

STATE OF NEBRASKA
Department of Banking & Finance

In the Matter of)	
)	FINDINGS OF FACT
Solium Financial Services LLC)	CONCLUSIONS OF LAW
50 Tice Boulevard, Suite A-18)	AND
Woodcliff Lake, New Jersey)	CONSENT ORDER

CRD No. 147933

THIS MATTER comes before the Nebraska Department of Banking and Finance (“Department”), by and through its Director, pursuant to its authority under the Securities Act of Nebraska, Neb. Rev. Stat. §§ 8-1101 to 8-1123 (Reissue 2012; Cum. Supp. 2018; LB 259, 2019) (“Act”). Pursuant to Neb. Rev. Stat. § 8-1115 (Cum. Supp. 2018), the Department has investigated the acts of Solium Financial Services LLC, 50 Tice Boulevard, Suite A-18, Woodcliff Lake, New Jersey (“SFS”), CRD No. 147933. As a result of such investigation, and being fully advised and informed in the matter, the Director and SFS enter into the following Findings of Fact, Conclusions of Law, and Consent Order (“Order”).

FINDINGS OF FACT

1. SFS, a limited liability company organized pursuant to the laws of Delaware, is a subsidiary of Solium Holdings USA LLC (collectively with SFS and its affiliates, “Solium”). At all times relevant hereto, SFS was not registered as a broker-dealer in Nebraska.

2. Solium provides equity plan administration software to companies. Employee-participants of equity plans that utilize Solium’s software can view and track the options and shares issued to them by their employers. If an employee-participant requests an exercise or liquidation through Solium’s software, SFS transmits an order in the relevant account at a

clearing broker-dealer and then routes the proceeds to the employee-participant. SFS receives a share of the commissions earned on these transactions. SFS does not provide advice to employees or solicit transactions in any manner.

3. On May 1, 2019, Morgan Stanley acquired Solium. On May 2, 2019, SFS filed an application for registration as a broker-dealer in Nebraska through the Central Registration Depository (“CRD”). The Department requires all applicants for broker-dealer registration to identify activity requiring such registration prior to the time of the application.

4. During the registration process, SFS self-reported the activity described in paragraph 2, above. SFS indicated that it previously believed it only needed to be registered in states where it maintained an office location. Notably, SFS further acknowledged that its transactions in Nebraska could extend back more than ten years.

CONCLUSIONS OF LAW

1. Neb. Rev. Stat. § 8-1101(2) (LB 259, 2019) defines broker-dealer as “any person engaged in the business of effecting transactions in securities for the account of others or for his or her own account.”

2. Neb. Rev. Stat. § 8-1103(1) (LB 259, 2019) provides that it shall be unlawful for any person to transact business in this state as a broker-dealer unless registered or exempt from registration under the Act.

3. The facts set forth in Findings of Fact Nos. 2 through 4 constitute SFS acting as a broker-dealer without registration, in violation of Neb. Rev. Stat. § 8-1103(1).

4. Neb. Rev. Stat. § 8-1108.01(4) (Cum. Supp. 2018) provides that the Director may, after giving reasonable notice and an opportunity for a hearing under this section, impose a fine not to exceed twenty-five thousand dollars per violation, in addition to costs of the investigation,

upon any person found to have engaged in any act or practice which would constitute a violation of the Act or any rule, regulation, or order issued under the Act.

5. Under the Act's statutory framework, the Director has legal and equitable authority to fashion significant protective remedies.

6. It is in the public's best interest, for SFS and the Director to mutually resolve the issues included herein.

STIPULATIONS

In connection with this Consent Order, SFS and the Director stipulate to the following:

1. The Department has jurisdiction as to all matters herein.

2. This Consent Order shall resolve all matters between the Department and SFS in connection with the Findings of Fact listed above. Should future circumstances warrant, the facts from this matter may be considered in a future administrative action by the Department.

SFS further represents as follows:

1. SFS is aware of its right to a hearing on these matters at which it may be represented by counsel, present evidence, and cross-examine witnesses. The right to such a hearing, and any related appeal, is irrevocably waived.

2. SFS is acting free from any duress or coercion of any kind or nature.

3. This Consent Order is executed to avoid further proceedings and without SFS admitting or denying any of the Findings of Fact or Conclusions of Law herein, which are included solely for the purpose of this Consent Order and for no other purpose.

CONSENT ORDER

IT IS THEREFORE ORDERED that:

1. Within ten days after the effective date of this Consent Order, SFS shall pay Fourteen Thousand Dollars (\$14,000.00) by one check payable to the Department comprised of the following:
 - a. Three Thousand Dollars (\$3,000.00) for the amount SFS did not pay the Department in broker-dealer registration fees during the period from 2008 through 2019;
 - b. Nine Thousand Dollars (\$9,000.00) as a fine for its violations of Neb. Rev. Stat. § 8-1103(1) by acting as a broker-dealer without registering with the Department; and
 - c. Two Thousand Dollars (\$2,000.00) for investigation costs of the Department.

2. SFS' application for registration as a broker-dealer shall be approved within five business days after the Department's receipt of such fine and costs.

3. In the event SFS fails to comply with any of the provisions of this Consent Order, the Department may commence such action regarding SFS as it deems necessary and appropriate in the public interest.

4. The effective date of this Consent Order shall be the date of the Director's signature.

DATED this 23 day of December, 2019.

SOLIUM FINANCIAL SERVICES LLC

By: 

Michael Hennessey, Authorized Signatory

2000 Westchester Ave.
Purchase, NY 10577

DATED this 30 day of December, 2019.

**STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE**



By: 
Mark Quandahl, Director

1526 K Street, Suite 300
Lincoln, Nebraska 68508
(402) 471-2171