



BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF KANSAS

In the Matter of:

Solium Financial Services LLC (CRD #147933)

Docket No. 2021 E 027

KSC No. 2021-6728

Respondent.

Pursuant to K.S.A. 17-12a604

CONSENT ORDER

WHEREAS, Solium Financial Services LLC (“SFS”) 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 Office of the Kansas Securities Commissioner (“KSC”);

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 State Regulators;

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 Kansas Uniform Securities Act, K.S.A. 17-12a101 *et seq.* (“KUSA”) with respect to this Order;

NOW, THEREFORE, the Kansas Securities Commissioner finds this Order is in the public interest and hereby enters the following:

FINDINGS OF FACT

1. SFS, CRD No. 147933, is a subsidiary of Solium Holdings USA LLC. SFS registered as a broker-dealer with the KSC on July 5, 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 Kansas requests an exercise or liquidation through Solium’s software, SFS transmits an order in the relevant account at a clearing broker-dealer registered in Kansas 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 July 5, 2019, SFS transmitted orders for employee-participants residing in Kansas when SFS was not registered as a broker-dealer with the KSC.
6. 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 July 5, 2019, SFS acted as broker-dealer in Kansas as the term broker-dealer is defined by K.S.A. 17-12a102.

2. K.S.A. 17-12a401(a) states that it is unlawful for a person to transact business in Kansas as a broker-dealer unless such person is registered under the KUSA.

3. By engaging in the conduct set forth above, SFS acted as an unregistered broker-dealer in Kansas in violation of K.S.A. 17-12a401(a).

4. As a result of the stated violation, SFS is subject to the assessment of a civil penalty pursuant to K.S.A. 17-12a604.

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 KSC and any other action that the KSC could commence under applicable Kansas law as it relates to the substance of the Findings of Fact and Conclusions of Law herein, provided however, that the KSC 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 K.S.A. 17-12a401(a).

4. SFS shall pay a civil penalty in the amount of \$6,873.82 to the KSC within ten (10) business days of the entry of this Order. Payment shall be made to the "Office of the Kansas Securities Commissioner," and delivered to Jack Clayton Johnson, Assistant General Counsel, at 1300 SW Arrowhead Road, Topeka, KS 66604.

5. 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 Kansas and the KSC 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 Kansas.

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

7. Except in an action by the KSC 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.

8. 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.

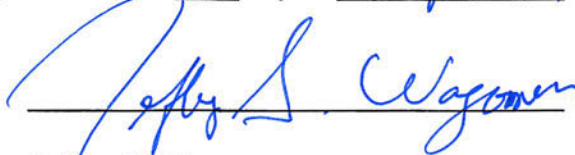
9. SFS, through execution of this Order, voluntarily waives the right to a hearing and to judicial review of this Order under the KUSA.

10. SFS enters into this Order voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the KSC or any member, officer,

employee, agent, or representative of the KSC to induce it to enter into this Order.

IT IS SO ORDERED BY THE COMMISSIONER.

Entered at Topeka, Kansas, this 22 day of September, 20 20.



Jeffrey S. Wagaman
Kansas Securities Commissioner

I hereby agree to the entry of this Consent Order; consent to all terms, conditions and orders contained therein; and waive any right to appeal from this Order.

DocuSigned by:
Michael Hennessy
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Michael Hennessy, Managing Director
Solium Financial Services LLC

Sep 18, 2020

Date



NOTICE

- (1) A party to this action may petition the Commissioner for reconsideration within 15 days after service of a final order, following the procedures in K.S.A. 77-529. Under K.S.A. 77-528, a party may petition for a stay of effectiveness of this order until the time at which a petition for judicial review would no longer be timely.

- (2) This decision may be subject to judicial review. The agency officer to receive service of a petition for judicial review on behalf of the Office of the Securities Commissioner is Jack Clayton Johnson, Assistant General Counsel, at 1300 SW Arrowhead Road, Topeka, Kansas 66604.