

**STATE OF MICHIGAN**  
**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**  
**CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

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**IN THE MATTER OF:**

**SOLIUM FINANCIAL SERVICES LLC**  
**CRD# 147933**

**Complaint No. 341950**

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Issued and entered  
This 13<sup>th</sup> day of February, 2020  
**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 Corporations, Securities, and Commercial Licensing Bureau (“Bureau”) within the State of Michigan Department of Licensing and Regulatory Affairs;

**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 Michigan Uniform Securities Act, 2008 PA 551, as amended, MCL 451.2101 *et seq.* ("Act") with respect to this Order;

**NOW, THEREFORE**, Linda Clegg, Interim Director of the Bureau and Administrator ("Administrator") of the Act finds this Order is authorized, appropriate, and in the public interest and hereby enters the following:

#### **I. FINDINGS OF FACT**

1. SFS, CRD No. 147933, is a subsidiary of Solium Holdings USA LLC. SFS registered as a broker-dealer with the Bureau on or around May 28, 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 the State of Michigan requests an exercise or liquidation through Solium's software, SFS transmits an order in the relevant account at a clearing broker-dealer registered in the State of Michigan 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 May 28, 2019, SFS transmitted orders for employee-participants residing in the State of Michigan when SFS was not registered as a broker-dealer with the Bureau.

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

## II. CONCLUSIONS OF LAW

1. During the period from at least January 2009 to May 28, 2019, SFS acted as broker-dealer in the State of Michigan as the term “broker-dealer” is defined by section 102(d) of the Act, MCL 451.2102(d).

2. Section 401(1) of the Act, MCL 451.2401(1), states that it is unlawful for a person to transact business in the State of Michigan as a broker-dealer unless such person is registered under the Act.

3. By engaging in the conduct set forth above, SFS acted as an unregistered broker-dealer in the State of Michigan in violation of section 401(1) of the Act, MCL 451.2401(1).

4. As a result of the stated violation, SFS is subject to the assessment of a fine pursuant to section 604 of the Act, MCL 451.2604.

5. This Order is authorized, appropriate, and in the public interest.

### III. 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 Bureau and any other action that the Administrator could commence under applicable State of Michigan law as it relates to the substance of the Findings of Fact and Conclusions of Law herein, provided however, that the Administrator may pursue claims arising from SFS's 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 section 401(1) of the Act, MCL 451.2401(1).

4. (a) SFS shall pay a fine in the amount of One Hundred Twelve Thousand Nine Hundred Fifty Dollars (\$112,950.00) to the State of Michigan within ten (10) business days of the entry of this Order. Payment shall be made in accordance with the Fine Payment Instructions enclosed with this Order.

(b) SFS shall pay back registration fees, at Three Hundred Dollars (\$300.00) per year under section 410(1) of the Act, MCL 451.2410(1), in the total amount of One Thousand Five Hundred Dollars (\$1,500.00) for the period 2014 through 2018 to the State of Michigan within ten (10) business days of the entry of this Order.

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 the State of Michigan 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 State of Michigan.

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

7. Except in an action by the Administrator 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.

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 section 604 of the Act, MCL 451.2604, and under the Michigan Administrative Procedures Act, 1969 PA 306, as amended, MCL 24.201 *et. seq.*


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

DEPARTMENT OF LICENSING & REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

\_\_\_\_\_  
Linda Clegg, Interim Director, Corporations, Securities  
& Commercial Licensing Bureau, Administrator

\_\_\_\_\_  
Date

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.


  
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Michael Hennessy, Managing Director  
Solium Financial Services LLC

February 13, 2020  
\_\_\_\_\_  
Date

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CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

  
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Linda Clegg, Interim Director, Corporations, Securities  
& Commercial Licensing Bureau, Administrator

2-13-2020  
Date

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Michael Hennessy, Managing Director  
Solium Financial Services LLC

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Date