

SEC Charges 27 Financial Firms for Form CRS Filing and Delivery Failures

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Washington D.C., July 26, 2021 —The Securities and Exchange Commission today announced that 21 investment advisers and 6 broker-dealers have agreed to settle charges that they failed to timely file and deliver their client or customer relationship summaries – known as Form CRS – to their retail investors.

On June 5, 2019, the SEC adopted Form CRS and required SEC-registered investment advisers and SEC-registered broker-dealers to file their respective Forms CRS with the SEC, begin delivering them to prospective and new retail investors by June 30, 2020, and deliver them to existing retail investor clients or customers by July 30, 2020. The SEC also required firms to prominently post their current Form CRS on their website, if they had one. According to the SEC's orders, each of the firms charged today missed those regulatory deadlines. The orders find that none of the firms filed or delivered its Form CRS, or posted it to its website, until being twice reminded of the missed deadlines by their regulators—in the case of investment advisers, by the SEC's Division of Examinations, and in the case of broker-dealers, by the Financial Industry Regulatory Authority.

"Registration with the SEC as an investment adviser or broker-dealer comes with mandated filing and disclosure obligations," said Gurbir S. Grewal, Director of the SEC's Enforcement Division. "Today's cases reinforce the importance of meeting those obligations and providing retail investors with information that is intended to help them understand their relationships with their securities industry professionals."

"Form CRS is intended to provide retail investors with a brief summary about the services a firm offers, its fees, conflicts of interest, and other information that can help investors make more informed choices," said Adam S. Aderton, Co-Chief of the SEC Enforcement Division's Asset Management Unit. "By failing to file, deliver, and post this form, these firms deprived their clients and customers of the benefits of that information."

The SEC's orders find that the investment advisers violated Section 204 of the Investment Advisers Act of 1940 and Advisers Act Rules 204-1 and 204-5, and that the broker-dealers violated Section 17(a)(1) of the Securities Exchange Act of 1934 and Exchange Act Rule 17a-14. Without admitting or denying the findings, the firms agreed to be censured, to cease and desist from violating the charged provisions, and to pay the following civil penalties:

- [Altschuler, James Stephen](#), a Lexington, Massachusetts-based investment adviser, has agreed to pay a \$25,000 civil penalty.
- [Canton Hathaway LLC](#), a Providence, Rhode Island-based investment adviser, has agreed to pay a \$25,000 civil penalty.
- [Carmel Capital Management LLC](#), a Carmel, California-based investment adviser, has agreed to pay a \$25,000 civil penalty.
- [Castle Wealth Planning LLC](#), a Santa Barbara, California-based investment adviser, has agreed to pay a \$25,000 civil penalty.
- [Cohen Klingenstein LLC](#), a New York, New York-based investment adviser, has agreed to pay a \$97,523 civil penalty.
- [Dynamic Trading Management LLC](#), a White Plains, New York-based investment adviser, has agreed to pay a \$10,000 civil penalty.
- [Eastside Financial Advisors LLC](#), a Fayetteville, New York-based investment adviser, has agreed to pay a \$10,000 civil penalty.
- [Embree Financial Group Inc.](#), a Chicago, Illinois-based investment adviser, has agreed to pay a \$97,523 civil penalty.
- [Harold Davidson & Associates Inc.](#), a Los Angeles, California-based investment adviser, has agreed to pay a \$25,000 civil penalty.

- [John A. Bysko Associates](#), an Old Lyme, Connecticut-based investment adviser, has agreed to pay a \$25,000 civil penalty.
- [Madden Funds Management Ltd.](#), an Oak Park, Illinois-based investment adviser, has agreed to pay a \$25,000 civil penalty.
- [Medallion Wealth Advisors LLC](#), a Farmington, Connecticut-based investment adviser, has agreed to pay a \$25,000 civil penalty.
- [Mighty Oak Strong America Investment Company](#), a Mechanicsburg, Pennsylvania-based investment adviser, has agreed to pay a \$25,000 civil penalty.
- [Minot DeBlois Advisors LLC](#), a Boston, Massachusetts-based investment adviser, has agreed to pay a \$97,523 civil penalty.
- [O'Brien Greene & Co. Inc.](#), a Media, Pennsylvania-based investment adviser, has agreed to pay a \$25,000 civil penalty.
- [Paratus Financial Inc.](#), a Dallas, Texas-based investment adviser, has agreed to pay a \$97,523 civil penalty.
- [Quantitative Asset Management LLC](#), a Wayzata, Minnesota-based investment adviser, has agreed to pay a \$25,000 civil penalty.
- [Sauberan & Company LLC](#), a Lockport, New York-based investment adviser, has agreed to pay a \$10,000 civil penalty.
- [Summit Financial Advisors Inc.](#), a Lebanon, Ohio-based investment adviser, has agreed to pay a \$25,000 civil penalty.
- [The Cavanaugh Group Inc.](#), a Towson, Maryland-based investment adviser, has agreed to pay a \$50,000 civil penalty.
- [Westbourne Investments Inc.](#), an Alexandria, Virginia-based investment adviser, has agreed to pay a \$25,000 civil penalty.
- [Bill Parker Agency](#), a Sacramento, California-based broker-dealer, has agreed to pay a \$10,000 civil penalty.
- [Birkelbach & Co.](#), a Ponte Vedra Beach, Florida-based broker-dealer, has agreed to pay a \$10,000 civil penalty.
- [Capital Portfolio Management Inc.](#), a Timonium, Maryland-based broker-dealer, has agreed to pay a \$25,000 civil penalty.
- [Greentree Investment Services Inc.](#), a Bridgeville, Pennsylvania-based broker-dealer, has agreed to pay a \$10,000 civil penalty.
- [ST Invest LLC d/b/a Trade App](#), a San Antonio, Texas-based broker-dealer, has agreed to pay a \$10,000 civil penalty.
- [Tradier Brokerage Inc.](#), a Charlotte, North Carolina-based broker-dealer, has agreed to pay a \$50,000 civil penalty.

The SEC's investigation of investment advisers was conducted by Marilyn Ampolsk, Robert Baker, Payam Danialypour, Stephen E. Donahue, and Luke Pazicky of the Enforcement Division's Asset Management Unit as well as Richard M. Harper II of the Boston Regional Office and Som Dalal and Anne C. McKinley of the Chicago Regional Office. The compliance examinations of these investment advisers that led to the investigation were conducted by staff members of the SEC's Division of Examinations. The SEC's investigation of broker-dealers was conducted by Yael Berger, Elisabeth Grimm, Kelly Silverman, and Stacy L. Bogert. The SEC appreciates the assistance of the Financial Industry Regulatory Authority.

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