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ARKANSAS SECURITIES DEPT.

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. S-19-0054

ORDER NO. S-19-0054-19-OR01

IN THE MATTER OF:

SOLIUM FINANCIAL SERVICES LLC

RESPONDENT

CONSENT ORDER

This Consent Order (“Order”) is entered pursuant to the Arkansas Securities Act (“Act”), codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509, the Rules of the Arkansas Securities Commissioner (“Rules”) promulgated pursuant to the Act, and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201 through 25-15-219, in accordance with an agreement between the Staff of the Arkansas Securities Department (“Staff”) and the Respondent, Solium Financial Services LLC (“SFS”).

The Respondent admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), neither admits or denies the findings of fact and conclusions of law contained herein, waives its right to a formal hearing and appeal, consents to the entry of this Order, and agrees to abide by its terms in full and final settlement of all claims that could be brought against it on the basis of the facts set forth herein.

FINDINGS OF FACT

1. SFS, CRD No. 147933, is a subsidiary of Solium Holdings USA LLC (collectively with SFS and its affiliates, “Solium”) and operates as a broker-dealer with its principal place of business located at 50 Tice Boulevard, Suite A-18 Woodcliff Lake, New Jersey 07677. SFS has been registered as a broker-dealer with FINRA and the SEC since

December of 2008. SFS has been registered with the Arkansas Securities Department (“Department”) as a broker-dealer since June 27, 2019.

2. Solium provides equity plan administration software to employers. 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, Solium 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. From 2008 to 2019, SFS serviced Arkansas residents as a broker-dealer without first registering with the Department. During this period, SFS received over \$10,000.00 in commissions.

4. On May 1, 2019, Morgan Stanley acquired Solium Capital Inc., which included its subsidiaries Solium Holdings USA LLC and SFS.

5. On May 2, 2019, SFS applied for registration as a broker-dealer with the Department.

6. On June 6, 2019, SFS contacted the Department to report the activity described in paragraphs 2 and 3, above.

7. Following discussions with SFS’ counsel regarding the self-reported activity at issue and the completion of SFS’ application for registration, the Staff approved SFS’ application for registration as a broker-dealer firm on June 27, 2019.

LEGAL AUTHORITY AND CONCLUSIONS OF LAW

8. Ark. Code Ann. § 23-42-301(a) states that it is unlawful for a person to transact business in Arkansas as a broker-dealer or agent unless such person is registered under the Act.

9. By engaging in the conduct set forth above, SFS acted as an unregistered broker-dealer in Arkansas in violation of Ark. Code Ann. § 23-42-301(a).

10. As a result of the stated violation, this Order is appropriate in accordance with Ark. Code Ann. § 23-42-308(h).

UNDERTAKINGS

In settlement of this matter, SFS agrees to pay a fine to the Department in the amount of \$5,000.00.

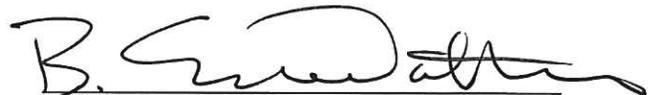
OPINION

This Order is in the public interest. The facts as set forth in paragraphs one through seven support the violations of the Act as set forth in paragraphs eight through ten.

ORDER

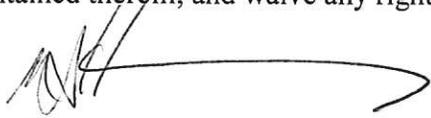
IT IS HEREBY ORDERED that SFS will contemporaneously with the execution of this Order, pay a fine in the amount of \$5,000.00 to the Department.

WITNESS MY HAND this the 3rd day of December, 2019.



B. Edmond Waters
Arkansas 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.



Michael Hennessy, Managing Director
Solium Financial Services LLC

November 26, 2019

Date

Approved as to Content and Form:



Aislinn Andrews, Staff Attorney
Arkansas Securities Department

12/3/19

Date