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September 14, 2016

Via Electronic Mail

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: In the Matter of the Association of Edwin Kantor (CRD # 263955) with S2K Financial LLC (CRD # 248786)

Dear Mr. Fields:

Effective September 14, 2016, and pursuant to Rule 19h-1(a)(3)(iv)(A)&(B) of the Securities Exchange Act of 1934 (“SEA” or “Exchange Act”), the Financial Industry Regulatory Authority (“FINRA”) hereby gives notification to the United States Securities and Exchange Commission (“the SEC” or “the Commission”) of the association of Edwin Kantor (“Kantor”) as a General Securities Representative and an Investment Banking Representative with S2K Financial LLC (“S2K” or “the Firm”). The Firm filed a Membership Continuance Application (“MC-400” or “Application”) with FINRA on April 1, 2016.¹

Kantor’s Disqualifying Event

Kantor is subject to a statutory disqualification as a result of an SEC Order Instituting Proceeding, Making Findings and Imposing Remedial Sanctions (“the SEC Order”) dated

¹ See MC-400 Application and related attachments filed by S2K on April 16, 2016 (attached as Exhibit 1).

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May 20, 1993.² The Commission found that Kantor, while employed as a Senior Executive Vice President of Drexel Burnham Lambert Inc. (“Drexel”) failed reasonably to supervise Michael Milken (“Milken”) with a view to preventing violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rules 10b-5 and 10b-6 thereunder, and Milken’s aiding and abetting violations of Section 206 of the Advisers Act. As a result of his wrongdoing, Kantor was barred from association in a supervisory capacity with any broker, dealer, municipal securities dealer, investment company or investment adviser, provided that, after a period of three years from the date of the SEC Order, he may make application to become associated with any such entity in a supervisory capacity, other than that of head of a department, desk, or other organizational subdivision of such entity that trades securities or financial instruments.

Background Information of Edwin Kantor

Prior SEC Rule 19h-1 and 19d-1 Notices

In 1997, NASD (n/k/a FINRA) filed a Notice pursuant to SEA Rule 19h-1, permitting Kantor to associate with Barington Capital Group, L.P. (“Barington”) as a general securities principal.³ The Commission issued an Order on March 4, 1998, granting the approval of Kantor’s association with Barington.⁴

In 1999, NASD filed a Notification pursuant to SEA Rule 19h-1, permitting Kantor to associate with HCFP Brenner Securities, LLC as a general securities representative.⁵

In 2010, FINRA filed another Notification pursuant to SEA Rule 19h-1, approving Kantor’s association with Cantor Fitzgerald & Co as a general securities representative.⁶ The Commission acknowledged FINRA’s Notification filing on November 22, 2010.⁷

² See In the Matter of Edwin Kantor, Administrative Proceeding File No. 3-8051 (May 20, 1993) (attached as Exhibit 2).

³ See 19h-1 Notice, In the Matter of the Association of Edwin Kantor as a General Securities Principal with Barington, October 15, 1997 (attached as Exhibit 3 without attachments).

⁴ See SEC Order Approving Application for Relief from a Statutory Disqualification, March 4, 1998 (attached as Exhibit 4).

⁵ See letter dated November 10, 1999 from Bradford E. Ali of NASD to Jonathan G. Katz of the SEC (attached as Exhibit 5 without attachments). FINRA staff was unable to locate the SEC Acknowledgement letter.

⁶ See letter dated November 2, 2010 from Lorraine Lee of FINRA to Elizabeth Murphy of the SEC (attached as Exhibit 6).

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Proposed Association & Responsibilities

S2K proposes to employ Kantor as a General Securities Representative (Series 7) and an Investment Banking Representative (Series 79). The Firm has represented that Kantor will “sell product offered by the Applicant, including registered non-publicly traded alternative investment vehicles and Regulation D private placements” and that “part of his job function will be investment banking.”⁸ S2K further represents that “Kantor’s investment banking activities will include sourcing investment opportunity in companies for the Applicant’s institutional clients, whereby the Applicant would solicit companies seeking to raise equity or debt, and participate in the structuring, negotiation and distribution of such financing.”⁹ Kantor will work from the Firm’s home office 777 Third Avenue, 28th Floor, New York, New York.¹⁰ The Firm also represents that Kantor holds a 5% ownership interest in S2K Partners Holding, LLC, which is an indirect owner of S2K.¹¹ Kantor will be compensated based on a fixed salary and discretionary bonus.¹²

⁷ See letter dated November 22, 2010 from Robert Cushmac of the SEC to Lorraine Lee of FINRA (attached as Exhibit 7).

⁸ At the time that the Firm’s MC-400 Application was executed, S2K was located at 201 E. 49 Street and in its Application the Firm indicated that Kantor would be working from that location, see Exhibit 1 at Bates p. 156, Section Two, Question 4 response. However, in November 2015, the Firm amended its Form BD to indicate that its main office had moved and is now located at 777 Third Avenue, New York, NY. A review of the records of the Central Registration Depository (“CRD”), indicate that Kantor will work from the Third Avenue location. See Form BD Excerpt for S2K, dated November 17, 2015, evidencing the main office location change (attached as Exhibit 8).

⁹ See response to question # 1, in an email dated May 12, 2016 from Paul A. Merolla of Murphy & McGonigle (“Merolla”) to Lorraine Lee of FINRA (“Lee”) (attached as Exhibit 9).

¹⁰ See Exhibit 1 at Bates p. 149, Question 6 response.

¹¹ See Exhibit 1 at Bates p. 156, Section Two, Question 1 response; see also S2K Organizational Chart (attached as Exhibit 10).

¹² See Exhibit 1 at Bates p. 149, Question 5 response.

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Employment and Registration History

Employment History

Kantor has been associated with the following firms during the following periods:¹³

<u>Employer</u>	<u>Period of Employment</u>
S2K Financial LLC	May 2015 to present
Cantor Fitzgerald & Co.	October 2009 – May 2013
TPB Securities, LLC	March 2002 – April 2002
HCFP Brenner Securities, LLC ¹⁴	June 1999 – July 2001
Barington	January 1993 – May 1999 ¹⁵
Acorn Trading, Inc.	December 1991 – May 1992
Drexel Burnham Lambert, Inc.	September 1955 – December 1991
Drexel Burnham Lambert Government Securities Inc.	September 1955 – March 1991

Registration History

Kantor received a conditional waiver for the General Securities Representative Examination (Series 7) in January 2010, the Registered Principal Examination (Series 40) in February 1969, the General Securities Principal Examination (Series 24) in October 1996, and the Uniform Securities Agent State Law Examination (Series 63) in March 2010.¹⁶ He received a waiver for the Investment Banking Representative Examination (Series 79) while working for Cantor Fitzgerald & Co. in November 2010.¹⁷

¹³ See CRD Snapshot for Edwin Kantor (attached as Exhibit 11).

¹⁴ See Legacy Employment History for Edwin Kantor (attached as Exhibit 12).

¹⁵ While employed with Barington, a 19h-1 Notice was not required to be filed for Kantor's continued association as a General Securities Representative because he was employed by Barington since January 1993, prior to the filing of the SEC Order in May 1993.

¹⁶ See Exhibit 11 at p. 10.

¹⁷ See Registration History Details for Kantor's Investment Banking Registration Examination (attached as Exhibit 13).

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Outside Business Activities (“OBA”)

Kantor lists his OBAs as Chairman of S2K Partners since August 2012, and the Lead Director of Comtech Telecommunications since May 2001.¹⁸

Additional Regulatory Actions

In January 1980, the American Commodities Exchange filed a Consent Order against Kantor for violating the American Commodities Exchange Rules 405, Section 9-4(c) and Rule 604 while associated with Drexel.¹⁹ As an officer of the firm, Kantor was censured and fined \$2,500.

In 1992, Kantor consented to a censure and 12 month bar by the New York Stock Exchange (“NYSE”). The NYSE found that Kantor violated Exchange Rule 342(a) by failing to supervise and control activities of the head of the High Yield and Convertible Bond Department at Drexel (Michael Milken).²⁰

Customer Complaints

Kantor was sued in state and federal court by customers and Drexel shareholders regarding his failure to supervise reasonably Michael Milken. All of the cases were included in a \$300 million global settlement with Drexel in 1993.²¹

Background Information of S2K

S2K is based in New York, New York and has been a member of FINRA since March 31, 2016. The Firm has one branch office, which also serves as an Office of Supervisory Jurisdiction (“OSJ”). The Firm employs approximately 25 employees; 18 are registered representatives and four are registered principals.²²

¹⁸ See Exhibit 11 at p. 10.

¹⁹ See CRD Disclosure Occurrence Composite, # 109150 (attached as Exhibit 14). A copy of the American Commodities Exchange Consent Order was not available due to the age of the regulatory action.

²⁰ See CRD Disclosure Occurrence Composite, # 109152 (attached as Exhibit 15). A copy of the NYSE Consent Order was not available due to the age of the regulatory action.

²¹ See Exhibit 11 at pp. 14 – 26, 34 – 54.

²² See email dated May 13, 2016 from Merolla to Lee (attached as Exhibit 16).

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Proposed Supervisor

Kantor's Primary Supervisor – Jonathan Daniel Terzi (CRD# 3108195)

Kantor will be supervised onsite by Jonathan D. Terzi (“Terzi”), the Firm’s Chief Compliance Officer and Designated Principal.²³ Terzi has been employed with S2K since its inception and works in the same office location as Kantor.²⁴

Terzi passed the General Securities Representative Examination (Series 7) in September 1998,²⁵ the Investment Banking Representative Examination (Series 79) in July 2010, the Uniform Securities Agent State Law Exam (Series 63) in October 2010, the General Securities Principal Examination (Series 24) in June 2011, and qualified as an Operations Professional (Series 99) in March 2016.²⁶

Terzi has been associated with the following firms during the following periods:²⁷

<u>Employer</u>	<u>Period of Employment</u>
S2K Financial LLC	May 2015 to present
Cantor Fitzgerald & Co.	June 2010 – May 2013
Goldman, Sachs & Co.	August 1998 – February 2005 ²⁸

Since August 2012, Terzi has served as President of S2K Partners.

Terzi has not been the subject of any formal or informal disciplinary proceedings

²³ See Exhibit 1 at pp. 150, 156; see also CRD Snapshot for Jonathan Daniel Terzi (attached as Exhibit 17).

²⁴ See Exhibit 1 at p. 150.

²⁵ Terzi requalified for the Series 7 in October 2015. See Exhibit 17 at p. 6.

²⁶ See Terzi’s Registrations with Current Employers (attached as Exhibit 18).

²⁷ See Exhibit 17 at pp. 5-6.

²⁸ From February 2005 to June 2010, Terzi worked at Metropolitan Capital, a company that he founded. See Exhibit 17 at p. 5.

Alternate Supervisor

In the event that Terzi is out of the office, Kantor will be supervised by Mary Louise Malanoski (“Malanoski”) (CRD # 731794).²⁹ Malanoski, the Firm’s Chief Financial Officer, works in the same office as Kantor. She has been employed with S2K since its inception in April 2016 and has been registered as a General Securities Principal (Series 24) since August 1994.³⁰ Malanoski has not been the subject of any formal or informal disciplinary proceedings.

Basis for FINRA’s Filing of the 19h-1 Notification

SEA Rule 19h-1(a)(3)(iv)(A)&(B) reads, in part:

A notice need not be filed with the Commission pursuant to this rule if. . .

- A. The disqualification previously – (A) was a basis for the institution of an administrative proceeding pursuant to a provision of the federal securities laws, and (B) was considered by the Commission in determining a sanction against such person in the proceeding; and the Commission concluded in such proceeding that it would not restrict or limit the future securities activities of such person in the capacity now proposed or, if it imposed any such restrictions or limitations for a specified time period, such time period has elapsed[.]

It is appropriate for FINRA to file this notification pursuant to SEA Rule 19h-1(a)(3)(iv)(A)&(B), because this Application meets all applicable conditions of this rule. Kantor’s disqualification was previously the basis for the institution of an administrative proceeding pursuant to the federal securities laws, and the Commission’s proceeding did not restrict or limit his securities activities in the capacity now proposed.

S2K represents that Kantor will not be working in the prohibited capacity and FINRA knows of no other conduct or other circumstances that would cause Kantor’s association with S2K as a General Securities Representative and an Investment Banking Representative to be inconsistent with the public interest or the protection of investors.

²⁹ See Exhibit 8, in response to Question 2.

³⁰ See CRD Snapshot for Mary Louise Malanoski (attached as Exhibit 19).

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FINRA therefore believes that this form of notification, to the Commission, is appropriate.

S2K is not a member of any other self-regulatory organization.

Sincerely,

Lorraine Lee-Stepney

Lorraine Lee-Stepney
Manager, Statutory Disqualification Program

Enclosures

cc: Paul A. Morella, Esq. (Via Electronic Mail)
Murphy & McGonigle
(Counsel for S2K Financial LLC)

Natasha Greiner (Via Electronic Mail)
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Exhibits)

Exhibits

1. MC-400 Application and related attachments filed by S2K on April 16, 2016.
2. In the Matter of Edwin Kantor, Administrative Proceeding File No. 3-8051 (May 20, 1993).
3. 19h-1 Notice, In the Matter of the Association of Edwin Kantor as a General Securities Principal with Barington, October 15, 1997.
4. SEC Order Approving Application for Relief from a Statutory Disqualification, March 4, 1998.
5. Letter dated November 10, 1999 from Bradford E. Ali of NASD to Jonathan G. Katz of the SEC.
6. Letter dated November 2, 2010 from Lorraine Lee of FINRA to Elizabeth Murphy of the SEC.
7. Letter dated November 22, 2010 from Robert Cushmac of the SEC to Lorraine Lee of FINRA.
8. Form BD Excerpt for S2K, dated November 17, 2015.
9. Email dated May 12, 2016 from Paul A. Merolla of Murphy & McGonigle (“Merolla”) to Lorraine Lee of FINRA (“Lee”).
10. S2K Organizational Chart.
11. CRD Snapshot for Edwin Kantor.
12. Legacy Employment History for Edwin Kantor.
13. Registration History Details for Kantor’s Investment Banking Registration Examination.
14. CRD Disclosure Occurrence Composite, # 109150.
15. CRD Disclosure Occurrence Composite, # 10915.
16. Email dated May 13, 2016, from Merolla to Lee
17. CRD Snapshot for Jonathan Daniel Terzi.
18. Terzi’s Registrations with Current Employers.
19. CRD Snapshot for Mary Louise Malanoski.