



Government of the District of Columbia
Department of Insurance, Securities and Banking

Stephen C. Taylor
Commissioner

IN THE MATTER OF:)	
)	
HALCYON CABOT PARTNERS, LTD.,)	ADMINISTRATIVE ORDER
Respondent.)	ORDER NO. SB-11-16
_____)	

FINAL ORDER TO CEASE AND DESIST

In accordance with the provisions of the District of Columbia Administrative Procedure Act, D.C. Official Code §§ 2-501 et seq.; the Rules of Practice and Procedures for Hearings in the District of Columbia, 26 DCMR §§ B300 et seq., and section 602(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(a), Halcyon Cabot Partners, Ltd. ("Halcyon" or "Respondent") is hereby ordered to cease and desist immediately from transacting business as a broker-dealer in the District of Columbia.

I. JURISDICTION

D.C. Official Code § 31-5606.02(b) grants the Commissioner of the Department of Insurance, Securities and Banking ("Department") the power to issue, after notice and a hearing, unless the right to a hearing is waived, an order directing the Respondent to cease and desist from engaging in acts or practices which constitute, or will constitute, a violation of provisions of the Act or any rule or order thereunder. The Commissioner also has the authority to impose a civil penalty up to \$10,000 for any single violation of the Act, pursuant to D.C. Official Code § 31-5606.02(b)(4), and restitution, pursuant to D.C. Official Code § 31-5606.02(b)(5).

On December 31, 2015, a Summary Order to Cease and Desist and Notice of Opportunity ("Summary Order") for Hearing was issued against Respondent ordering them to cease and desist from transacting business as a broker-dealer in the District of Columbia. The Summary Order was mailed to Respondents, via certified mail, postage pre-paid to Ronald Heineman, Halcyon Cabot Partners, Ltd., 767 Third Avenue, 17th Floor, New York, NY 10017.

II. RESPONDENT

Halcyon Cabot Partners, Ltd., CRD Number 32664, is a New York corporation headquartered in New York, NY and has been registered as a broker-dealer in the District since June 29, 2015.

III. STATEMENT OF FACTS

1. The Financial Industry Regulatory Authority ("FINRA") is the self-regulatory organization for broker-dealer firms under the Securities Exchange Act of 1934. FINRA was created in 2007 after the consolidation of the National Association of Securities Dealers ("NASD") and the member regulation, enforcement and arbitration operations of the New York Stock Exchange.
2. FINRA initiated an enforcement action on July 28, 2015 against the Respondent and its principals, Michael Trent Morris and Ronald Mark Heineman (Disciplinary Proceeding No. 2012033877802).
3. In its complaint, FINRA alleged that the Respondent and its principals engaged in a fraudulent scheme with a venture capital firm and a cancer drug development company to secretly kick back nearly five percent (5%) of the venture capital firm's \$35 million investment in the cancer drug development company and thereby misrepresented the price paid for the shares, in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 and Rule 10b5(a) and (c) thereunder, and FINRA Rule 2010.
4. FINRA also alleged that the Respondent and its principals unlawfully shared commissions, in violation of FINRA Rule 2010; falsified records, in violation of NASD Rule 3110(a) and FINRA Rules 4511 and 2010; engaged in churning and authorized and excessive trading in customer accounts, in violation of Section 10(b) of the Securities Exchange Act, Rule 10b-5, NASD Rule 2310 and FINRA Rules 2111, 2020 and 2010; and related supervisory failures, in violation of NASD Rule 3010 and FINRA Rules 3310 and 2010.
5. On October 6, 2015, FINRA entered the Order Accepting Offer of Settlement, wherein the Respondent, without admitting or denying the allegations of the complaint, consented on October 6, 2015, to the imposition of findings and violations consistent with the allegations of the complaint and to the imposition of sanctions that included the expulsion of the Respondent from FINRA membership. FINRA expelled the Respondent from FINRA membership on October 6, 2015.

IV. VIOLATIONS

1. Pursuant to D.C. Official Code § 31-5602.07(a)(6), it is grounds for revocation of a broker-dealer's license in the District of Columbia if the broker-dealer is the subject of an order entered within the past 10 years by a securities administrator or any other financial services regulator of another state, by the Securities and Exchange Commission, or by the National Association of Securities Dealers, suspending, denying or revoking the license or registration as a broker-dealer, investment adviser, investment adviser representative, or agent, or the substantial equivalent of these terms as defined in this chapter, or any other financial services license or registration.
2. Pursuant to 26 DCMR B119.2(bb), it is a dishonest or unethical practice for a broker-dealer or an agent to engage in any act which is a violation of FINRA rules.

V. CONCLUSIONS OF LAW

1. Respondent was the subject of a FINRA Order ("Order Accepting Offer of Settlement") that resulted in Respondent being expelled from FINRA membership.
2. Pursuant to D.C. Official Code § 31-5602.07(a)(6), being the subject of an order that results in the revocation of a license constitutes grounds for Respondent's broker-dealer license to be revoked in the District of Columbia.
3. Immediate action against Respondent is necessary and appropriate in the public interest for the protection of investors.

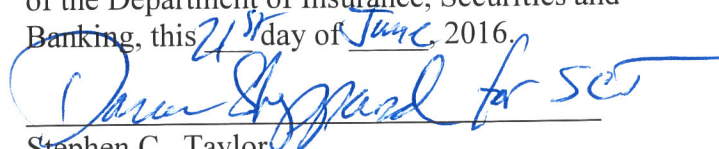
FINAL ORDER

It is hereby determined that the Respondent has engaged in acts and practices which constitute violations Act and implementing rules. It is further determined that immediate action against the Respondent is in the public interest. Accordingly, pursuant to D.C. Official Code § 31-5606.02(b), it is hereby ORDERED by the Commissioner of the Department of Insurance, Securities and Banking that Respondent shall immediately **CEASE AND DESIST** from transacting business as a broker-dealer in the District of Columbia, and that the Respondent shall be barred from engaging in the securities business in the District of Columbia.

SEAL

APPROVED and so ORDERED:

In Witness Whereof, I have hereunto set my hand and affixed the official seal of the Department of Insurance, Securities and Banking, this 21st day of June, 2016.


Stephen C. Taylor,
Commissioner