



---

**IN THE MATTER OF:**  
**SOLIUM FINANCIAL SERVICES LLC**  
**CASE NO. 2020—AH—00020**

---

**CONSENT ORDER**

**WHEREAS**, Solium Financial Services LLC (“SFS”) is a broker-dealer with a principal place of business at 50 Tice Boulevard, Suite A-18 Woodcliff Lake, New Jersey 07677, and is registered as a broker-dealer with the Kentucky Department of Financial Institutions (“DFI”);

**WHEREAS**, on May 1, 2019, Morgan Stanley acquired Solium Capital Inc., which included its subsidiaries Solium Holdings USA LLC and SFS (hereinafter collectively with SFS and its affiliates, “Solium”);

**WHEREAS**, after the acquisition, SFS self-reported to state securities regulators that it had transmitted certain securities orders in certain jurisdictions at a time when SFS was not registered as a broker-dealer in such jurisdictions;

**WHEREAS**, certain members of the North American Securities Administrators Association, with Alabama serving as the lead state (collectively, the “State Regulators”) conducted a coordinated investigation of SFS to determine whether SFS’s activity was in violation of the relevant jurisdictions’ broker-dealer registration requirements;

**WHEREAS**, SFS has cooperated during the course of the investigation and has agreed to resolve the investigation with the State Regulators;

**WHEREAS**, SFS, without admitting or denying the Findings of Fact and Conclusions of Law contained herein, voluntarily consents to the entry of this Consent Order (the “Order”)

pursuant to the Securities Act of Kentucky as codified in Chapter 292 of the Kentucky Revised Statutes ("KRS") (the "Act") with respect to this Order;

**NOW, THEREFORE,** the Commissioner of the Kentucky Department of Financial Institutions finds this Order is in the public interest and hereby enters the following:

#### **FINDINGS OF FACT**

1. SFS, CRD No. 147933, is a subsidiary of Solium Holdings USA LLC. SFS registered as a broker-dealer with DFI on May 14, 2019.
2. Solium provides equity plan administration software to employers. Employee-participants of employer-sponsored equity plans that utilize Solium's software can view and track the options and shares issued to them by their employers.
3. If an employee-participant residing in Kentucky requests an exercise or liquidation through Solium's software, SFS transmits an order in the relevant account at a clearing broker-dealer registered in Kentucky and then routes the proceeds to the employee-participant's account. SFS receives a share of the commissions earned on these transactions.
4. SFS does not provide advice to employee-participants or solicit transactions in any manner.
5. From at least January 2009 to May 14, 2019, SFS transmitted orders for employee-participants residing in Kentucky when SFS was not registered as a broker-dealer with DFI.
6. SFS has provided substantial and timely cooperation to the State Regulators during the course of the referenced investigation.

## CONCLUSIONS OF LAW

1. During the period from at least January 2009 to May 14, 2019, SFS acted as a "broker-dealer" in Kentucky as the term "broker-dealer" is defined by KRS 292.310(2) of the Act.

2. KRS 292.330(1) states that it is unlawful for a person to transact business in Kentucky as a broker-dealer unless such person is registered under the Act.

3. By engaging in the conduct set forth above, SFS acted as an unregistered broker-dealer in Kentucky in violation of KRS 292.330(1) of the Act.

4. As a result of the stated violation, SFS is subject to the assessment of a fine pursuant to KRS 292.500 of the Act.

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

## ORDER

On the basis of the Findings of Fact, Conclusions of Law, and SFS's consent to the entry of this Order, **IT IS HEREBY ORDERED:**

1. This Order concludes the investigation by DFI and any other action that the Commissioner could commence under applicable Kentucky law as it relates to the substance of the Findings of Fact and Conclusions of Law herein, provided however, that the Commissioner may pursue claims arising from SFS's failure to comply with the terms of this Order.

2. This Order is entered into solely for the purpose of resolving the investigation and is not intended to be used for any other purpose.

3. SFS shall cease and desist from violating KRS 292.330(1) of the Act.

4. SFS shall pay a fine in the amount of Five Thousand Four Hundred Sixty-Five Dollars and Eighty-One cents (\$5,465.81) in the form of a certified check or money order made payable to "Kentucky State Treasurer" upon the entry of this Order.

5. This Order is not intended to form the basis for any disqualification from registration as a broker-dealer, investment adviser, or issuer under the laws, rules, and regulations of Kentucky and waives any disqualification from relying upon the securities registration exemptions or safe harbor provisions to which SFS or any of its affiliates may be subject under the laws, rules and regulations of Kentucky.

6. Nothing in this Order is intended to form the basis for any disqualification under the laws of Kentucky, any other state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands; under the rules or regulations of any securities or commodities regulator or self-regulatory organizations (SROs); or under the federal securities laws, including but not limited to, Section 3(a)(39) of the Securities Exchange Act of 1934, Regulation A, Rules 504 and 506 of Regulation D under the Securities Act of 1933, and Rule 503 of Regulation CF. Further, nothing in this Order is intended to form the basis for disqualification under the FINRA rules prohibiting continuance in membership or disqualification under other SRO rules prohibiting continuance in membership. This Order is not intended to be a final order based upon any violation of any Kentucky statute, rule, or regulation that prohibits fraudulent, manipulative, or deceptive conduct.



7. Except in an action by the Commissioner to enforce the obligations in this Order, this Order is not intended to be deemed or used as (a) an admission of, or evidence of, the validity of any alleged wrongdoing or liability; or (b) an admission of, or evidence of, any such alleged fault or omission of SFS in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or other tribunal.

8. This Order is not intended to state or imply willful, reckless, or fraudulent conduct by SFS, or its affiliates, directors, officers, employees, associated persons, or agents.

9. SFS, through execution of this Order, voluntarily waives the right to a hearing and to judicial review of this Order under the Act and Kentucky Revised Statutes Chapter 13B.

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

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

**IT IS SO ORDERED** on this the 10th day of September, 2020.

**Charles A. Vice**

Digitally signed by Charles A. Vice  
DN: CN = Charles A. Vice email = Charles.Vice@ky.  
gov C = US O = KY DFI OU = Commissioner's  
Office  
Date: 2020.09.10 15:34:36 -04'00'

**CHARLES A. VICE**  
**COMMISSIONER**

---

**Consented to:**

*On behalf of the Department of Financial Institutions,*

This 29<sup>th</sup> day of July, 2020.

Maui R. Gibson  
Director, Division of Securities  
Department of Financial Institutions

**AND**

*On behalf of SFS,*

Jul 29, 2020

This \_\_\_ day of \_\_\_\_\_, 2020.

DocuSigned by:  
Michael Hennessy  
3657093500A8472  
Michael Hennessy, Managing Director  
Solium Financial Services LLC

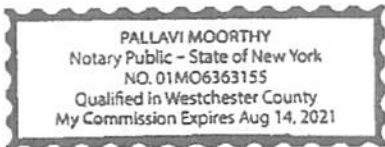
**ACKNOWLEDGEMENT**

STATE OF New York )  
 )  
COUNTY OF New York )

On this the 29<sup>th</sup> day of July, 2020, before me Pallavi Moorthy, Michael Hennessy did personally appeared and acknowledged themselves to be a duly authorized representative of Solium Financial Solutions, LLC, and acknowledged that they entered into and executed the foregoing instrument for the purposes therein contained.

My Commission Expires: 8/14/2021

Pallavi Moorthy  
Notary Public



**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing **Consent Order** was sent on this the 13<sup>th</sup> day of September 2020, by certified mail, return receipt requested, to:

S. Anthony Taggart  
Morgan Stanley  
1633 Broadway, 30<sup>th</sup> Floor  
New York, NY 10019

And by Hand-Delivery to:

Stuart Michael  
Department of Financial Institutions  
500 Mero Street 2SW19  
Frankfort, KY 40601  
COUNSEL FOR DEPARTMENT OF FINANCIAL INSTITUTIONS

  
\_\_\_\_\_  
Kentucky Department of Financial Institutions