

TRAVIS J. ILES
SECURITIES COMMISSIONER



CLINTON EDGAR
DEPUTY SECURITIES COMMISSIONER

Mail: P.O. BOX 13167
AUSTIN, TEXAS 78711-3167

Phone: (512) 305-8300
Facsimile: (512) 305-8310

Texas State Securities Board

208 E. 10th Street, 5th Floor
Austin, Texas 78701-2407
www.ssb.texas.gov

E. WALLY KINNEY
CHAIR

MIGUEL ROMANO, JR.
MEMBER

KENNY KONCABA
MEMBER

ROBERT BELT
MEMBER

MELISSA TYROCH
MEMBER

IN THE MATTER OF
SOLIUM FINANCIAL SERVICES LLC

§
§
§

Order No. ENF-20-CDO-1816

TO: Solium Financial Services LLC
50 Tice Boulevard, Suite A-18
Woodcliff Lake, NJ 07677

CONSENT ORDER

WHEREAS, Solium Financial Services LLC ("SFS") is a dealer with its principal place of business at 50 Tice Boulevard, Suite A-18 Woodcliff Lake, New Jersey 07677, and is registered as a dealer with the Texas State Securities Board;

WHEREAS, on May 1, 2019, Morgan Stanley acquired Solium Capital Inc., which included its subsidiaries Solium Holdings USA LLC, and SFS (with SFS and its affiliates, collectively referred to as "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 dealer in such jurisdictions;

WHEREAS, certain members of the North American Securities Administrators Association, with state regulators from multiple jurisdictions (collectively referred to as "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 with State Regulators' investigation and has agreed to resolve the investigation with State Regulators through multistate settlements which include this order (the "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, and waives any right to a hearing or to judicial review granted by the Securities Act, Tex. Rev. Civ. Stat. Ann. Arts. 581-1 to 581-45 (the "Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 to 2001.902, regarding this Consent Order.

NOW THEREFORE, the Securities Commissioner of Texas (the "Securities Commissioner") hereby enters this Consent Order.

FINDINGS OF FACT

1. SFS, CRD No. 147933, is a subsidiary of Solium Holdings USA LLC. SFS is currently registered as dealer with the Texas State Securities Board ("TSSB"). SFS has been registered as a dealer with the TSSB since February 26, 2016.

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 Texas requests an exercise or liquidation through Solium's software, SFS transmits an order in the relevant account at a clearing dealer registered in Texas 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 February 26, 2016, SFS transmitted orders for employee-participants residing in Texas when SFS was not registered as a dealer with the TSSB.

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

CONCLUSIONS OF LAW

1. During the period from at least January 2009 to February 26, 2016, SFS acted as a dealer in Texas as the term "dealer" is defined by Section 4.C of the Securities Act.

2. Section 12.A of the Securities Act states no dealer shall, directly or indirectly, through agents, offer for sale, sell or make a sale of any securities in Texas without first being registered under the Securities Act.

3. By engaging in conduct set forth hereinabove, SFS acted as an unregistered dealer in Texas in violation of Section 12.A of the Securities Act.

4. The foregoing Findings of Fact and Conclusions of Law constitute bases for assessing an administrative fine against SFS pursuant to Section 23-1 of the Securities Act.

5. This Consent 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 Consent Order,

IT IS HEREBY ORDERED:

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

2. This Consent 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 violations of Section 12.A of the Securities Act.

4. In accordance with the terms of the settlement of this multi-jurisdiction investigation, taking into consideration SFS's efforts to remediate the issue and self-report the violations to certain jurisdictions, and SFS's cooperation in this matter, SFS shall pay the amount of Forty-Five Thousand Five Hundred Ninety-Three Dollars and Seventy Cents (\$45,593.70) to the general fund of the State of Texas. Payment shall be made within ten (10) business days of the entry of this Consent Order.

5. SFS shall also pay back registration fees in the amount of Four Hundred Eighty Dollars and Zero Cents (\$480.00) to the general fund of the State of Texas for the period of January 1, 2009, through February 26, 2016. Payment shall be made within ten (10) business days of the entry of this Consent Order.

6. This Consent Order is not intended to subject Solium to disqualification from registration as a dealer, investment adviser, or issuer under the laws, rules, and regulations of Texas 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 Texas.

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

8. This Consent Order is not intended to subject SFS to disqualification under federal securities laws, rules or regulations thereunder, or the rules and regulations of any self-regulatory agency, nor the securities laws, rules or regulations of the State of Texas, the various states, and U.S. Territories, including without limitation, any disqualification from relying upon the registration exemption or the safe harbor provisions. In addition, this Consent Order is not intended to be the basis for any such disqualifications.

9. Except in an action by the Securities Commissioner to enforce the obligations in this Consent Order, this Consent 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.

10. This Consent 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.

11. SFS, through execution of this Consent Order, voluntarily waives the right to a hearing and to judicial review of this Consent Order.

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

SIGNED AND ENTERED by the Securities Commissioner this 31st day of July 2020.



TRAVIS J. ILES
Securities Commissioner

Approved as to Form:

By: DocuSigned by:
Clint Edgar
AFF78D1EF8E54BA...
Clint Edgar
Deputy Securities Commissioner

By: DocuSigned by:
Ronak Patel
28B22FACD42A495...
Ronak V. Patel
Attorney for Respondent

By: DocuSigned by:
Justin W. Stoll
016A67F275F9461...
Justin W. Stoll
Attorney
Enforcement Division

CONSENT TO ENTRY OF CONSENT ORDER

Solium Financial Services LLC, by and through its authorized representative, by signing below, agrees to the entry of this Consent Order, and waives any right to a hearing or to judicial review.

Solium Financial Services LLC, by and through its authorized representative states that no promise of any kind or nature whatsoever that is not reflected in this Consent Order was made to it to induce it to enter into this Consent Order, and it has entered into this Consent Order voluntarily.

Michael Hennessey represents that he or she has been authorized to enter into this Consent Order and behalf of Solium Financial Services LLC.

Solium Financial Services LLC

DocuSigned by:
Michael Hennessey
3837093507AB472...
Michael Hennessey
Managing Director

Jul 9, 2020
Date: _____