

6. On June 22, 2020, Aristides Capital LLC ceased being an exempt reporting adviser, and became an SEC registered investment adviser.
7. On January 9, 2023, Aristides Capital LLC filed an Other-Than-Annual Amendment on CRD that listed Louisville, Kentucky as the firm's principal office. At that time, due to a clerical error, Aristides Capital LLC lacked a form amendment on the FINRA Central Record Depository (CRD), which would have directed a notice filing of the principal office migration back to Kentucky and fee information to the Department.
8. On March 4, 2026, the Department spoke with Claire Brown about the notice filing issue. Ms. Brown informed the Department that Aristides Capital LLC utilized a third-party compliance consultant to prepare and file paperwork associated with moving the firm's principal office to Louisville, Kentucky, and the lack of a timely notice filing was due to a clerical error by the person who prepared the amendment to Form ADV. Ms. Brown acknowledged the error and quickly provided additional documentation as requested by the Department to better understand the surrounding circumstances.

STATUTORY AUTHORITY

9. KRS 292.332 states,
 - (1) It is unlawful for a covered adviser to transact business in this state as a covered adviser unless the covered adviser has made a notice filing under subsection (2) of this section or is exempt from the requirement to make a notice filing under subsection (3) of this section.
 - (2) A person transacting business as a covered adviser in this state, who is not exempt under subsection (3) of this section, shall make a notice filing consisting of a copy of those documents filed by the covered adviser with the United States Securities and Exchange Commission and pay the fee prescribed by this chapter. A notice filing under this chapter is effective until 12 midnight of December 31 of the year for which the notice is filed.
 - (3) The following covered advisers are not required to comply with subsection (2) of this section:
 - (a) A covered adviser who has no place of business in this state if his or her only clients in this state are investment advisers, covered advisers, broker-dealers, banks,

savings institutions, trust companies, insurance companies, pension or profit-sharing trusts, or other financial institutions or institutional buyers, whether acting for themselves or as trustees;

(b) A covered adviser who has no place of business in this state if, during any period of twelve (12) consecutive months, he or she does not have more than five (5) clients other than those specified in paragraph (a) of this subsection; and

(c) Any other covered adviser exempted from making a notice filing by administrative regulation or order under this chapter.

(4) A notice filing by a covered adviser may be renewed by filing a notice consisting of any documents filed with the United States Securities and Exchange Commission and paying the fee prescribed in this chapter.

10. KRS 292.470 states, in pertinent part,

Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order under this chapter, the commissioner may in his or her discretion bring any or all of the following remedies:

...

(3) Issue a final order, after notice and an opportunity for a hearing, containing findings of fact and conclusions of law, directing any person or persons found to have engaged in, or about to be engaged in, activity that constitutes a violation of this chapter or any rule or order under this chapter:

(a) To cease and desist from the activity;

(b) To perform any other reasonable mandates directed by the commissioner pursuant to an appropriate remedy fashioned by the commissioner and reasonably calculated to carry out the provisions of this chapter; or

(c) To pay fines assessed under KRS 292.500(14) and costs assessed under KRS 292.500(15).

11. KRS 292.500(14) states,

The commissioner may impose civil fines against any person who violates any provision of this chapter or any rule or order or voluntary agreement entered into under this chapter. The fine shall not exceed twenty thousand dollars (\$20,000) per violation, except when the violation is directed at or results in monetary damage to one (1) or more individuals who are sixty (60) years of age or older, the commissioner may impose an additional fine not to exceed twenty thousand dollars (\$20,000) per violation. Each act or transaction which violates this chapter or administrative regulation, or orders or agreements entered into under this chapter,

shall constitute a separate violation. Any employer or principal shall be jointly and severally liable for fines imposed in connection with the conduct of employees or agents.

VIOLATIONS

12. In contravention of KRS 292.332, Aristides Capital LLC failed to notice file as a covered advisor with the Kentucky Department of Financial Institutions for more than one year after the firm moved its principal office and place of business to Kentucky. An investment adviser's utilization of a third-party compliance consultant does not shift the investment adviser's statutory obligation to ensure compliance with KRS 292.332.

AGREEMENT AND ORDER

13. To resolve this matter without litigation or other adversarial proceedings, the Department and Aristides Capital LLC agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.

14. In the interest of economically and efficiently resolving the violations described herein, it is hereby **AGREED** and **ORDERED**:

i. Aristides Capital LLC agree to pay an administrative fine of **two thousand dollars (\$2,000.00)**;

ii. All payments under this Order shall be in the form of an ACH payment made via secure website, pursuant to instructions provided to the Respondent, or by a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Securities Division, 2026-DFI-0063, 500 Mero Street, Frankfort, Kentucky 40601;

iii. Aristides Capital LLC waives the right to demand a hearing at which it would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on its behalf, or to otherwise appeal or set aside this Agreed Order;

iv. Aristides Capital LLC consents to and acknowledges the jurisdiction of the Department over this matter and that this Agreed Order is a matter of public record and may be disseminated as such;

v. In consideration of execution of this Agreed Order, Aristides Capital LLC for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the Department, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Aristides Capital LLC ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration;

vi. By signing below, the parties acknowledge they have read the foregoing Agreed Order, fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties; and

vii. This Agreed Order shall constitute the Final Order in this matter.

SO ORDERED on this the 21st day of April, 2026.


MARNI ROCK GIBSON
COMMISSIONER

Consented to:

On behalf of the Department of Financial Institutions,

21st

This ~~16th~~ day of April, 2026.

Chad Harlan

Assistant Director, Division of Securities
Department of Financial Institutions

and

On behalf of Aristides Capital LLC,

This 16th day of April, 2026.

Claire Brown

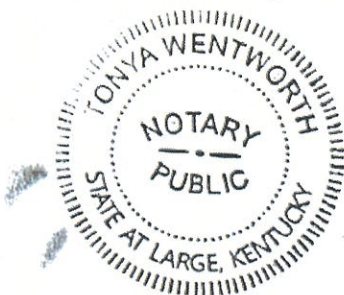
Claire Brown
Aristides Capital LLC

ACKNOWLEDGEMENT

STATE OF Kentucky)
COUNTY OF Jefferson)

On this the 16th day of April, 2026, **Claire Brown**, in my presence, acknowledged herself to be the authorized representative of **Aristides Capital LLC** and, being authorized to do so, did enter into and execute the foregoing instrument, on behalf of **Aristides Capital LLC**, for the purposes therein contained, acknowledging the same.

My Commission Expires: Aug. 10, 2027



Tonya Wentworth
Notary Public
KYNP77323

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing *Agreed Order* was sent on this the 12 day of April, 2026 by the method indicated below to the following:

Via electronic delivery:

Claire Brown
ARISTIDES CAPITAL LLC
552 E Market St., Ste 200
Louisville, KY 40202
claire@aristidescapital.com
Representative on behalf of Respondent

Via electronic delivery:

Brandon Adcock, Staff Attorney III
DEPARTMENT OF FINANCIAL INSTITUTIONS
500 Mero Street
Frankfort, KY 40601
brandon.adcock@ky.gov
Counsel for Department of Financial Institutions

Kentucky Department of Financial Institutions

Name: Alyssa Reid

Title: Executive Staff Advisor