



Karima M. Woods, Commissioner

IN THE MATTER OF:)	ORDER NO: SB-03-20
)	
SOLIUM FINANCIAL SERVICES LLC)	
)	
_____)	

ADMINISTRATIVE CONSENT ORDER

WHEREAS, Solium Financial Services LLC (“SFS”) is a broker-dealer with a principal place of business in Woodcliff Lake, New Jersey 07677, and has submitted an application for registration as a broker-dealer with the Department of Insurance, Securities and Banking (“Department”);

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”);

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;

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;

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

WHEREAS, SFS elects to permanently waive any right to a hearing and appeal under the District of Columbia Administrative Procedure Act, D.C. Official Code §§ 2-509(a) and 2-510(a) (2001); the Rules of Practice and Procedures for Hearings in the District of Columbia, 26 DCMR §§ B300 et seq.; and sections 602(b) and 803(a) of the Securities Act of 2000, effective September 29, 2000 (D.C. Law 13-203, D.C. Official Code §§ 31-5601.01 et seq. (2001)) ("Act"), D.C. Official Code §§ 31-5606.02(b) and 31-5608.03(a) with respect to this Order;

NOW, THEREFORE, the Acting Commissioner of the Department, as administrator of the Act, finds this Order is in the public interest and hereby enters the following:

FINDINGS OF FACT

1. SFS admits the jurisdiction of the Department in this matter.
2. SFS, CRD No. 147933, is a subsidiary of Solium Holdings USA LLC. SFS submitted an application for registration as a broker-dealer to the Department on May 2, 2019.
3. 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.
4. If an employee-participant residing in the District of Columbia requests an exercise or liquidation through Solium's software, SFS transmits an order in the relevant account at a clearing broker-dealer registered in the District of Columbia and then routes the proceeds to the employee-participant's account. SFS receives a share of the commissions

earned on these transactions.

5. SFS does not provide advice to employee-participants or solicit transactions in any manner.

6. From at least January 2009 to September 30, 2020, SFS transmitted orders for employee-participants residing in the District of Columbia when SFS was not registered as a broker-dealer with the Department.

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

CONCLUSIONS OF LAW

1. During the period from at least January 2009 to September 30, 2020, SFS acted as a “broker-dealer” in the District of Columbia as the term “broker-dealer” is defined by D.C. Official Code § 31-5601.01 (4) of the Act.

2. D.C. Official Code § 31-5602.01(a) states that it is unlawful for a person to transact business in the District of Columbia as a broker-dealer or agent unless such person is registered under the Act.

3. By engaging in the conduct set forth above, SFS acted as an unregistered broker-dealer in the District of Columbia in violation of D.C. Official Code § 31-5602.01(a) of the Act.

4. As a result of the stated violation, SFS is subject to the assessment of a fine pursuant to D.C. Official Code § 31-5606.02(b)(4) of the Act.

5. This Order is appropriate and in the public interest.

ORDER

On the basis of the Findings of Fact, Conclusions of Law, and SFS’s consent to the entry of this

Order, **IT IS HEREBY ORDERED:**

1. This Order concludes the investigation by the Department and any other action that the Commissioner could commence under applicable District of Columbia law as it relates to the substance of the Findings of Fact and Conclusions of Law herein, provided however, that the Department may pursue claims arising from SFS' failure to comply with the terms of this Order.

2. This Order is entered into solely for the purpose of resolving the investigation and is not intended to be used for any other purpose.

3. SFS shall cease and desist from violating D.C. Official Code § 31-5602.01(a) of the Act.

(a) SFS shall pay a fine in the amount of \$7,379.90 to the Department of Insurance, Securities and Banking; and shall pay back registration fees in the amount of \$2,500 for the period January 1, 2009 through May 31, 2019.

(b) SFS shall make one payment in the amount of the total penalty and fees owed to the Department of Insurance, Securities and Banking in the amount of Nine Thousand, Eight Hundred Seventy-Nine dollars and Ninety Cents (\$9,879.90) made payable to 'DC TREASURER' within ten (10) business days of the entry of this Order.

4. 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 the District of Columbia 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 the District of Columbia.

5. Nothing in this Order is intended to form the basis for any disqualification under the laws of the District of Columbia, any other state, 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 District of Columbia statute, rule, or regulation that prohibits fraudulent, manipulative, or deceptive conduct.

6. Except in an action by the Department 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.

7. 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.

8. SFS, through execution of this Order, elects to permanently waive any right to a hearing and appeal under the District of Columbia Administrative Procedure Act, D.C. Official Code §§ 2-509(a) and 2-510(a) (2001); the Rules of Practice

and Procedures for Hearings in the District of Columbia, 26 DCMR §§ B300 et seq.; and sections 602(b) and 803(a) of the Act.

9. SFS enters into this Order voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Department or any member, officer, employee, agent, or representative of the Department to induce it to enter into this Order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of this Department in the District of Columbia, this 1st day of December, 2020.

Karima M. Wood, Commissioner

CONSENT TO ENTRY OF ADMINISTRATIVE ORDER BY SFS

Solium Financial Services LLC (SFS) hereby acknowledges that it has been served with a copy of this Administrative Consent Order (“Order”), has read the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

SFS admits jurisdiction of the Department of Insurance, Securities and Banking (“Department”), neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order, and consents to the entry of this Order by the Department as settlement of the issues contained in this Order.

SFS agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal, or local tax for any administrative monetary penalty that SFS shall pay pursuant to this Order.

SFS states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

Michael Hennessy represents that he is a Managing Director of SFS and that, as such, has been authorized by SFS to enter into this Order for and on behalf of SFS.

Nov 19, 2020

Dated this _____ day of _____, 2020.

Solium Financial Services LLC

DocuSigned by:
Michael Hennessy
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Michael Hennessy,
Managing Director