

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF:**

Solium Financial Services LLC (CRD #147933)

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) **File No.: 2000821**  
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**NOTICE OF HEARING**

**TO THE RESPONDENT:** Solium Financial Services LLC (CRD #147933)  
50 Tice Boulevard  
Suite A-18  
Woodcliff Lake, NJ 07677

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on **October 26, 2020**, at **10:00a.m.**, or as soon as possible thereafter, before Hearing Officer James Kopecky, or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered against Respondent, including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E(4) of the Act.

The grounds for such proposed action are as follows:

**BACKGROUND**

1. Respondent Solium Financial Services LLC (CRD #147933) ("Respondent") is a dealer with a principal place of business at 50 Tice Boulevard, Suite A-18 Woodcliff Lake, New Jersey 07677, and had been registered as a dealer in the State of Illinois since March 22, 2016.
2. On May 1, 2019, Morgan Stanley acquired Solium Capital Inc., which included its subsidiaries Solium Holdings USA LLC and Respondent (hereinafter collectively, "Solium").
3. 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.

4. If an employee-participant residing in the State of Illinois requests an exercise or liquidation through Respondent's software, Respondent transmits an order in the relevant account at a clearing dealer registered in the State of Illinois and then routes the proceeds to the employee-participant's account. Respondent receives a share of the commissions earned on these transactions.
5. Respondent does not provide advice to employee-participants or solicit transactions in any manner.

#### **NATURE OF THE CASE**


6. After the acquisition by Morgan Stanley, Respondent self-reported to state securities regulators that it had transmitted certain securities orders in certain jurisdictions at a time when Respondent was not registered as a dealer in such jurisdictions.
7. 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 Respondent to determine whether Respondent's activity was in violation of the relevant jurisdictions' dealer registration requirements.

#### **UNREGISTERED ACTIVITY VIOLATIONS OF ILLINOIS SECURITIES LAW**

8. From at least January 2009 to March 22, 2016, Respondent transmitted orders for employee-participants residing in the State of Illinois when Respondent was not registered as a dealer with the State of Illinois.
9. During the period from at least January 2009 to March 22, 2016, Respondent acted as dealer in the State of Illinois as the term is defined by Section 2.7 of the Act.
10. Section 8.A of the Act states, *inter alia*, that every dealer, salesperson, investment adviser, and investment adviser representative shall be registered as such with the Secretary of State.
11. Section 12.A of the Act provides that it shall be a violation for any person "To offer or sell any security except in accordance with the provisions of this Act."
12. Section 12.C of the Act states that it shall be a violation for any person "To act as a dealer, salesperson, investment adviser, or investment adviser representative, unless registered as such, where such registration is required, under the provisions of this Act."
13. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person "To fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act..."

14. By virtue of the foregoing, Respondent violated Sections 8.A, 12.A, 12.C, and 12.D of the Act.

Date of Mailing: This 8th day of September 2020.

  
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JESSE WHITE  
Secretary of State  
State of Illinois

**You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, or other responsive pleading within thirty (30) days of receipt of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.**

**Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you.**

**A copy of the Rules and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois Securities Department, are available at the Department's website.**

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