
*
IN THE MATTER OF: *
*
ALDWYCH SECURITIES LLC *
*
(CRD No. 167980) *
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STIPULATION AND AGREEMENT
MATTER NO. ST-22-202223-S

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act (“Act”) and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”) promulgated under the Act;

WHEREAS, Aldwych Securities LLC (“Aldwych”), located at 70 Seaview Avenue, Stamford, Connecticut 06902, has been registered as a broker-dealer under the Act from January 31, 2014 to December 31, 2019 and from January 7, 2020 forward;

WHEREAS, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking, conducted an investigation of Aldwych pursuant to Section 36b-26 of the Act to determine whether Aldwych had violated, was violating or was about to violate any provision of the Act or any regulation or order under the Act (“Investigation”);

WHEREAS, in connection with the Investigation, Division staff ascertained that:

- 1) From approximately August 2020 to April 2022, Aldwych employed two unregistered agents (“Agents”) in contravention of Section 36b-6(b) of the Act. The Agents, whose level of unregistered activity with the firm was minimal, ceased their association with Aldwych on April 25, 2022, and have since become registered as agents of another broker-dealer firm under the Act; and

- 2) Aldwych failed to timely notify the Commissioner of two instances of net capital deficiencies arising during 2020, as required by Section 36b-31-9b of the Regulations. The Firm corrected the two instances of net capital deficiencies and had contacted FINRA by the time Division staff learned of them.

WHEREAS, Aldwych maintains that the net capital deficiency and related failure to report the same was attributable to a misinterpretation of Generally Accepted Accounting Principles by the firm's prior third party Finance and Operations Principal, and that the violation was remedied when the relevant service expense was paid in May 2020;

WHEREAS, Aldwych has been cooperative in communicating with the Division;

WHEREAS, Section 36b-6(b) of the Act provides, in part, that "No broker-dealer shall employ an agent unless such agent is (1) registered under Sections 36b-2 to 36b-34, inclusive";

WHEREAS, Section 36b-31-9b(b) of the Regulations provides, in part, that: "Each [broker-dealer] . . . whose net capital at any time is less than the minimum required by Securities and Exchange Commission Rule 15c3-1 . . . shall (1) give . . . notice to the commissioner as required by Securities and Exchange Commission Rule 17a-11(a)(1), 17 C.F.R. § 240.17a-11(a)(1), and (2) within 24 hours thereafter, file with the commissioner an up-to-date statement of financial condition . . ."

WHEREAS, the Commissioner believes that a violation of Section 36b-6(b) of the Act and/or Section 36b-31-9b(b) of the Regulations would support the initiation of administrative proceedings against Aldwych pursuant to Section 36b-15 and Section 36b-27 of the Act;

WHEREAS, an administrative proceeding initiated under Section 36b-15 and Section 36b-27 of the Act would constitute a "contested case" within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

WHEREAS, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations provide that a contested case may be resolved by stipulation or agreed settlement, unless precluded by law;

WHEREAS, Aldwych desires to settle the matters described herein and voluntarily enters into this Stipulation and Agreement;

WHEREAS, the Commissioner and Aldwych acknowledge that this Stipulation and Agreement is in lieu of any court action or administrative proceeding against Aldwych, its members, officers, employees, agents or representatives adjudicating any issue of fact or law on the matters described herein and is being made to settle only the matters described herein;

WHEREAS, without admitting or denying the allegations contained herein, Aldwych expressly consents to the Commissioner's jurisdiction under the Act and to the terms of this Stipulation and Agreement;

WHEREAS, Aldwych, through its execution of this Stipulation and Agreement, voluntarily waives any rights Aldwych may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Stipulation and Agreement;

WHEREAS, Aldwych acknowledges that it has had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Stipulation and Agreement and executes this Stipulation and Agreement freely;

AND WHEREAS, Aldwych specifically assures the Commissioner that the violations alleged in this Stipulation and Agreement shall not occur in the future.

NOW THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. No later than the date this Stipulation and Agreement is executed by the Commissioner, Aldwych shall remit to the Department by cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut" the sum of five thousand dollars (\$5,000), which shall constitute an administrative fine;
2. Aldwych, its members, officers, representatives, agents, employees, affiliates, and successors in interest shall refrain from engaging, directly or indirectly, in conduct constituting or which would constitute a violation of the Act or any regulation or order under the Act;
3. Execution of this Stipulation and Agreement by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Aldwych or its successors in interest based upon a violation of this Stipulation and Agreement or the basis for its entry if the Commissioner determines that compliance is not being observed with the terms hereof; and

4. This Stipulation and Agreement shall become binding when executed by Aldwych and the Commissioner.

IN WITNESS WHEREOF, the undersigned have executed this Stipulation and Agreement on the dates indicated.

Dated at Hartford, Connecticut,
this 8th day of August 2022.

_____/s/_____
Jorge L. Perez
Banking Commissioner

I, Mark Bishop, state on behalf of Aldwych Securities LLC, that I have read the foregoing Stipulation and Agreement; that I know and fully understand its contents; that I am authorized to execute this Stipulation and Agreement on behalf of Aldwych Securities LLC; and that Aldwych Securities LLC agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein.

Aldwych Securities LLC

By: _____/s/_____
Mark Bishop
Managing Member and Chief Compliance Officer

State of: New Jersey

County of: Union ss:

On this the 23rd day of July 2022, before me, the undersigned officer, personally appeared Mark Bishop, who acknowledged himself to be the Managing Member and Chief Compliance Officer of Aldwych Securities LLC, and that he, as such Managing Member and Chief Compliance Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of Aldwych Securities LLC by himself as Managing Member and Chief Compliance Officer.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public / Commissioner of the Superior Court
Date Commission Expires: 12/6/2026