FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2017056612801

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Arthur Robert Meunier a/k/a Arthur Robert Breitman a/k/a Arthur Robert Meunier-Breitman, Respondent
General Securities Representative
CRD Nos. 5726300 and 5090765

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Arthur Robert Breitman ("Breitman" or "Respondent")[1] submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.
ACCEPTANCE AND CONSENT

A. I hereby accept and consent, without admitting or denying the findings, 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, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Breitman entered the securities industry in January 2006 when he became associated with a FINRA-regulated broker-dealer as a non-registered fingerprint person. From April 2010 to April 2012, Breitman was associated with another FINRA-regulated broker-dealer as a General Securities Representative ("GSR"). Breitman holds the following securities licenses: Series 7 (April 2010) and Series 63 (July 2010).

In August 2013, Breitman became associated with Morgan Stanley & Co., LLC ("Morgan Stanley" or the "Firm"), a FINRA-regulated broker-dealer, as a GSR. In a Uniform Termination Notice for Securities Industry Registration ("Form U5") dated April 21, 2016, Morgan Stanley reported the termination of Breitman's employment and association effective April 1, 2016, due to a business reorganization.

Although Breitman is not currently associated with a FINRA-regulated broker-dealer, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Breitman has no prior disciplinary history.

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[1] Breitman legally changed his surname from that of his mother to his father in 2013.

OVERVIEW

During the period of February 2014 to April 2016 (the "Relevant Period"), Breitman engaged in an outside business activity involving Tezos, a blockchain technology. During the Relevant Period, Breitman's Tezos-related business activities included, among other things: (i) launching a website and publishing position papers describing Tezos and its application; (ii) soliciting prospective investors in an attempt to raise $5 to $10 million to finance his business operations; (iii) assembling a team of advisors and retaining a chief operations officer; and (iv) forming a corporate entity known as Dynamic Ledger Solutions, Inc. ("DLS"). During the Relevant Period, outside of his meetings with prospective investors, Breitman promoted Tezos using a pseudonym to publish the website, tweets, and his position papers.

Breitman did not notify Morgan Stanley at any time that he was engaging in these outside business activities. By engaging in outside business activities without providing prior written notice to Morgan Stanley, Breitman violated FINRA Rules 3270 and 2010.

During the Relevant Period, Breitman also falsely attested on two Firm questionnaires that he had disclosed all of his outside business activities to the Firm. By providing false responses on the Firm's annual compliance questionnaires, Breitman violated FINRA Rule 2010.

Breitman also violated FINRA Rules 2210(d)(1)(A), 2210(d)(1)(B), 2210(d)(1)(F) and 2010 by distributing sales materials to potential investors that failed to comply with FINRA's content standards for member communications with the public.

FACTS AND VIOLATIVE CONDUCT

Breitman's Outside Business Activities

FINRA Rule 3270 provides, in relevant part: "No registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member."

FINRA Rule 2010 requires that each FINRA member and its associated persons "observe high standards of commercial honor and just and equitable principles of trade." A violation of FINRA Rule 3270 is also a violation of FINRA Rule 2010.

During the Relevant Period, Morgan Stanley's written supervisory procedures ("WSPs") required that all Firm employees request and receive approval from the Firm prior to engaging in any outside business activity. The WSPs also required Firm employees to ensure that the information regarding their outside business activities remained current and accurate and to report any material changes to the Firm.

In February 2014, Breitman began developing Tezos, a blockchain technology and network originally intended for use in connection with certain over-the-counter securities transactions. In 2014, Breitman invested approximately $80,000 of his own funds into developing Tezos, launched a website and Twitter account, assembled a team of advisors, and published two position papers describing Tezos and its application as a self-amending

crypto-ledger. Breitman published his website, Twitter feed and position papers under the name "L.M. Goodman", and used e-mail addresses associated with L.M. Goodman for Tezos-related correspondence.

In 2015, Breitman continued his Tezos-related business activities, retaining a chief operations officer, developing a business plan and valuation (the "Business Plan"), and presenting the Business Plan to twelve prospective individual and institutional investors, including four clients of the Firm. The Business Plan described Breitman as Tezos' chief executive officer and his experience in the securities industry, including at Morgan Stanley. The Business Plan sought to raise $5 to $10 million in working capital and described how Tezos' would use the funds to finance its business operations, which included Breitman's proposed salary of approximately $200,000 per year. Breitman also formed DLS, a Delaware corporation, serving as DLS' sole director and owner during the Relevant Period.

Although Breitman knew he was required to disclose any outside business activity, he did not tell Morgan Stanley about his Tezos-related activities. Outside of his meetings with prospective investors, Breitman only publicly associated himself with Tezos after his employment with Morgan Stanley ended. As a result, Breitman's use of the L.M. Goodman pseudonym to promote Tezos through its website, Twitter and the position papers he authored, effectively concealed Breitman's involvement with Tezos from the Firm.

By engaging in outside business activities without providing prior notice to Morgan Stanley, Breitman violated FINRA Rules 3270 and 2010.

Breitman's False Statements to the Firm

Providing false statements to a FINRA-registered firm on compliance questionnaires is a violation of FINRA Rule 2010.

In June 2014 and May 2015, Breitman completed annual compliance questionnaires attesting that he had disclosed all of his outside business activities to the Firm when, in fact, that was not true.

By making false statements about his outside business activities to the Firm, Breitman violated FINRA Rule 2010.

Breitman's Tezos-related Communications

FINRA Rule 2210 addresses FINRA member communications with the public and includes content standards that apply to all member communications. Pursuant to FINRA Rule 0140(a), FINRA Rules apply to all member firms and their associated persons. A violation of FINRA Rule 2210 also constitutes a violation of FINRA Rule 2010.

FINRA Rule 2210(d)(1)(A) provides that all communications must be based on principles of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating the facts in regard to any particular security or type of security, industry, or service. No member may omit any material fact or qualification if the omission, in light of the context of the material presented, would cause the communication to be misleading.

FINRA Rule 2210(d)(1)(B) prohibits making any false, exaggerated, unwarranted, promissory or misleading statement or claim in any communication. In addition, no member or associated person may publish, circulate or distribute any communication that

they know or have reason to know contains any untrue statement of material fact or is otherwise false or misleading.

FINRA Rule 2210(d)(1)(F) provides that communications may not predict or project performance, imply that past performance will recur or make any exaggerated or unwarranted claim, opinion or forecast.

During the Relevant Period, Breitman created and distributed the Business Plan to prospective investors on a confidential basis so they could consider an investment in Tezos. The Business Plan failed to provide a balanced presentation and sound basis for evaluating an investment in Tezos, in violation of FINRA Rules 2210(d)(a)(A) and 2010. For example, the Business Plan included Tezos' projected revenues and expenses for the next three years, valued Tezos at a discounted future value of up to $100 million and, conditional on a fifteen-year survival and a price to earnings ratio of 20, projected Tezos' future value as ranging between $2 and $20 billion. Although the Business Plan described its revenue assumptions as "pessimistic," "neutral" and "optimistic," it did not discuss all of the circumstances in which Tezos might not realize the projected revenues and/or future value and failed to balance its positive discussions about the company with adequate risk disclosures that explained the speculative nature of the proposed investment.

The Business Plan also contained forward-looking predictions of the company's performance and potentially misleading statements, in violation of FINRA Rules 2210(d)(1)(B), 2210(d)(1)(F) and 2010. For example, the Business Plan supported its current valuation with a 15-year financial projection and adoption, usage and token appreciation assumptions based on the achievements of established companies, such as Ethereum and Ripple. However, at that time, Tezos was still developing its technology, had no revenues, and its future performance was conditioned on, among other things, building a portfolio of users and raising working capital.

By virtue of the foregoing, Breitman violated FINRA Rules 2210(d)(1)(A), 2210(d)(1)(B), 2210(d)(1)(F) and 2010.

B. I also consent to the imposition of the following sanctions:

1. A two-year suspension from association with any FINRA-regulated broker-dealer in any capacity; and
2. A fine in the amount of $20,000.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (*see* FINRA Rules 8310 and 8311).

The fine shall be due and payable either immediately upon reassociation 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.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.
WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

A. To have a Complaint issued specifying the allegations against me;

B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;

C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and

D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.
OTHER MATTERS

I understand that:

A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;

B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and

C. If accepted:

1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;

2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;

3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and

4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

04/17/2018
Date (mm/dd/yyyy)

Arthur Robert Breitman, Respondent

Reviewed by:

Sarah M. Lightdale, Esq.
Counsel for Respondent
Cooley LLP
1144 Avenue of the Americas
New York, NY 10036
(212) 479-6000

Accepted by FINRA:

4/18/18
Date

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

Richard Chin
Chief Counsel
FINRA Department of Enforcement
One Brookfield Place
200 Liberty Street, 11th Floor
New York, NY 10281