

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, AUGUST 21, 2024

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2023-00038

INGALLS & SNYDER LLC,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Ingalls & Snyder LLC ("I&S" or "Defendant"), pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

I&S is a federal covered advisor that first notice-filed its federal status in Virginia on January 4, 1996. I&S is a New York-based investment advisory firm with a principal business address of 1325 Avenue of the Americas, 18th Floor, New York, New York 10019.

Based on its investigation, the Division alleges that between December 2021 and March 2023, I&S violated § 13.1-504 C of the Act when I&S retained a third-party independent contractor ("Individual"), an unregistered investment advisor representative ("IAR") having a place of business in the Commonwealth, to solicit and refer clients to I&S for discretionary, fee-based account management business. I&S entered into a referral agreement with the unregistered IAR in which I&S would compensate the Individual for referring clients to I&S.

If any provisions of the Act are violated, the Commission is authorized by § 13.1-521 A of the Act to impose a civil penalty; by § 13.1-521 C of the Act to order a defendant to make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order"). As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Division wherein the Defendant will abide by and comply with the following terms:

- (1) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Thousand Dollars (\$5,000) in monetary penalty;
- (2) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of One Thousand Dollars (\$1,000) to defray the costs of investigation in this matter; and
- (3) The Defendant will not violate the Act in the future.

The Division supports the Defendant's settlement offer and has recommended that the Commission accept the settlement.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the settlement should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The settlement is accepted.
- (2) The Defendant shall fully comply with the terms of the settlement stated herein.

A COPY hereof shall be sent by the Clerk of the Commission by electronic mail to: Thomas McGonigle, Esquire, Davis Wright Tremaine, LLP, 1301 K Street Northwest, Suite 500 East, Washington, D.C. 20005, thomasmcgonigle@dwt.com; and a copy shall be delivered to the Commission's Office of General Counsel and the Division of Securities and Retail Franchising.

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ADMISSION AND CONSENT

Ingalls & Snyder LLC ("Defendant") admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof. The Defendant, while neither admitting nor denying the allegations made herein by the Division of Securities and Retail Franchising, hereby consents to the form, substance and entry of the foregoing Settlement Order ("Order").

The Defendant further states that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Order.

Ingalls & Snyder LLC

Date: August 14, ²⁰²⁴ ~~2023~~

By: 

Its: Frank Stoker, Chief Financial Officer

Seen by:

Thomas J. McGonigle
Thomas McGonigle, Esquire