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2 STATE OF OREGON
3 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
4 DIVISION OF FINANCIAL REGULATION

5 In the Matter of

Case No. S-19-0128

6 SOLIUM FINANCIAL SERVICES LLC,

7 FINAL ORDER TO CEASE AND
8 DESIST, FINAL ORDER ASSESSING
9 CIVIL PENALTIES, AND CONSENT
10 TO ENTRY OF ORDER

11 Respondent.

12
13 **CONSENT ORDER**

14 **WHEREAS**, Solium Financial Services LLC (“SFS”) is a broker-dealer with a
15 principal place of business at 50 Tice Boulevard, Suite A-18 Woodcliff Lake, New Jersey
16 07677, and is licensed as a broker-dealer with the Director of the Department of Consumer
17 and Business Services (the “Director”) and the Oregon Division of Financial Regulation
18 (the “Division”);

19 **WHEREAS**, On May 1, 2019, Morgan Stanley acquired Solium Capital Inc.,
20 which included its subsidiaries Solium Holdings USA LLC and SFS (hereinafter
21 collectively with SFS and its affiliates, “Solium”);

22 **WHEREAS**, after the acquisition, SFS self-reported to state securities regulators
23 that it had transmitted certain securities orders in certain jurisdictions at a time when SFS
24 was not registered as a broker-dealer in such jurisdictions;

25 **WHEREAS**, certain members of the North American Securities Administrators
26 Association (“NASAA”), 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;

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1 **CONCLUSIONS OF LAW**

2 7. During the period from at least January 2009 to November 22, 2019,
3 SFS acted as a broker-dealer in Oregon as the term broker-dealer is defined by ORS
4 59.015(1) of the Act.

5 8. ORS 59.165(1) states that it is unlawful for a person to transact business
6 in Oregon as a broker-dealer or agent unless such person is licensed under the Act.

7 9. By engaging in the conduct set forth above, SFS acted as an unlicensed
8 broker-dealer in Oregon in violation of ORS 59.165(1) of the Act.

9 10. As a result of the stated violation, SFS is subject to the assessment of
10 a civil penalty pursuant to ORS 59.995(1)(a) of the Act.

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

12 **ORDER**

13 On the basis of the Findings of Fact, Conclusions of Law, and SFS’s consent to
14 the entry of this Order, **IT IS HEREBY ORDERED:**

15 12. This Order concludes the investigation by the Director and any other
16 action that the Director could commence under applicable Oregon law as it relates
17 to the substance of the Findings of Fact and Conclusions of Law herein, provided
18 however, that the Director may pursue claims arising from SFS’s failure to comply
19 with the terms of this Order.

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

22 14. Solium Financial Services LLC shall cease and desist from violating
23 ORS 59.165(1) of the Act.

24 15. (a) Solium Financial Services LLC shall pay a civil penalty in the
25 amount of ten thousand five hundred ninety-nine dollars and fifty-five cents
26 (\$10,599.55) to the “Department of Consumer and Business Services” within ten

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1 (10) business days of the entry of this Order.

2 (b) Solium shall pay back licensing fees in the amount of
3 one thousand two hundred fifty dollars (\$1,250.00) for the period 2014
4 through 2018.

5 16. This Order is not intended to form the basis for any disqualification
6 from licensure as a broker-dealer, investment adviser, or issuer under the laws, rules,
7 and regulations of Oregon and waives any disqualification from relying upon the
8 securities registration exemptions or safe harbor provisions to which SFS or any of
9 its affiliates may be subject under the laws, rules and regulations of Oregon.

10 17. Nothing in this Order is intended to form the basis for any
11 disqualification under the laws of Oregon, any other state, the District of Columbia,
12 Puerto Rico, or the U.S. Virgin Islands; under the rules or regulations of any
13 securities or commodities regulator or self-regulatory organizations (SROs); or
14 under the federal securities laws, including but not limited to, Section 3(a)(39) of the
15 Securities Exchange Act of 1934, Regulation A, Rules 504 and 506 of Regulation D
16 under the Securities Act of 1933, and Rule 503 of Regulation CF. Further, nothing
17 in this Order is intended to form the basis for disqualification under the FINRA rules
18 prohibiting continuance in membership or disqualification under other SRO rules
19 prohibiting continuance in membership. This Order is not intended to be a final
20 order based upon any violation of any Oregon statute, rule, or regulation that
21 prohibits fraudulent, manipulative, or deceptive conduct.

22 18. Except in an action by the Director to enforce the obligations in this
23 Order, this Order is not intended to be deemed or used as (a) an admission of, or
24 evidence of, the validity of any alleged wrongdoing or liability; or (b) an admission
25 of, or evidence of, any such alleged fault or omission of SFS in any civil, criminal,
26 arbitration, or administrative proceeding in any court, administrative agency, or

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1 other tribunal.

2 19. This Order is not intended to state or imply willful, reckless, or
3 fraudulent conduct by SFS, or its affiliates, directors, officers, employees, associated
4 persons, or agents.

5 20. Solium, through execution of this Order, voluntarily waives the right
6 to a hearing and to judicial review of this Order under ORS 59.295 and ORS 59.305
7 of the Act.

8 21. Solium enters into this Order voluntarily and represents that no
9 threats, offers, promises, or inducements of any kind have been made by the Director
10 or any member, officer, employee, agent, or representative of the Division to induce
11 it to enter into this Order.

12 22. This is a “Final Order” under ORS 183.310(6)(b).

13
14 WITNESS MY HAND this the 8th day of January, 2020.

15 LOUIS SAVAGE, Acting Director
16 Department of Consumer and Business Services

17
18 /s/ Dorothy Bean
19 Dorothy Bean, Chief of Enforcement
20 Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Michael Hennessy, state that I am Managing Director and I am an authorized representative of Respondent Solium Financial Services LLC (SFS) and have the authority to sign this Consent Order on behalf of SFS. I have read the foregoing Order and I know and fully understand the contents hereof. SFS has been advised of the right to a hearing and of the right to be represented by counsel in this matter, and SFS has been represented by counsel in this matter. SFS voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this order. SFS understands that the Director reserves the right to take further action against SFS to enforce this Order or to take appropriate action upon discovery that SFS has committed other violations of Oregon law. SFS will fully comply with the terms and conditions stated herein.

SFS understands that this Order is a public document.

Signature: /s/ Michael Hennessy

State of New York

County of Westchester

Signed or attested before me on this 3rd day of January, 2020

by Michael Hennessy.

/s/ Linda A. Roggiero

Notary Public

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