

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE,  
OFFICE OF THE MONTANA STATE AUDITOR**

IN THE MATTER OF

Aegis Capital Corp.,  
CRD No. 15007,

Respondent.

Case No. SEC-2023-00251

**CONSENT AGREEMENT AND  
FINAL ORDER**

This Consent Agreement (Agreement) and Final Order (Order) are entered into by the Commissioner of Securities and Insurance, Office of the Montana State Auditor (CSI), acting pursuant to the authority of the Securities Act of Montana, Mont. Code Ann. Title 30, Chapter 10, parts 1 through 3 (the Act), and Aegis Capital Corp. (Respondent).

**RECITALS**

WHEREAS, on August 1, 2022, CSI received a consumer complaint from M. L., regarding M. L.'s account with Respondent;

WHEREAS, Aegis Capital Corp. is a registered broker-dealer and investment adviser firm, CRD No. 15007, with its principal office and place of business at 1345 Avenue of the Americas, 27<sup>th</sup> Floor, New York, New York 10105;

WHEREAS, at all times relevant to this matter Respondent maintained Written Supervisory Policies in place to supervise its registered representatives, and to ensure compliance with the laws, rules, regulations and best practices that surround Respondent's broker-dealer business;

WHEREAS, CSI alleges that Respondent violated Mont. Code Ann. § 30-10-201(13)(k) by failing to have adequate written supervisory policies/procedures in effect to monitor certain of its registered representatives during the supervision period;

WHEREAS, CSI and Respondent agree that the best interests of the parties and the public is served by entering into the Agreement;

NOW, THEREFORE, in consideration of the mutual undertakings and agreements contained in this Agreement, CSI and Respondent hereby agree to settle this matter pursuant to the following terms and conditions:

### **STIPULATIONS AND CONSENTS**

1. Respondent stipulates and consents to the following:
  - a. Respondent neither admits nor denies any of CSI's allegations, including the allegation that Respondent failed to have adequate written supervisory policies/procedures in effect to monitor certain of its registered representatives during the supervision period.
  - b. Respondent shall pay a fine of \$25,000.00 to the State of Montana within 60 days after signing this Agreement. Payment shall be made by check or money order payable to "The State of Montana" sent to the Commissioner of Securities and Insurance, Office of the Montana State Auditor, Attn: Brandy Morrison, Paralegal, 840 Helena Avenue, Helena, MT 59601.
  - c. Respondent shall make a restitution offer to M.L. for a total amount of \$122,100.00 towards restitution for losses in his account, which amount represents \$111,000.00 plus 10% percent interest per year for one (1) year—within thirty (30) days from the entry of the Final Order on this Agreement. Respondent shall send CSI proof of this restitution offer within thirty (30) days from the entry of the Final Order on this Agreement. Respondent may condition its offer of restitution on M.L. tendering to Respondent a general release for all securities activities in M.L.'s account at Respondent.

Respondent is responsible for negotiating and drafting the terms of the release with M.L.

- i. The foregoing clause, ¶1.c., is severable from this Agreement, and the refusal or inability of M.L. to accept Respondent's restitution offer does not invalidate Respondent's other obligations under this Agreement.
    - ii. If accepted by M.L., Respondent must provide proof of payment to CSI confirming the date payment was sent.
  - d. Respondent shall comply with all provisions of the Act and all rules under the Act.
  - e. Respondent specifically and affirmatively waives a contested case hearing and its right to appeal under the Montana Administrative Procedure Act (MAPA), including Title 2, chapter 4, part 7, of the Montana Code Annotated; and elects to resolve this matter on the terms and conditions set forth herein.
  - f. Respondent fully and forever releases and discharges CSI from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or not asserted, known or unknown, foreseen or unforeseen, arising out of or related to the Recitals or this Agreement.
2. CSI stipulates and consents to the following:
  - a. CSI fully and forever releases and discharges Respondent from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or not asserted, known or unknown, foreseen or unforeseen, arising out of or related to the Recitals or this Agreement
3. All parties to this Agreement stipulate and consent as follows:
  - a. The Commissioner has jurisdiction over Respondent and the subject matter of this matter pursuant to Mont. Code Ann. § 30-10-101 *et seq.*

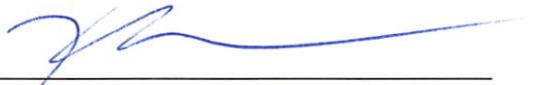
- b. This Agreement is entered into without adjudication of any issue, law, or fact and is therefore not an admission of liability. It is entered into solely for the purpose of resolving CSI's allegations and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not limit or create any private rights or remedies against the Respondent, limit or create liability of Respondent, or limit or create defenses of Respondent to any claims.
- c. The applicable statute of limitations, set forth in Mont. Code Ann. § 30-10-305, is tolled with regard to the allegations asserted in this matter. In the event Respondent fails to comply with the terms of this Agreement at any time after entering this Agreement, CSI may pursue additional administrative action against Respondent.
- d. This Agreement constitutes the entire agreement between the Commissioner and Respondent, and no other promises or agreements, either express or implied, have been made by the Commissioner or by any member, officer, agent or representative of CSI to induce Respondent to enter into this Agreement.
- e. This Agreement may not be modified orally, and any subsequent modifications to this Agreement must be mutually agreed upon in writing to be effective.
- f. This Agreement shall be incorporated into and made a part of the attached Final Order issued by the Commissioner herein.
- g. This Agreement shall be effective upon signing of the Final Order.
- h. This Agreement is a public record under Montana law and, as such, may not be sealed or otherwise withheld from the public.

DATED this 26 day of August, 2024.



\_\_\_\_\_  
Title: Chief Compliance Officer  
Respondent Aegis Capital Corp.

Approved as to form and content:



\_\_\_\_\_  
KEVIN BRATCHER  
Legal Counsel for CSI




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LIN DEOLA  
Legal Counsel for Respondent

**FINAL ORDER**

Pursuant to the authority vested by Mont. Code Ann. § 2-4-603, and § 30-10-101 *et seq.*, and upon review of the foregoing Consent Agreement, and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the Commissioner and Respondent is adopted as if set forth fully herein.

DATED this 29<sup>th</sup> day of August, 2024.

  
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**TROY DOWNING**  
Commissioner of Securities and Insurance,  
Montana State Auditor