



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
 )  
AEGIS CAPITAL CORP., CRD No. 15007, ) Case No.: AP-23-15  
 )  
Respondent. )

**CONSENT ORDER**

**SUMMARY OF ENFORCEMENT SECTION'S ALLEGATIONS**

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“**Enforcement Section**”), through Director of Enforcement Melissa D. Buchanan, alleges that between October 1, 2021 and September 1, 2022 (“**Relevant Period**”), Aegis Capital Corp., (“**Respondent**”), failed to submit three periodic reports related to a plan of heightened supervision for a broker-dealer agent (“**BDA**”) in violation of Section 409.4-411(c)(1), RSMo and 15 CSR 30-51.120. The Enforcement Section alleges that these violations constitute grounds to sanction Respondent in accordance with Section 409.6-604, RSMo.<sup>1</sup>
2. Respondent and the Enforcement Section desire to settle the allegations raised by the Enforcement Section relating to Respondent’s alleged violations of Section 409.4-411(c)(1), RSMo and 15 CSR 30-51.120.

**CONSENT TO JURISDICTION**

3. Respondent and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (the “**Commissioner**”) has jurisdiction over Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.* (“**the Act**”).
4. Respondent and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

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<sup>1</sup> Unless otherwise specified, all statutory references are to the 2016 Revised Statutes of Missouri, as updated by the 2022 Cumulative Supplement.

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

5. Respondent waives any right to a hearing with respect to this matter.
6. Respondent waives any right that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of the Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent stipulates and agrees with the Enforcement Section that, should the facts contained herein prove to be false or incomplete, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER’S ORDER

8. Respondent and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent’s (a) testimonial obligations; (b) right to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that it is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent stipulates and agrees that this Consent Order shall be binding upon all of Respondent’s successors, transferees, heirs, and assigns.
12. Respondent neither admits nor denies the allegations made by the Enforcement Section, but consents to the Commissioner’s Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purpose of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

THE COMMISSIONER’S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

13. Respondent is a Missouri registered broker-dealer with its principal office located at 1345 Avenue of the Americas, 27<sup>th</sup> Floor New York, NY, 10105. Respondent is registered in the Central Registration Depository System (“**CRD**”) with CRD number 15007 and has been registered as a broker-dealer in Missouri since March 2006.
14. On August 27, 2020, Respondent’s former BDA, A.B. (“**A.B.**”), agreed to two (2) years of heightened supervision as a condition of his Missouri BDA registration under the Commissioner’s authority in Section 409.4-412(a). A.B. signed the heightened supervision agreement and the document was notarized the same date. A.B. was terminated by Respondent in June 2023.
15. On September 1, 2020, A.B.’s supervisor, I.R., agreed to supervise A.B. on behalf of Respondent under the plan of heightened supervision. I.R. signed the manager’s supervision agreement (“**Supervisor Affidavit**”) and the document was notarized on the same date.
16. In the Supervisor Affidavit, I.R. agreed:

“For a period of two (2) years from the agent application approval, I will meet with [A.B.] quarterly to discuss the activities in his Missouri customer accounts. A report documenting this meeting will be placed in [A.B.’s] personnel file and a copy of the report *shall* [emphasis added] be sent to the Missouri Securities Office to Brenda Cooper’s attention. If, during these reviews, it is found that [A.B.] violated any provision of the Missouri Securities Act, I will immediately report the violations to the Missouri Securities Commissioner. If [A.B.] has no Missouri customer accounts during a quarter, I will file a report affirming that [A.B.] had no Missouri activity during that period.”
17. On September 1, 2020, Respondent’s registration as a Missouri BDA was approved subject to the condition of heightened supervision pursuant to the Commissioner’s authority.
18. On January 23, 2023, the Registration Section of the Missouri Securities Division (“**Registration Section**”) received a notification from the Financial Industry Regulatory Authority (“**FINRA**”) that A.B. had five (5) or more customer complaints. Based on the FINRA notification, the Registration Section conducted a review of A.B.’s registration. The Registration Section discovered A.B. was the subject of a complaint putatively concerning activities at a prior firm (“**Complaint 9368**”), which was registered as an arbitration claim in CRD on March 30, 2022. A.B. was the subject of Complaint 9368 while his Missouri BDA registration was conditioned by heightened supervision. The Registration Section referred the matter to the Enforcement Section.

19. On January 24, 2023, the Enforcement Section initiated its investigation and discovered the following facts:
- a. on April 5, 2022, A.B.'s previous employer, Firm 1, received notice of Complaint 9368;
  - b. on April 11, 2022, Firm 1 emailed a copy of Complaint 9368 to A.B.'s last known email addresses;
  - c. on April 20, 2022, the Registration Section received an email from M.P., a senior employee for Respondent, which included a copy of I.R.'s documented monthly/quarterly report regarding meetings with A.B. The report dated April 4, 2022, documents meetings with A.B. that purportedly occurred in February and March 2022. The report sent on April 20, 2022, represents the last monthly/quarterly report Respondent delivered to the Registration Section regarding A.B.'s condition of heightened supervision.
  - d. on April 26, 2022, Respondent updated A.B.'s Uniform Application for Securities Industry Registration or Transfer ("**Form U4**") within CRD to reflect Complaint 9368, and A.B. electronically signed the Form U4 the same date; and that
  - e. as of February 2, 2023, A.B. did not successfully complete the two (2) year term of heightened supervision. No one sent monthly/quarterly reports to the Registration Section on behalf of Respondent pursuant to A.B.'s condition of heightened supervision for Fourth Quarter 2021, Second Quarter 2022, or Third Quarter 2022.

## II. CONCLUSIONS OF LAW

20. **THE COMMISSIONER CONCLUDES** that during the Relevant Period, Respondent failed to properly maintain its books and records by failing to submit reports required as a condition of heightened supervision, in violation of Section 409.4-411(c)(1), RSMo and 15 CSR 30-51.120.
21. **THE COMMISSIONER CONCLUDES** that the violations above are sufficient to sanction Respondent and to issue an order in accordance with Section 409.6-604.
22. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent in this matter and that the following order is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by Chapter 409.

## III. ORDER

**NOW, THEREFORE**, it is hereby Ordered that:

23. Respondent, its agents, employees and servants, and all other persons participating in the above-described alleged violations with knowledge of this order shall cease and desist from engaging in any further violations of 409.4-411(c)(1), RSMo. and 15 CSR 30-51.120;
24. Respondent shall pay \$7,500 to the Missouri Secretary of State Investor Education and Protection Fund. **This amount is due upon execution of this Order and shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund** and sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101;
25. Respondent, its agents, employees and servants, and all others subject to this order shall adequately supervise and comply with registration conditions required by the Commissioner under the Act; and
26. Respondent shall pay its own costs and attorneys' fees with respect to this matter.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,  
MISSOURI THIS 31 DAY OF JANUARY, 2024.



JOHN R. ASHCROFT  
SECRETARY OF STATE

A handwritten signature in blue ink, appearing to read "Douglas M. Jacoby", written over a horizontal line.

DOUGLAS M. JACOBY  
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

A handwritten signature in black ink, appearing to read "Melissa D. Buchanan", written over a horizontal line.

Melissa D. Buchanan  
Director of Enforcement

RESPONDENT

AEGIS CAPITAL CORP., CRD No. 15007

A handwritten signature in black ink, appearing to read "Kevin Meade", written over a horizontal line.

[Title/Officer]

Kevin Meade, Chief Compliance Officer