FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

Department of Enforcement, Complainant, v. Spartan Capital Securities, LLC CRD No. 146251, John Lowry CRD No. 4336146, and Kim Monchik, CRD No. 2528972, Respondents.	Disciplinary Proceeding No. 2021069218305 Hearing Officer--RES **ORDER ACCEPTING OFFER OF SETTLEMENT** Date: October 22, 2026

INTRODUCTION

Disciplinary Proceeding No. 2021069218305 was filed on November 24, 2025, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA or Complainant). Respondents submitted an Offer of Settlement (Offer) to Complainant dated October 20, 2026. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order is now issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions, and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondents have consented, without admitting or denying the allegations of the Complaint (as amended by the Offer), and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of findings and violations consistent with the allegations of the Complaint (as

amended by the Offer), and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondents' permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Spartan has been a FINRA member since 2008. The firm is a full-service broker-dealer headquartered in New York, New York that employs approximately 85 registered persons in three branch offices in the New York City metropolitan area. The firm services approximately 5,000 retail customer accounts and has an investment banking business involving, among other things, private placements sold pursuant to Regulation D of the Securities Act and initial public offerings. FINRA has jurisdiction over Spartan because it is a FINRA member firm.

Lowry is Spartan's co-founder and an owner through a holding company. He was Spartan's CEO during the relevant period. He entered the securities industry in September 2000 and became registered as a General Securities Representative (GSR) in January 2001 and a General Securities Principal (GSP) in April 2005 through an association with a FINRA member. Lowry became associated with Spartan in February 2008, when he co-founded the firm, and he became registered as a GSR and GSP through an association with Spartan in July 2008. Through an association with Spartan, Lowry also became registered as an Investment Banking Representative (IB) in February 2010, an Operations Professional (OS) in October 2011, and an Investment Banking Principal (BP) in October 2018. Between 2007 and 2014, Lowry was co-CEO of Spartan. He was CEO from 2014 through May 2026. On May 29, 2026, Spartan filed a Uniform Termination Notice for Securities Industry Registration terminating Lowry's registrations with Spartan. FINRA has jurisdiction over Lowry because he was registered and associated with Spartan when the Complaint was filed, and the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

Monchik was Spartan's Chief Administrative Officer through May 2026 and, during the relevant period, was the firm's CCO. She entered the securities industry in 1994 and became registered as a GSR in April 2000 and a GSP in August 2000 through an association with a FINRA member. Monchik became associated with Spartan in July 2008, when she became registered as a GSR, GSP, and an Equity Trader Limited Representative (ET) through an association with the firm. Through an association with Spartan, Monchik also became registered as an IB in April 2010, an OS in October 2011, a Securities Trader (TD) in January 2016, and a BP in October 2018. On May 29, 2026, Spartan filed a Uniform Termination Notice for Securities Industry Registration terminating Monchik's registrations with Spartan. FINRA has jurisdiction over Monchik because she was registered and associated with Spartan when the Complaint was filed, and the Complaint charges her with misconduct committed while she was registered or associated with a FINRA.

In October 2024, the NAC affirmed a March 2023 extended hearing panel decision finding that, among other things, Respondents Lowry and Monchik failed to amend their Forms U4 to disclose, or timely disclose, the filing and disposition of customer arbitrations in which they were named respondents, in willful violation of Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010. Respondent Lowry was suspended for two years in all capacities, fined $20,000, and statutorily disqualified. Respondent Monchik was suspended for two years in all capacities, fined $10,000, and statutorily disqualified.[1]

In addition, in March 2026, an extended hearing panel found that Respondent Lowry violated FINRA Rules 3110(a) and 2010 by failing to supervise and failing to maintain a reasonable supervisory system to ensure compliance with FINRA Rule 8210. The panel found

[1] *Dep't of Enforcement v. Spartan Capital Securities, LLC, Lowry, and Monchik,* No. 2019061528001, 2024 FINRA Discip. LEXIS 20 (NAC Oct. 9, 2024), *appeal docketed,* No. 3-2285 (SEC Nov. 4, 2024).

that Respondents Lowry and Monchik violated FINRA Rules 8210 and 2010 by failing to respond timely to requests for documents and information. Respondent Lowry was fined $50,000, suspended in all capacities for two years, and suspended in a principal capacity for two years. Respondent Monchik was fined $20,000 and suspended in all capacities for two years.[2]

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

SUMMARY

Between March 2021 and October 2021 (the "relevant period"), respondent Spartan Capital Securities, LLC ("Spartan") made 344 recommendations of securities that had a total principal value of approximately $24 million to 186 customers, the majority of whom were retail customers, through 16 private placement offerings ("Offerings"). Spartan lacked a reasonable basis to believe these recommendations were suitable or in the best interest of its customers because it failed to conduct reasonable due diligence on the Offerings. Spartan generated over $2.3 million in placement fees from these unsuitable recommendations. By failing to have a reasonable basis to recommend these investments, Spartan willfully violated Regulation Best Interest's ("BI") Care Obligation under Rule 15*l*-1(a)(1) of the Securities Exchange Act of 1934 ("Exchange Act"), and it violated FINRA Rules 2111 and 2010.

Respondent John Lowry, Spartan's CEO during the relevant period and owner, was the sole owner and control person of the issuers of these Offerings, which were three unregistered, private investment funds (collectively, the "Atlas Funds"). Lowry also was the sole owner and control person of the entity that managed the Atlas Funds. Lowry approved and managed the

[2] *Dep't of Enforcement v. Lowry and Monchik,* No. 2022075597101, 2026 FINRA Discip. LEXIS 5, *appeal docketed* (NAC Apr. 20, 2026).

Offerings on behalf of Atlas Funds, and he determined that Spartan would serve as the exclusive placement agent for the Offerings and retain a 10 percent placement fee.

Respondent Kim Monchik, Spartan's CCO during the relevant period, assisted the Atlas Funds and Lowry with managing the Offerings, and she was responsible for, among other things, Spartan's due diligence on the Offerings.

The Offerings had a complex investment structure that was designed to give investors an opportunity to invest indirectly into companies that planned to conduct initial public offerings, otherwise known as "pre-IPO companies." Specifically, investors, all of whom were Spartan customers, invested in a separate series of one of the Atlas Funds. In return, the Atlas Funds issued investors a membership interest in that series of the fund. Atlas Funds then used those investor funds to purchase membership interests in another private investment fund that purported to own shares in pre-IPO companies ("pre-IPO shares").

In connection with the offer and sale of membership interests in Atlas Funds, Respondents recklessly or, at minimum, negligently disseminated, or caused the dissemination of, false and misleading information to Atlas Funds' investors which violated FINRA Rule 2010, both independently and by virtue of acting in contravention of Sections 17(a)(2) and (3) of the Securities Act of 1933 ("Securities Act").

Respondents disseminated, or caused the dissemination of, false and misleading information to investors by repeatedly sending, or causing others to send, investors private placement memoranda ("PPMs") and supplements to those PPMs ("Supplements") that contained material misrepresentations about the markups charged to customers, the price the Atlas Funds paid to obtain membership interests in the private investment funds that purportedly held pre-IPO shares, and how Atlas Funds obtained membership interests in pre-IPO shares.

Specifically, the PPMs misrepresented that the Atlas Funds would not share in any profit on markups that may be charged by a third-party affiliate in the Offerings. Similarly, the Supplements falsely stated that Atlas Funds would purchase interests in the pre-IPO shares from a third-party affiliate, Iapetus, LLC ("Iapetus"), at a price that was higher than Iapetus paid for those interests (*i.e.,* at a markup). But the Atlas Funds did not purchase interests in pre-IPO shares from Iapetus, nor did the Atlas Funds purchase the interests in the pre-IPO shares by paying the markup stated in the Supplements. Rather, the Atlas Funds purchased the interests directly from the issuer of those interests, and then the Atlas Funds—not Iapetus—charged a markup on the interests before selling them to investors in the Offerings. In total, the Atlas Funds and its manager, at Lowry's direction, charged customers $3.25 million in markups, which directly benefitted Lowry who owned and controlled those entities.

By misrepresenting that a third party had a role in the transactions and was charging the Atlas Funds (and the customer) a markup, and that Atlas Funds would not share in any of those markups, Respondents concealed Lowry's additional compensation and the full extent of his economic self-interest in the Offerings. Respondents also created the false impression that the markup was justified because there was a third party that purportedly played a role in sourcing the investments for the Atlas Funds.

In addition to recommending and selling unsuitable and fraudulent investments, Spartan also violated its Disclosure Obligations under Regulation BI by failing to fully and fairly disclose in writing conflicts of interest associated with its recommendations of investments in the Offerings, including Lowry's ownership of the Atlas Funds and economic incentive to have Spartan representatives recommend the private placements in the Offerings; and Monchik's role with the Atlas Funds, including her responsibility for performing due diligence on the Offerings,

first on behalf of Atlas, and then on behalf of Spartan, before Spartan representatives could recommend them to customers. As a result, Spartan willfully violated Exchange Act Rule 15*l*-1(a)(1), and it violated FINRA Rule 2010.

Finally, Spartan and Monchik, who, at all relevant times, was responsible for establishing, maintaining, and enforcing the firm's supervisory systems, including its written supervisory procedures ("WSPs"), violated their obligations under Regulation BI and FINRA rules, as alleged below.

First, Spartan and Monchik failed to establish a supervisory system, including WSPs, reasonably designed to achieve compliance with the Care Obligation of Regulation BI as it relates to private placement offerings. Spartan and Monchik therefore violated FINRA Rules 3110(a) and (b) and 2010. Spartan also failed to establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with the Care Obligation of Regulation BI. As a result, Spartan willfully violated Exchange Act Rule 15*l*-1(a)(1) and violated FINRA Rule 2010.

Second, Spartan and Monchik failed to reasonably supervise the Offerings, including by failing to conduct reasonable due diligence on the Offerings, failing to maintain any records reflecting any due diligence that was completed on the Offerings, and failing to reasonably respond to red flags concerning the private investment funds' ownership of the pre-IPO shares involved in the Offerings. As a result, Spartan and Monchik violated FINRA Rules 3110(a) and (b) and 2010.

Third, Spartan failed to establish written policies or procedures addressing the identification, disclosure, or mitigation of conflicts of interest, including any conflicts of interest arising from its recommendations of private placements issued by affiliated entities that Lowry

established and controlled, *i.e.,* the Atlas Funds, as required under Regulation BI's Conflict of Interest Obligation. As a result, Spartan willfully violated Exchange Act Rule 15*l*-1(a)(1), and it violated FINRA Rules 3110(a) and (b) and 2010.

FACTS

I. The Atlas Funds Offerings

The Atlas Funds at issue are comprised of three unregistered, private investment funds—Atlas Fund III, LLC, Atlas Fund IV, LLC, and Atlas Fund V, LLC—all organized as limited liability companies under Delaware law. The Atlas Funds are managed and controlled by Atlas Fund Management LLC (together with the Atlas Funds, the "Atlas Entities"). Lowry owns Atlas Fund Management LLC and controls the Atlas Entities.

Lowry created the Atlas Funds to allow Spartan to offer investments in pre-IPO shares to customers and to grow Spartan's business. Lowry discussed the creation of the Atlas Funds with Spartan's Chief Financial Officer and members of its compliance department, which included Monchik.

Spartan was the sole placement agent for the Offerings. Lowry approved the Offerings on behalf of the Atlas Funds. The investors in the Offerings were all Spartan customers.

Each offering represented a different series in one of the Atlas Funds. In each offering, investors bought a membership interest in one of the Atlas Funds for the purpose of investing indirectly in a single pre-IPO company that Lowry selected.

The Atlas Funds invested indirectly in pre-IPO companies by purchasing membership interests in SP Venture Fund 8, LLC ("StraightPath Fund"), a private investment fund managed

by StraightPath Venture Partners, LLC ("StraightPath Manager"), which, in turn, purported to purchase shares in a specific pre-IPO company.

Lowry identified StraightPath Fund as a source of pre-IPO shares for the Atlas Funds. For each of the Offerings, Lowry negotiated the amount of the Atlas Funds' investment in StraightPath Fund and the price that the Atlas Funds would pay to acquire membership interests in StraightPath Fund.

Lowry also set the price that investors in each offering would pay for their membership interests in Atlas Funds, including determining the markup that the Atlas Entities applied to the membership interests sold to investors who participated in an Offering. For example, in the Company One offering, Lowry, on behalf of the Atlas Funds, negotiated the purchase of membership interests in StraightPath Fund that purportedly owned Company One shares at a price per share equivalent of $1450. However, the Atlas Entities, at the direction of Lowry, priced the Company One offering at $1635—$185 per share higher than the price the Atlas Funds paid for the interests. Investors, therefore, paid 12.75 percent more than the Atlas Funds for their interests in Company One pre-IPO shares.

In each offering, the Atlas Fund charged investors a 10 percent placement fee payable to Spartan. Lowry determined that Spartan would serve as the sole placement agent for the Offerings, and he determined the terms of the Placement Agreement between Spartan and the Atlas Funds including Spartan's placement fee.

In addition, in each offering, Atlas Fund Management charged investors a two percent management fee and 20 percent back-end carried interest fee, meaning that if an investor in an offering made a profit following a liquidity event for the company that was the subject of an offering, Atlas Fund Management would retain 20 percent of those profits.

Spartan and the Atlas Entities shared the same office location and staff. Lowry, Spartan's sole owner and CEO at the time, was also the sole owner/member of Atlas Fund Management. In that capacity, he controlled the operations of each of the Atlas Funds and the terms of the Offerings. He (a) determined the pre-IPO companies that would be the subject of each Offering; (b) negotiated the purchase of pre-IPO interests for each offering; and (c) determined the price investors in an Offering would pay for interests in pre-IPO shares, including all markups. Lowry was solely responsible for negotiating transactions with StraightPath Fund and agreeing to the terms of those transactions on behalf of the Atlas Entities. Lowry made the ultimate decision as to whether the Atlas Funds would proceed with an offering.

Lowry assigned Monchik, Spartan's Chief Administrative Officer (CAO) and, from July 2020 until December 2021, its "interim CCO," to serve as president of the Atlas Entities. Beginning in July 2020, Monchik spent approximately 40 percent of her time on responsibilities for the Atlas Entities, but she never received any direct compensation from any Atlas entity. Lowry was responsible for determining Monchik's salary and incentive compensation, and he compensated her through Spartan for all of her work on behalf of all entities he owned, including the Atlas Entities.

Although Monchik had no prior experience with pre-IPO offerings, she was responsible for the day-to-day management of the Atlas Entities, including:

a. conducting due diligence on the Atlas Funds' purchases of interests in StraightPath Fund that purportedly owned shares in pre-IPO companies;

b. executing the Atlas Funds' purchases of interests in StraightPath Fund, including entering into any necessary agreements and transferring funds;

c. drafting offering documents, including the Supplements, with counsel, and reviewing and approving these offering documents;

d. processing sales of the Offerings through Spartan, including collecting subscription agreements;

e. handling books and records for the Atlas Entities;

f. opening bank accounts and handling financial transactions for the Atlas Entities;

g. managing closings for the Offerings, including drafting and sending "welcome letters" to investors; and

h. allocating shares or funds to investor accounts if a company held an IPO.

Spartan's administrative staff, including Monchik's assistant, also worked for the Atlas Funds by drafting correspondence and maintaining documents and spreadsheets to track investments in the Offerings.

Once Lowry approved an offering at the Atlas Fund level, it was sent to Spartan for review and approval before being offered to investors.

Monchik was responsible for conducting due diligence for the Offerings on behalf of both the Atlas Entities and Spartan.

Once Monchik finalized her review and approval of each of the Offerings on behalf of Spartan, she sent an email to Spartan representatives informing them of offerings that were open for investment. The emails stated that "the Atlas fund has been able to secure investments" in specified private companies and provided a description of each available company along with a price-per-share for investments in each offering.

If a prospective investor was interested in an offering, a Spartan representative or administrative assistant would send the operating agreement for the applicable Atlas Fund, a PPM, a Supplement specific to that offering, and various subscription documents that the customer had to complete to invest in the offering (together, the "offering documents").

Monchik reviewed and approved all offering documents for both the Atlas Funds and Spartan.

Respondents sent directly, or through Spartan's registered representatives and administrative staff, the offering documents to prospective investors. The offering documents did not include any information about the price per share equivalent that investors would receive for their pre-IPO interests.

In certain instances, Monchik sent the offering documents directly to prospective investors, including in instances where Lowry directed her to do so.

Monchik also sent Lowry the offering documents for certain of the Offerings. Lowry discussed the offering documents, including the PPM and Supplement, with "friends and family" interested in certain of the Offerings.

II. Monchik and Spartan did not conduct reasonable due diligence on the Offerings and therefore did not have a reasonable basis to recommend the Offerings to Spartan customers.

Spartan had no formal approval process for the Offerings.

Monchik only reviewed and analyzed the Offerings on behalf of the Atlas Funds.

The due diligence Monchik conducted at the Atlas Fund level, which was the only due diligence she ever conducted on the Offerings, was unreasonable in multiple respects.

Monchik did not conduct any independent and separate due diligence on Spartan's behalf before allowing Spartan representatives to recommend the Offerings, such as determining whether StraightPath Fund in which the Atlas Funds were purchasing membership interests

actually possessed an interest in the pre-IPO companies. Monchik also did not conduct reasonable due diligence on StraightPath Manager. Similarly, Monchik failed to understand and consider the costs (including markups) that the investors paid for each offering.

Because Spartan through Monchik failed to conduct reasonable due diligence on the Offerings, it did not exercise reasonable diligence, care, and skill to understand the potential risks, rewards, and costs associated with its recommendations and therefore lacked a reasonable basis to recommend the Offerings to its customers during the relevant period, as alleged below.

a. Monchik did not confirm that StraightPath Fund possessed any shares of pre-IPO companies.

Monchik allowed Spartan representatives to recommend the Offerings without confirming that StraightPath Fund in which the Atlas Funds invested possessed or had access to shares in pre-IPO companies.

When offering interests in pre-IPO shares to the Atlas Entities, StraightPath Manager did not provide proof that StraightPath Fund possessed the underlying pre-IPO shares.

The first time Monchik ever requested documentation from StraightPath Fund to confirm that it owned or had access to shares of pre-IPO companies was on March 31, 2021. By this date, Spartan had already recommended and sold membership interests in three of the Offerings, and Atlas Funds had already purchased membership interests in StraightPath Fund for those three offerings.

Monchik did not receive a response to her March 31, 2021 inquiry. After receiving no response, Monchik followed up on May 28, 2021. Again, she received no response, so she made another request on June 9, 2021.

Despite the absence of a timely response from StraightPath Fund, Spartan representatives continued to recommend and sell the Offerings. By June 15, 2021, Spartan recommended and

sold investments in eight of the Offerings, and the Atlas Funds sent StraightPath Fund approximately $11.8 million for interests in StraightPath Fund that held shares of six pre-IPO companies that were the subject of these eight offerings—all without Monchik or Spartan having confirmed that StraightPath Fund owned the shares of the pre-IPO companies that were the subject of those offerings.

StraightPath Fund finally responded on June 15, 2021, and forwarded documents for four pre-IPO companies that were the subject of five of the Offerings. StraightPath Fund never produced any documents related to the pre-IPO companies that were the subject of the three other offerings.

The documents StraightPath Fund provided to Monchik for these five offerings did not establish that StraightPath Fund actually possessed any shares of pre-IPO companies for any of the Offerings.

Nonetheless, Monchik never requested or received any additional documentation demonstrating StraightPath Fund's possession of shares in the pre-IPO companies for any of the eight offerings.

After June 15, 2021, Spartan representatives continued to recommend the Atlas Fund Offerings, including eight new offerings. The Atlas Funds sent money to StraightPath Fund for these eight additional offerings, but Monchik never requested or received any documents establishing that StraightPath Fund possessed shares for the pre-IPO companies that were the subject of these additional eight offerings.

By allowing Spartan representatives to continue to recommend the Offerings to customers while StraightPath Manager failed to provide proof that StraightPath Fund possessed

shares for each of the Offerings, Monchik failed to respond to red flags that StraightPath Fund may not have possessed the pre-IPO shares involved in Offerings.

StraightPath Manager is currently in a receivership as a result of SEC litigation, and the Department of Justice has brought criminal charges against StraightPath Manager's principals. Among other things, the SEC has alleged that StraightPath Manager and its principals charged excessive markups on the sale of shares of pre-IPO companies and failed to possess shares of pre-IPO companies it purported to sell.

b. Monchik did not understand and consider the costs investors would pay for the Offerings.

At the time she conducted due diligence on the Offerings on behalf of Spartan, Monchik had little knowledge or expertise with respect to the pricing of private placement offerings.

Monchik did not document any due diligence regarding pricing of the Offerings, including any consideration of fees and markups in the Offerings.

Although Monchik knew that Lowry caused the Atlas Funds to apply markups to shares in the pre-IPO companies that were the subject of the Offerings, Monchik did not consider those markups when allowing Spartan representatives to recommend the Offerings.

Monchik also did not investigate whether StraightPath Manager applied markups to the interests in StraightPath Funds it sold to the Atlas Funds. As a result, when Monchik allowed Spartan representatives to recommend the Offerings, she did not understand whether the pricing of the Offerings included additional markups separate from the markups the Atlas Funds applied.

Therefore, at the time Monchik allowed Spartan representatives to sell the Offerings, and at the time Spartan representatives sold the Offerings to Spartan customers, neither she nor anyone else at Spartan had formed a reasonable understanding of, and reasonably considered, the pricing, including markups.

c. Monchik did not conduct reasonable due diligence on StraightPath Manager.

Lowry relied on Monchik to conduct due diligence for Atlas Entities on StraightPath Manager, the entity that managed StraightPath Fund. Monchik's due diligence consisted of very limited internet research, such as searching the term "StraightPath," and conducting limited background checks, including a Lexis search of a Georgia entity called "StraightPath Ventures LLC" that had no connection to StraightPath Manager.

Monchik conducted no additional due diligence on StraightPath Manager or StraightPath Fund.

Nonetheless, Monchik disseminated the Offerings to Spartan representatives to sell, even though she knew few details about StraightPath Manager's business. She was unaware of StraightPath Manager's history and ownership structure, including the identity of StraightPath Manager's owner, and she did not review copies of any StraightPath Manager's financial statements, including any audited financial reports or annual reports.

As a result, Monchik allowed Spartan representatives to recommend the Offerings despite having no basis to conclude that StraightPath Manager was a legitimate and reliable source of pre-IPO shares.

In total, between March 2021 and October 2021, Spartan, through its registered representatives, recommended 332 investments in the Offerings to natural persons or non-professional legal representatives of natural persons ("retail customers"), and 12 investments in the Offerings to non-retail customers. These investments had a total principal value of approximately $24 million and they generated approximately $2.4 million in placement fees for Spartan, and approximately $480,000 in management fees for Atlas Fund Management.

At the time of the filing of this Complaint, four of the pre-IPO companies that were the subject of the Offerings have gone public or experienced a liquidity event.

III. Respondents disseminated, or caused the dissemination of, material misrepresentations in the PPMs and Supplements.

The PPMs and Supplements that Respondents disseminated, or caused to be disseminated, to investors contained misrepresentations about the markups charged to customers, the price the Atlas Funds paid to obtain membership interests in StraightPath Fund, and how Atlas Funds obtained membership interests in pre-IPO shares.

The PPMs stated that a third-party affiliate may receive a markup on membership interests it sells to the Atlas Funds—specifically that the price paid by a third-party affiliate for the interests in the pre-IPO shares may be lower than the price paid by the Atlas Funds to purchase those shares from the affiliate. The PPMs further stated that the Atlas Funds would not share in that profit from the markup charged by the third-party affiliate.

The Supplements disclosed to investors how the Atlas Funds would acquire the interests in the pre-IPO company that was the subject of the offering, and the price the Atlas Fund would pay to acquire the interests. Specifically, each Supplement included language similar to the following language, which is from the March 2021 Company One Supplement:

> The Fund will be acquiring the [Company One] shares (or interests in investment funds that own [Company One] capital stock) from Iapetus, LLC, an affiliate of the Manager. The price being paid by the Fund is $185 per share greater than the price being paid for the [Company One] shares (or interests in investment funds that own [Company One] capital stock) by Iapetus, LLC.
>
> Lowry created Iapetus in February 2021 and is its sole member.

Lowry's ownership and control of Iapetus is not disclosed in the Supplement or in any other offering documents.

Lowry knew about the specific language in the Supplement describing Iapetus and its role in acquiring interests in the pre-IPO company that was the subject of an Offering.

Lowry discussed Iapetus and its role in acquiring interests in pre-IPO companies with certain investors.

Iapetus did not acquire pre-IPO shares (or membership interests in investment funds that own pre-IPO shares) for any of the Offerings.

Nor did the Atlas Funds acquire pre-IPO shares (or membership interests in investment funds that own shares of pre-IPO companies) from Iapetus.

Rather, the Atlas Funds purchased the interests directly from the issuer of those interests at a much lower price than stated in the Supplement, and then the Atlas Funds—not Iapetus—applied the markup to the interests before selling them to investors.

For example, the Company One Supplement alleged above stated that Atlas Funds would pay $185 per share higher for Company One shares than Iapetus paid for the Company One shares. But that was not true. The Atlas Funds purchased interests in a StraightPath Fund that purportedly owned shares of Company One at $1450, and then the Atlas Entities, at Lowry's direction, applied a $185 markup before selling the interests in that offering to investors for $1635.

Accordingly, the PPMs were false because they stated that Atlas Funds would not profit from the markup when, in fact, the Atlas Funds did. Not only did the Atlas Funds profit from the markups, but they charged the markup and retained the entire profit from the markups.

In total, Lowry caused the Atlas Funds to apply markups on 15 of the 16 offerings. The markups ranged from 12.75 percent to 36.4 percent, and totaled approximately $3.25 million.

The Supplements were false because they misrepresented that Atlas Funds paid a higher price for the interests in the pre-IPO shares than they actually paid. And they misrepresented that Atlas Funds would acquire those interests from an affiliated third party when, in fact, the Atlas

Funds did not. There was no third-party intermediary, as represented. Instead, Atlas Funds purchased the interests in pre-IPO companies directly from entity that purported to hold the pre-IPO shares (i.e., StraightPath Fund).

The misrepresentations in the PPMs and Supplements concealed the full extent of Lowry's compensation in the Offerings and full extent of his economic self-interest, which extended beyond a management fee and placement fee—it also included a markup.

The misrepresentations in the PPMs and Supplements also gave the false impression that a markup was justified because they led investors to believe that there was a third party that performed some service in sourcing the interests in pre-IPO shares.

Respondents knew or were reckless in not knowing that the Atlas Funds did not purchase the interests in the Offerings from Iapetus but instead purchased the interests directly from StraightPath Fund; and that the Atlas Fund did not pay the disclosed markup to acquire the interests from StraightPath Fund—the investors in the Offering did.

IV. Spartan and Monchik failed to adequately disclose conflicts of interest in the offering documents.

The offering documents served, among other things, as Spartan's disclosure of potential and actual conflicts of interest related to the Offerings.

Despite the close affiliation between Spartan and the Atlas Entities, the PPM disclosed only that "The Placement Agent [Spartan]. . . is an affiliate of the Manager [Atlas Fund Management, LLC,]" and that "[e]mployees, officers or affiliates of the Manager may act as registered representatives of the Placement Agent and may receive a portion of the placement agent fee earned in respect of all Capital Commitments placed."

Likewise, the Supplement disclosed only that Spartan was "an affiliate of the Manager."

While the offering documents disclosed Lowry was the principal of Atlas Fund Management, they did not disclose that Lowry owned and controlled the Atlas Manager and Iapetus and was entitled to significant compensation from the Atlas Fund markups if Spartan successfully sold the Offerings, apart from any compensation he might have received from Spartan's placement agent fee.

The offering documents also failed to disclose the conflict of interest that arose from Lowry having sole responsibility for setting the price per share equivalent that investors would pay for the Offerings, which included a markup that would be paid to the Atlas Funds, and which would benefit Lowry.

Moreover, the offering documents failed to disclose that Monchik, Spartan's CAO and "interim" CCO, was a principal for the Atlas Entities with responsibility for managing the Atlas Funds, conducting due diligence on purchases from StraightPath Fund, directing transfers of money to StraightPath Fund, handling the Atlas Fund accounts, and finalizing offering documents for each series offering. At the same time, Monchik was responsible for conducting due diligence on the Offerings on behalf of Spartan.

V. Spartan's Written Supervisory Procedures related to private placement offerings were unreasonable.

The firm's written supervisory procedures (WSPs) tasked Monchik, as acting CCO during the relevant period, with responsibility for maintaining Spartan's supervisory system, including establishing and maintaining its WSPs.

Spartan's WSPs for private placement offerings provided little guidance regarding private placement due diligence or conflicts of interest.

The WSPs stated that "[d]ue diligence will be conducted for each private placement issue to be offered by [Spartan] and is documented in the file for the private placement." However, the

WSPs did not designate a registered principal with authority to carry out supervisory responsibilities related to private placement offerings. In practice, Monchik assumed these responsibilities on behalf of the firm.

Moreover, the WSPs failed to describe how a supervisor should conduct due diligence or reasonably investigate the offerings, other than requiring that senior management "review PPMs and subscription booklets," and stating that the firm "may also request copies of independent due diligence performed by outside sources from the Placement Agent/Issuer."

For example, the WSPs did not identify any issues that principals should consider when conducting due diligence on pre-IPO offerings, such as the assets held or to be acquired by the issuer, claims being made by the issuer, and the background of the issuer and its management.

Spartan's WSPs also provided no guidance regarding the proper documentation of due diligence. The WSPs stated that "[r]ecords and evidence of reviews shall be maintained for each offering," but the WSPs did not specify the form or content of those records, the types of evidence the firm should maintain, or the appropriate records location.

Monchik did not complete due diligence checklists for any of the Offerings or otherwise document any due diligence reviews on behalf of Spartan.

Moreover, Spartan had no written policies or procedures to identify, disclose, or mitigate, as appropriate, conflicts of interest that might create an incentive for the firm or its associated persons to place their interest ahead of the customer's interest.

For example, even though the Atlas Entities and Spartan were closely affiliated, Spartan had no written policies or procedures to identify, disclose, or mitigate, as appropriate, the potential conflicts arising from Spartan's recommendations of offerings issued by affiliated entities. Such conflicts include, but are not limited to, Lowry's ownership of and entitlement to

profits from the Atlas Entities and Spartan, and Monchik's responsibility for managing the Atlas Funds and conducting due diligence on behalf of both the Atlas Entities and Spartan.

FIRST CAUSE OF ACTION

No Reasonable Basis to Recommend the Atlas Fund Offerings
(Willful Violation of Exchange Act Rule 15*l*-1(a)(1) Regulation Best Interest against Spartan; Violation of FINRA Rules 2111 and 2010 against Spartan)

As of June 30, 2020, broker-dealers and their associated persons are required to comply with Regulation BI under the Securities Exchange Act of 1934. Regulation BI's General Obligation, set forth at Exchange Act Rule 15*l*-1(a)(1), requires a broker, dealer, or a natural person associated with a broker or dealer, when making a recommendation of any securities transaction or investment strategy involving securities (including account recommendations) to a retail customer, to act in the best interest of that retail customer at the time the recommendation is made, without placing the financial or other interest of the broker, dealer, or associated person ahead of the interest of the retail customer.

Regulation BI's Care Obligation, set forth at Exchange Act Rule 15*l*-1(a)(2)(ii), requires broker-dealers and their associated persons to exercise reasonable diligence, care, and skill to, among other things, understand the potential risks, rewards, and costs associated with a recommendation. Regulation BI's Adopting Release provides that what constitutes "reasonable diligence" depends on, among other things, the complexity of, and risks associated with, the recommended security. The Care Obligation requires broker-dealers and their associated persons to have a reasonable basis to believe that the recommendation could be in the best interest of at least some retail customers. Failure to comply with the Care Obligation constitutes a violation of Regulation BI's General Obligation.

Regulation BI defines a retail customer as a natural person, or the legal representative of such natural person, who receives a recommendation of any securities transaction or investment

strategy involving securities from a broker, dealer, or a natural person who is an associated person of a broker or dealer; and uses the recommendation primarily for personal, family, or household purposes.

FINRA Rule 2111 requires members and associated persons to have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer. After June 30, 2020, Rule 2111 no longer applies to recommendations made to retail customers, but Rule 2111 continues to apply to recommendations made to non-retail customers.

FINRA Rule 2111 Supplementary Material .05(a) defines the reasonable-basis obligation to require members and their associated persons to perform reasonable diligence so as to have an understanding of the potential risks and rewards associated with the recommended security or strategy and to have a reasonable basis to believe, based on that reasonable diligence, that the recommendation is suitable for at least some investors.

Violations of Exchange Act Rule 15*l*-1(a)(1) or FINRA Rule 2111 are also violations of FINRA Rule 2010, which requires members and associated persons to "observe high standards of commercial honor and just and equitable principles of trade" in the conduct of their business.

Prior to recommending a private placement offering to customers, a broker-dealer must conduct a reasonable investigation, or due diligence. FINRA Regulatory Notice 10-22 explains that such due diligence should include, at a minimum, a reasonable investigation concerning the issuer and its management, the business prospects of the issuer, the assets held by or to be acquired by the issuer, the claims being made, and the intended use of proceeds of the offering.

Between March 2021 and October 2021, Spartan representatives recommended the Offerings to 177 retail customers and 9 non-retail customers.

Spartan, through Monchik, failed to exercise reasonable diligence, care, and skill to understand the potential risks, rewards, and costs associated with recommending the Offerings before allowing representatives to recommend the Offerings to its retail customers and, as a result, had no reasonable basis to believe that the recommendations were in the best interest of at least some retail customers.

Spartan, by and through Monchik, also failed to perform reasonable diligence to have an understanding of the potential risks and rewards associated with the Offerings and, as a result, had no reasonable basis to believe that the recommendations were suitable for at least some non-retail customers.

Specifically, Spartan, through its representatives, recommended the Offerings to retail and non-retail customers without (1) having conducted a reasonable investigation of StraightPath Manager, its principals, or the funds it managed, which purported to be the source of the pre-IPO shares that the Atlas Funds were indirectly investing in through the Offerings; (2) confirming that StraightPath Fund in which the Atlas Funds were investing possessed or had access to the pre-IPO shares that were the subject of the Offerings; and (3) understanding and considering pricing for the Offerings, including any markups.

As a result of the foregoing conduct, Spartan willfully violated Exchange Act Rule 15*l*-1(a)(1), and it violated FINRA Rules 2111 and 2010.

SECOND CAUSE OF ACTION

Fraudulent Conduct

(Violation of FINRA Rule 2010, independently and by acting in contravention of Section 17(a)(2) and (3) of the Securities Act)

(Spartan, Lowry, and Monchik)

Section 17(a)(2) of the Securities Act provides that:

> It shall be unlawful for any person in the offer or sale of any securities . . . by the use of any means or instruments of transportation or communication in interstate

> commerce or by the use of the mails, directly or indirectly . . . (2) to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

Section 17(a)(3) of the Securities Act provides that:

> It shall be unlawful for any person in the offer or sale of any securities . . . by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly . . . (3) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

Acting in contravention of Sections 17(a)(2) and (3) of the Securities Act is a violation of FINRA Rule 2010.

The membership interests in the Offerings are securities.

Respondents offered and sold the membership interests in the Offerings to customers.

The offers and sales of the membership interests in the Offerings were made through the use of email and U.S. mail such that they were made by means or instruments of transportation or communication in interstate commerce or by the use of the mails.

Respondents offered and sold the membership interests in the Offerings through the dissemination and use of the offering documents, including the PPMs and Supplements.

As alleged herein, the PPMs misrepresented that Atlas Funds would not profit from any markup charged to customers in connection with their investments in the Offerings.

As alleged herein, the Supplements misrepresented the price at which Atlas Funds purchased the membership interests in pre-IPO shares and from which entity the Atlas Funds acquired those interests.

These misrepresentations were material facts that a reasonable investor would have viewed as altering the total mix of information made available.

Respondents obtained money by means of the above-alleged untrue statements when they raised capital from Atlas Fund investors (*i.e.,* Spartan customers), in the Offerings and when they obtained placement fees, markups, and/or management fees.

Respondents repeatedly used these material misrepresentations in the offer and sale of the investments in these Offerings such that their conduct constitutes a fraudulent practice or course of business.

Respondents were reckless, or at minimum, negligent in disseminating, or causing the dissemination of, the above-alleged material misrepresentations to Atlas Funds investors.

As a result of the foregoing, Respondents violated FINRA Rule 2010, both independently and by virtue of acting in contravention of Sections 17(a)(2) and (a)(3) of the Securities Act.

THIRD CAUSE OF ACTION

Failure to Disclose Conflicts of Interest
(Willful Violation of Exchange Act Rule 15*l*-1(a)(1) Regulation Best Interest against Spartan; Violation of FINRA Rule 2010 against Spartan)

Regulation BI's Disclosure Obligation, set forth at Exchange Act Rule 15l-1(a)(2)(i), requires broker-dealers and associated persons to provide retail customers full and fair written disclosure, prior to or at the time of the recommendation, of all material facts relating to conflicts of interest that are associated with the recommendation.

Regulation BI's Adopting Release provides that broker-dealers and associated persons must disclose material facts relating to compensation associated with recommendations to retail customers and related conflicts of interest. This disclosure should summarize how the broker-dealer and associated persons are compensated for their recommendations and the conflicts of interest that such compensation creates. This summary should include the sources and types of compensation received.

Regulation BI's Adopting Release also provides that broker-dealers and associated persons must disclose material facts regarding conflicts of interest associated with recommending proprietary products.

A violation of Regulation BI is a violation of FINRA Rule 2010.

As alleged herein, Spartan approved and disseminated offering documents for the Offerings that did not fully and fairly disclose conflicts of interest created by the intertwined relationships of Spartan and the Atlas Entities.

The offering documents did not fully and fairly disclose material facts related to Lowry's ownership and control of both Spartan and each of the Atlas entities and the compensation he would receive from Atlas Fund markups if Spartan successfully sold the Offerings.

Moreover, the offering documents did not fully and fairly disclose material facts related to Spartan's CAO and acting CCO's role managing the Atlas Entities and performing due diligence on the Offerings for both the Atlas Funds and Spartan.

As a result of the foregoing conduct, Spartan willfully violated Exchange Act Rule 15*l*-1(a)(1) and violated FINRA Rule 2010.

FOURTH CAUSE OF ACTION

Failure to Establish, Maintain, and Enforce Written Procedures for Regulation BI
(Willful Violation of Exchange Act Rule 15*l*-1(a)(1) Regulation Best Interest against Spartan; Violation of FINRA Rules 3110 and 2010 against Spartan and Monchik)

Regulation BI's Compliance Obligation, set forth at Exchange Act Rule 15*l*-1(a)(2)(iv), requires a broker-dealer to establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with Regulation BI. Regulation BI's Adopting Release provides that broker-dealers should consider the nature of that firm's operations and how to design such policies and procedures to prevent violations from occurring, detect violations that

have occurred, and to correct promptly any violations that have occurred. Failure to comply with the Compliance Obligation constitutes a violation of Regulation BI's General Obligation.

FINRA Rule 3110(a) requires that each member firm "establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules."

FINRA Rule 3110(b) requires member firms to "establish, maintain, and enforce written procedures to supervise the types of business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules."

A violation of FINRA Rule 3110 is a violation of FINRA Rule 2010.

At all relevant times, Monchik, as acting CCO, had responsibility under the firm's WSPs for establishing, maintaining, and enforcing the firm's WSPs, including procedures related to private placement offerings and private placement due diligence.

During the relevant period, the firm's written policies and procedures, including its WSPs, contained no provisions to achieve compliance with Regulation BI's Care Obligation, including with respect to private placement offerings and private placement due diligence.

Between March and October 2021, Spartan did not have a reasonable supervisory system, including written policies and procedures, regarding private placement due diligence. As alleged herein, Spartan's written policies and procedures did not identify a registered principal with authority to carry out responsibilities for conducting due diligence, nor did the written policies and procedures outline any specific due diligence steps, other than a general requirement that senior management "review PPMs and subscription booklets," and stating that the firm "may

also request copies of independent due diligence performed by outside sources from the Placement Agent/Issuer."

Moreover, the written policies and procedures did not identify any issues that a firm principal should review before approving a private placement offering for sale by Spartan representatives. For example, the written policies and procedures did not require firm principals to review whether the issuer possessed or had access to the pre-IPO shares it purported to sell.

The written policies and procedures also did not provide reasonable guidance regarding documentation of due diligence, such as the form or content of due diligence records, including the types of evidence the firm should maintain and the appropriate records location.

Spartan and Monchik therefore failed to establish a supervisory system, including WSPs, reasonably designed to achieve compliance with the Care Obligation of Regulation BI as it relates to private placement offerings.

Spartan also failed to establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with the Care Obligation of Regulation BI.

As a result of the foregoing conduct, Spartan willfully violated Exchange Act Rule 15*l*-1(a)(1), and both Spartan and Monchik violated FINRA Rules 3110(a) and (b) and 2010.

FIFTH CAUSE OF ACTION

Failure to Reasonably Supervise Private Placement Offerings
(Violation of FINRA Rules 3110 and 2010 against Spartan and Monchik)

Monchik, as acting CCO, was responsible under the firm's WSPs for establishing, maintaining, and enforcing the firm's WSPs, including procedures related to private placement offerings, private placement due diligence, and Regulation BI. As alleged above, Spartan's WSPs for its private offerings were not reasonable because they failed to provide guidance

regarding how to conduct and document due diligence, as well as how to comply with Regulation BI's obligations.

Monchik was responsible for supervising private placement offerings at Spartan, including conducting reasonable due diligence.

Monchik did not conduct reasonable due diligence on the Offerings. She never confirmed that StraightPath Fund in which the Atlas Funds were purchasing membership interests possessed the pre-IPO shares that were disclosed in the Offerings.

Monchik also failed to conduct reasonable due diligence on StraightPath Manager, the issuer of the Offerings, and its management before allowing Spartan representatives to recommend the Offerings to customers.

Monchik also failed to identify and respond to red flags that StraightPath Fund may not have possessed the shares that were the sole asset of StraightPath Fund in which the Atlas Fund were acquiring membership interests. Nonetheless, throughout this period, Monchik continued to allow Spartan representatives to recommend the Offerings to Spartan customers.

Monchik also failed to understand and consider pricing for the Offerings before they were offered to Spartan customers.

Finally, despite language in Spartan's WSPs generally requiring documentation of private placement due diligence, Monchik failed to maintain reasonable records for the due diligence she conducted.

Spartan, through Monchik, therefore failed to reasonably supervise the Atlas fund Offerings.

As a result of the foregoing conduct, Spartan and Monchik violated FINRA Rules 3110(a) and (b) and 2010.

SIXTH CAUSE OF ACTION

Failure to Establish, Maintain, and Enforce Written Conflict of Interest Procedures
(Willful Violation of Exchange Act Rule 15*l*-1(a)(1) Regulation Best Interest against Spartan;
Violation of FINRA Rules 3110 and 2010 against Spartan and Monchik)

Regulation BI's Conflict of Interest Obligation, set forth at Exchange Act Rule 15*l*-1(a)(2)(iii), requires broker-dealers to establish, maintain, and enforce written policies and procedures addressing conflicts of interest, defined as interests that might incline a broker-dealer or an associated person—consciously or unconsciously—to make a recommendation that is not disinterested. Such procedures must be, among other things, reasonably designed to: identify, and, at a minimum, disclose all conflicts of interests associated with such recommendations; and to mitigate any conflicts of interest associated with recommendations to retail customers that create an incentive for an associated person to place the firm's interest, or the associated person's interest, ahead of the customer's interest. This obligation applies to incentives that are provided to the associated person, whether by the firm or third parties, that are within the control of or associated with the broker-dealer's business.

As alleged herein, Monchik was responsible for maintaining and updating Spartan's WSPs. Spartan had no written policies or procedures addressing the identification, disclosure, or mitigation of conflicts of interest, including but not limited to any conflicts of interest arising from: the firm's sale of private placement offerings issued by affiliated Entities; Lowry's ownership and control of Spartan and the Atlas Entities (as issuers and manager of the Offerings for which Spartan acted as exclusive placement agent); and Monchik's responsibility for managing the Atlas Funds while also being responsible for conducting due diligence on the Offerings on behalf of both entities.

Based on the foregoing, Respondent Spartan willfully violated Exchange Act Rule 15*l*-1(a)(1) and FINRA Rules 2111, 3110, and 2010, Respondent Monchik violated FINRA Rules 3110 and 2010, and Respondent Lowry violated FINRA Rule 2010.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondents from any future misconduct, and represent a proper discharge by FINRA of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that:

- Respondent John Lowry be suspended for two years from associating with any FINRA member firm in all capacities and be fined $25,000;
- Respondent Kim Monchik be barred from associating with any FINRA member firm in all capacities; and
- Respondent Spartan Capital Securities, LLC be censured, fined $1,000,000, and pay restitution of $2,176,398.20.

For Respondent **John Lowry**, the fine shall be due and payable either immediately upon re-association with a member firm or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier. FINRA's Finance Department will contact John Lowry regarding payment upon his re-association with a member firm.

Respondent **Spartan Capital Securities, LLC** agrees to pay the monetary sanctions upon notice that this Offer has been accepted and that such payment is due and payable. FINRA's Finance Department will contact Spartan Capital Securities, LLC regarding payment.

Spartan Capital Securities has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent Spartan Capital Securities, LLC is ordered to pay restitution to the customers listed on Attachment A (Eligible Customers) in the total amount of $2,176,398.20.

A registered principal on behalf of Spartan Capital Securities, LLC shall submit satisfactory proof of payment of restitution (separately specifying the date and amount of each paid to each Eligible Customer) or of reasonable and documented efforts undertaken to effect restitution. Such proof shall be submitted by email to EnforcementNotice@FINRA.org from a work-related account of the registered principal of Spartan Capital Securities, LLC. The email must identify Spartan Capital Securities, LLC and the case number and include a copy of the check, money order, or other method of payment. This proof shall be provided by email to EnforcementNotice@FINRA.org no later than 120 days after the date of the notice of acceptance of the Offer.

The restitution amount to be paid to each Eligible Customer shall be treated by Spartan Capital Securities, LLC as the Eligible Customer's property for purposes of state escheatment, unclaimed property, abandoned property, and similar laws. If after reasonable and documented efforts undertaken to effect restitution Spartan Capital Securities, LLC is unable to pay all Eligible Customers within 120 days after the date of the notice of acceptance of the Offer, Spartan Capital Securities, LLC shall submit to FINRA in the manner described above a list of the unpaid Eligible Customers and a description of Spartan Capital Securities, LLC's plan, not unacceptable to FINRA, to comply with the applicable escheatment, unclaimed property, abandoned property, or similar laws for each such Eligible Customer.

The imposition of a restitution order or any other monetary sanctions in this Offer, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies.

Restitution payments to customers shall be preceded or accompanied by a letter, not unacceptable to FINRA, describing the reason for the payment and the fact that the payment is being made pursuant to a settlement with FINRA and as a term of this Offer.

The sanctions herein shall become effective on a date set by FINRA staff. The suspension and bar shall become effective on the date of the notice of acceptance of this Offer.

SO ORDERED.

FINRA

Signed on behalf of the
Director of ODA, by delegated authority



Tina Lawrence
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FINRA Department of Enforcement
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