



[Home](#) / [Newsroom](#) / [Press Releases](#) / SEC Charges 12 Municipal Advisors With Recordkeeping Violations

PRESS RELEASE

SEC Charges 12 Municipal Advisors With Recordkeeping Violations

FOR IMMEDIATE RELEASE | 2024-132

Washington D.C., Sept. 17, 2024 — The Securities and Exchange Commission today announced charges against 12 municipal advisors for failures by the firms and their personnel to maintain and preserve certain electronic communications. The firms agreed to pay combined civil penalties of more than \$1.3 million to settle the SEC's charges.

The firms admitted the facts set forth in their respective SEC orders, acknowledged that their conduct violated recordkeeping provisions of the federal securities laws, have begun implementing improvements to their compliance policies and procedures to address these violations, and agreed to pay the following civil penalties:

- Acacia Financial Group Inc. agreed to pay a civil penalty of \$52,000;
- Caine Mitter and Associates Inc. agreed to pay a civil penalty of \$94,000;
- cfX Inc. agreed to pay a civil penalty of \$42,000;
- CSG Advisors Inc. agreed to pay a civil penalty of \$40,000;
- Kaufman Hall & Associates LLC, together with Ponder & Company, agreed to pay a civil penalty of \$324,000;
- Montague DeRose & Associates LLC agreed to pay a civil penalty of \$40,000;
- PFM Financial Advisors LLC agreed to pay a civil penalty of \$250,000;
- Phoenix Advisors LLC agreed to pay a civil penalty of \$40,000;
- Public Resources Advisory Group Inc. agreed to pay a civil penalty of \$184,000;
- Specialized Public Finance Inc. agreed to pay a civil penalty of \$250,000; and
- Zions Public Finance Inc. agreed to pay a civil penalty of \$47,000.

“The books and records requirements are critical to facilitating Commission inspections and examinations of municipal advisors and in evaluating a municipal advisor’s compliance with the applicable federal securities laws,” said Rebecca Olsen, Deputy Chief of the SEC’s Division of Enforcement Public Finance Abuse Unit. “Municipal advisors are encouraged to assess their recordkeeping practices relating to off-channel communications. Firms that believe their practices do not comply with the securities laws are encouraged to self-report to the SEC’s Enforcement staff.”

As described in the SEC’s orders, the firms admitted that, during the relevant periods, they failed to maintain and preserve communications sent and/or received by their personnel relating to municipal advisory activity and that these communications were records required to be maintained and preserved under the federal securities laws. The failures involved personnel at multiple levels of authority, including supervisors.

The firms were each charged with supervision failures and with violating certain recordkeeping provisions of the Securities Exchange Act and the rules of the Municipal Securities Rulemaking Board. In addition to the financial penalties, each of the firms was censured and ordered to cease and desist from future violations of the relevant recordkeeping provisions.

The SEC’s investigations were conducted by members of the Enforcement Division’s Public Finance Abuse Unit, including Kevin B. Currid, Brian Fagel, David Zhou, Sally Hewitt, Kristal P. Olson, Jonathan Grant, Silvana A. Quintanilla, and Louis Randazzo. Each of these matters was supervised by Ms. Olsen.

###

Last Reviewed or Updated: Sept. 17, 2024

RESOURCES

- **Order - Acacia Financial Group, Inc.**
- **Order - Caine Mitter and Associates Inc.**
- **Order - cFX Inc.**
- **Order - PFM Financial Advisors LLC**
- **Order - Phoenix Advisors, LLC**
- **Order - Kaufman, Hall & Associates, LLC and Ponder & Company**
- **Order - CSG Advisors, Inc.**

- Order - Montague DeRose & Associates, LLC
- Order - Public Resources Advisory Group, Inc.
- Order - Specialized Public Finance, Inc.
- Order - Zions Public Finance, Inc.