects to waive, permanently, any right to a review, hearing, and appeal under S. C. Code Ann. §35-1-609 with respect to this Consent Order; and

WHEREAS, SFS, without admitting or denying the Findings of Fact and Conclusions of Law contained herein, voluntarily consents to the entry of this Consent Order (the “Order”) pursuant to the South Carolina Uniform Securities Act, S.C. Code Ann. § 35-1-101, *et seq.* (the “Act”); and

WHEREAS, I, as Securities Commissioner for the State of South Carolina, find the remedy that the parties have proposed and agreed to, as set forth in this Order, both appropriate and in the public interest, for the protection of investors and the capital markets of the State of South Carolina;

FINDINGS OF FACT

1. SFS, CRD No. 147933, is a subsidiary of Solium Holdings USA LLC. SFS was approved as a broker-dealer by the Division on May 29, 2019.
2. Solium provides equity plan administration software to employers. Employee-participants of employer-sponsored equity plans that utilize Solium’s software can view and track the options and shares issued to them by their employers.
3. If an employee-participant residing in South Carolina requests an exercise or liquidation through Solium’s software, SFS transmits an order in the relevant account at a clearing broker-dealer registered in South Carolina and then routes the proceeds to the employee-participant’s account. SFS receives a share of the commissions earned on these transactions.
4. SFS does not provide advice to employee-participants or solicit transactions in any manner.

5. From at least January 2009 to May 29, 2019, SFS transmitted orders for employee-participants residing in South Carolina when SFS was not registered as a broker-dealer with the Division.

6. SFS has provided substantial and timely cooperation to the State Regulators during the course of the referenced investigation.

CONCLUSIONS OF LAW

7. During the period from at least January 2009 to May 29, 2019, SFS acted as a broker-dealer in South Carolina as the term broker-dealer is defined by S. C. Code Ann. §35-1-102(4).

8. It is unlawful for a person to transact business in South Carolina as a broker-dealer unless such person is registered pursuant to S. C. Code Ann. §35-1-401.

9. By engaging in the conduct set forth above, SFS acted as an unregistered broker-dealer in South Carolina in violation of S. C. Code Ann. §35-1-401(a).

10. As a result of the stated violation, SFS is subject to the assessment of a fine pursuant to S. C. Code Ann. §35-1-604.

11. This Order is appropriate and in the public interest, pursuant to S.C. Code Ann. § 35-1-412.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that

- A. This Order concludes the investigation by the Division and any other action that the Commissioner could commence under applicable South Carolina law as it relates to the substance of the Findings of Fact and Conclusions of Law herein, provided however, that the Commissioner may pursue claims arising

from SFS' failure to comply with the terms of this Order.

- B. This Order is entered into solely for the purpose of resolving the investigation and is not intended to be used for any other purpose.
- C. SFS shall **CEASE AND DESIST** from violating S. C. Code Ann. §35-1-401(a).
- D.
 - (i) SFS shall pay a fine in the amount of **\$21,457.08** to the South Carolina Securities Division within ten (10) business days of the entry of this Order.
 - (ii) SFS shall pay back registration fees in the amount of **\$6,550.00** for the period 2014 through 2018.
 - (iii) Payment shall be remitted within ten (10) business days of the entry and execution of this Consent Order and mailed to the attention of:

South Carolina Attorney General's Office
Attn: Jonathan Williams
1000 Assembly Street, 5th Floor
Columbia, SC 29201

- E. This Order is not intended to form the basis for any disqualification from registration as a broker-dealer, investment adviser, or issuer under the laws, rules, and regulations of South Carolina and waives any disqualification from relying upon the securities registration exemptions or safe harbor provisions to which SFS or any of its affiliates may be subject under the laws, rules, and regulations of South Carolina.
- F. Nothing in this Order is intended to form the basis for any disqualification under the laws of South Carolina, any other state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands; under the rules or regulations of any securities or commodities regulator or self-regulatory organizations (SROs);

or under the federal securities laws, including but not limited to, Section 3(a)(39) of the Securities Exchange Act of 1934, Regulation A, Rules 504 and 506 of Regulation D under the Securities Act of 1933, and Rule 503 of Regulation CF. Further, nothing in this Order is intended to form the basis for disqualification under the FINRA rules prohibiting continuance in membership or disqualification under other SRO rules prohibiting continuance in membership. This Order is not intended to be a final order based upon any violation of any South Carolina statute, rule, or regulation that prohibits fraudulent, manipulative, or deceptive conduct.


- G. Except in an action by the Commissioner to enforce the obligations in this Order, this Order is not intended to be deemed or used as (a) an admission of, or evidence of, the validity of any alleged wrongdoing or liability; or (b) an admission of, or evidence of, any such alleged fault or omission of SFS in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or other tribunal.
- H. This Order is not intended to state or imply willful, reckless, or fraudulent conduct by SFS, or its affiliates, directors, officers, employees, associated persons, or agents.
- I. SFS, through execution of this Order, voluntarily waives the right to a hearing and to judicial review of this Order under S. C. Code Ann. §35-1-609 of the Act.
- J. SFS enters into this Order voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commissioner

or any member, officer, employee, agent, or representative of the Division to induce it to enter into this Order.

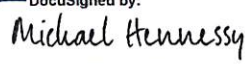
Upon execution by the Securities Commissioner, this Order resolves Matter No. 20195107. The Division has the right to initiate a new investigation should additional information or facts come to light that would warrant further activity by the Division.

The parties to this Order further agree the Order does not and should not be interpreted to waive any (i) criminal cause of action, (ii) private cause of action that may have accrued to any investor(s), (iii) action of any kind in any type of bankruptcy proceeding(s), or (iv) other causes of action which may result from any activity of the Respondent not detailed above or which may hereafter arise.

IT IS SO ORDERED this 14 day of September 2020.



The Honorable Alan Wilson
Securities Commissioner
State of South Carolina

I consent to the terms of the above Consent Order.

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Michael Hennessy, Managing Director
Solium Financial Services LLC

Date: Sep 8, 2020


Approved as to Form:

By: 

Ronak V. Patel, Counsel for SFS
Winstead PC

Date: 9/8/2020

The Securities Division consents to the terms of the above Consent Order.
South Carolina Securities Division:

By: 

Jonathan B. Williams
Assistant Deputy Attorney General

Date: 9/10/20