



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
SOLIUM FINANCIAL SERVICES LLC,) Case No. AP-20-03
CRD #147933,)
)
Respondent.)

CONSENT ORDER

SUMMARY OF SECURITIES DIVISION'S ALLEGATIONS

1. The Missouri Securities Division of the Office of Secretary of State ("the Securities Division"), through Enforcement Counsel Douglas M. Jacoby, has alleged that Solium Financial Services LLC, CRD #147933 ("Solium" or "Respondent"), transacted business in the state of Missouri without being registered or exempt from registration in violation of Section 409.4-401(a)¹ and employed unregistered broker-dealer agents in violation of Section 409.4-402(d), and that this constitutes grounds to issue an order in accordance with Section 409.6-604.
2. Respondent and the Securities Division desire to settle the allegations and the matters raised by the Securities Division relating to the Respondent's alleged violations of Sections 409.4-401(a) and 409.4-402(d).

CONSENT TO JURISDICTION

3. Respondent and the Securities Division stipulate and agree that the Missouri Commissioner of Securities ("the Commissioner") has jurisdiction over Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondent and the Securities Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

¹ Unless otherwise specified, all statutory references are to the 2016 Revised Statutes of Missouri.

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

5. Respondent waives its rights to a hearing with respect to this matter.
6. Respondent waives any rights that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of the Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent stipulates and agrees with the Securities Division that, should the facts contained herein prove to be false or incomplete, the Securities Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondent and the Securities Division stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent's (a) testimonial obligations; (b) right to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that it is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent neither admits nor denies the allegations made by the Securities Division or the Findings of the Commissioner, but voluntarily consents, without the presence of any threats, offers, promises, or inducements of any kind having been made by the Securities Division or any member, officer, employee, agent, or representative of the Securities Division, to the Commissioner's Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.
12. 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 Missouri and waives any disqualification from relying upon the securities registration exemptions or safe harbor provisions to which Respondent or any of its affiliates may be subject under the laws, rules and regulations of Missouri.

13. Nothing in this Order is intended to form the basis for any disqualification under the laws of Missouri, 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 Missouri statute, rule, or regulation that prohibits fraudulent, manipulative, or deceptive conduct.
14. This Order is not intended to state or imply willful, reckless, or fraudulent conduct by Respondent, or its affiliates, directors, officers, employees, associated persons, or agents.

THE COMMISSIONER'S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

15. Solium is a New Jersey-based broker-dealer with an address of 50 Tice Boulevard, Suite A-18, Woodcliff Lake, New Jersey 07677. Solium became registered with the State of Missouri on August 23, 2019.
16. Solium was formed on May 5, 2008, as a subsidiary of Solium Capital Inc. ("Solium Capital"), a provider of equity plan administration software to employers.
17. If an employee-participant residing in Missouri requests an exercise or liquidation through this software, Solium transmits an order in the relevant account at a clearing broker-dealer registered in Missouri and then routes the proceeds to the employee-participant's account. Solium receives a share of the commissions earned on these transactions. Solium does not provide advice to employee-participants or solicit transactions in any manner.
18. From at least January 2009 through August 23, 2019, Solium transmitted orders for employee-participants residing in Missouri when Solium was not registered as a broker-dealer with the Securities Division. Solium received more than \$40,000 as commission on the transmitted orders during the period from May 1, 2014, through May 1, 2019.
19. Morgan Stanley acquired Solium Capital on May 1, 2019. After the acquisition, Solium self-reported to the Securities Division that it had transmitted securities orders in Missouri during a time when it was not registered as a broker-dealer in Missouri. Solium has provided substantial and timely cooperation to the Securities Division during the investigation.

II. CONCLUSIONS OF LAW

20. The Commissioner concludes that Respondent transacted business as an unregistered broker-dealer in violation of Sections 409.4-401(a) and employed unregistered broker-dealer agents in this state in violation of Section 409.4-402(d), and that these violations constitute grounds to issue an order pursuant to Section 409.6-604.
21. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondent and the Securities Division, finds and concludes that the Commissioner has jurisdiction over Respondent in this matter and that the following order is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by Chapter 409.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

22. Respondent, its agents, employees and servants, and all other persons participating in the above-described violations with knowledge of this order are ordered to cease and desist from engaging in violations of Sections 409.4-401(a) and 409.4-402(d);
23. Respondent is ordered to pay \$8,380.95 to the Missouri Secretary of State Investor Education and Protection Fund. Payment should be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101, and shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund. The Securities Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund;
24. Respondent is further ordered to pay registration fees for a broker-dealer and a broker-dealer agent in accordance with Sections 409.4-410(a) and (b) for the years 2014 through 2018 in the total amount of \$750. Payment should be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101; and
25. Respondent shall pay its own costs and attorneys' fees with respect to this matter.
26. Except in an action by the Securities Division 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 Solium in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or other tribunal.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 13th DAY OF MARCH, 2020.



JOHN R. ASHCROFT
SECRETARY OF STATE

A handwritten signature in blue ink, appearing to read "David M. Minnick", written over a horizontal line.

DAVID M. MINNICK
COMMISSIONER OF SECURITIES

Consented to by:

THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION

A handwritten signature in blue ink, appearing to read "Douglas M. Jacoby", written over a horizontal line.

Douglas M. Jacoby
Enforcement Counsel

RESPONDENT

SOLIUM FINANCIAL SERVICES LLC

By: A handwritten signature in blue ink, appearing to read "Michael Hennessy", written over a horizontal line.

Name: Michael Hennessy

Title: Managing Director