
*
IN THE MATTER OF: *
*
CEROS FINANCIAL SERVICES, INC. *
CRD NO. 37869 *

CONSENT ORDER
MATTER NO. CO-25-2024-5-S

I. PRELIMINARY STATEMENT

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, Ceros Financial Services, Inc., (“Ceros”) is a broker-dealer registered in Connecticut under the Act since July 24, 2009, with its principal office located at 1445 Research Boulevard, Suite 530, Rockville, Maryland 20850. Ceros maintains an Office of Supervisory Jurisdiction at 50 Washington Street, The Penthouse, South Norwalk, Connecticut 06854 (Branch CRD No. 777320);

WHEREAS, beginning on January 9, 2024, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking (“Department”) conducted an examination of Ceros pursuant to Section 36b-14(d) of the Act and Section 36b-31-14f of the Regulations (“Examination”) and a related investigation pursuant to Section 36b-26(a) of the Act (“Investigation”) to determine whether Ceros violated, was violating or was about to violate provisions of the Act or Regulations or any order thereunder;

WHEREAS, as a result of the Examination and Investigation, the Division obtained evidence that from approximately 2022 to approximately 2024 Ceros: (i) failed to properly disclose fee revenue to clients on trade confirmations; (ii) compensated an individual registered solely as a General Securities Representative and as an Operations Professional (“Individual A”) with a percentage of the commissions earned by Ceros’ broker-dealer agents; and (iii) failed to enforce its established procedures for supervising the activities of its agents and Connecticut office operations that were reasonably designed to achieve compliance with applicable securities laws and regulations;

WHEREAS, the violations alleged herein would support the initiation of administrative proceedings by the Commissioner pursuant to Sections 36b-15(a), 36b-27(a) and 36b-27(d) of the Act;

WHEREAS, after the Division brought the alleged violations to Ceros’ attention, Ceros took corrective action by becoming more explicit in connection with its fee disclosure on client’s confirmations, revised its compensation to Individual A to eliminate any incidence of percentage of commissions unless or until Individual A becomes appropriately registered to receive such compensation, and implemented changes to its policies and procedures for supervising the activities of its agents and its Connecticut office operations;

WHEREAS, Section 36b-31(a) of the Act provides, in relevant part, that “[t]he commissioner may from time to time make . . . such . . . orders as are necessary to carry out the provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, Section 36b-31(b) of the Act provides, in relevant part, that “[n]o . . . order may be made . . . unless the commissioner finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, an administrative proceeding initiated under Sections 36b-15 and 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: “unless precluded by law, any contested case may be resolved by stipulation, agreed settlement, consent order or default”;

WHEREAS, without holding a hearing and without trial or adjudication of any issue of fact or law, and prior to the initiation of any formal proceeding, the Commissioner and Ceros have reached an agreement, the terms of which are reflected in this Consent Order, in full and final resolution of the matters described herein;

WHEREAS, Ceros, without admitting or denying the allegations contained herein, expressly consents to the Commissioner’s jurisdiction under the Act and to the terms of this Consent Order;

WHEREAS, the Commissioner finds that the entry of this Consent Order is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act;

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

AND WHEREAS, Ceros, through its execution of this Consent Order, specifically assures the Commissioner that none of the violations alleged in this Consent Order shall occur in the future.

II. CONSENT TO WAIVER OF PROCEDURAL RIGHTS

WHEREAS, Ceros, through its execution of this Consent Order, voluntarily waives the following rights:

1. To be afforded notice and an opportunity for a hearing within the meaning of Sections 36b-15(f) and 36b-27 of the Act and Section 4-177(a) of the General Statutes of Connecticut;
2. To present evidence and argument and to otherwise avail itself of Sections 36b-15(f) and 36b-27 of the Act and Section 4-177c(a) of the General Statutes of Connecticut;
3. To present its position in a hearing in which it is represented by counsel;
4. To have a written record of the hearing made and a written decision issued by a hearing officer; and

5. To seek judicial review of, or otherwise challenge or contest the matters described herein, including the validity of this Consent Order.

III. ACKNOWLEDGEMENT OF THE COMMISSIONER'S ALLEGATIONS

WHEREAS, Ceros, through its execution of this Consent Order, and without admitting or denying the Commissioner's allegations, acknowledges the following allegations of the Commissioner:

1. The conduct of Ceros in failing to disclose to its Connecticut customers that the transactional "Service fee" Ceros charged them included a profit to Ceros and that the fee was not based on the costs of handling a particular transaction, conduct which was proscribed by Financial Industry Regulatory Authority Conduct Rule 2210. Such conduct constitutes a dishonest or unethical practice in the securities business within the meaning of Section 36b-31-15a(b) of the Regulations;
2. Ceros engaged in dishonest or unethical business practices within the meaning of Section 36b-31-15a(b) of the Regulations by compensating Individual A with a percentage of the commissions earned by Ceros' registered broker-dealer agents that Individual A worked for and assisted; and
3. Ceros violated Section 36b-31-6f(b) of the Regulations by failing to establish, enforce and maintain a system for supervising the activities of its agents and Connecticut office operations that was reasonably designed to achieve compliance with applicable securities laws and regulations;

WHEREAS, the Commissioner would have the authority to enter findings of fact and conclusions of law after granting Ceros an opportunity for a hearing;

AND WHEREAS, Ceros acknowledges the possible consequences of an administrative hearing and voluntarily agrees to consent to the entry of the sanctions described below.

IV. CONSENT TO ENTRY OF SANCTIONS

WHEREAS, Ceros, through its execution of this Consent Order, consents to the Commissioner's entry of an order imposing on it the following sanctions:

1. Ceros, its officers, representatives, agents, employees, affiliates, assigns, and successors in interest shall cease and desist from engaging in conduct constituting or which would constitute a violation of the Act or any regulation or order under the Act, either directly or through any person, organization or other device; and
2. No later than the date this Consent Order is entered by the Commissioner, Ceros shall remit to the Department by cashier's check, certified check or money order made payable to "Treasurer,

State of Connecticut”, or by wire transfer, the sum of twenty thousand dollars (\$20,000) as an administrative fine.

V. CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Entry of this Consent Order by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Ceros based upon a violation of this Consent Order or the matters underlying its entry if the Commissioner determines that compliance with the terms herein is not being observed;
3. Nothing in this Consent Order shall be construed as limiting the Commissioner’s ability to take enforcement action against Ceros or its successors in interest based upon: (i) evidence of which the Division was unaware on the date hereof relating to a violation of the Act or any regulation or order under the Act; or (ii) evidence indicating that Ceros withheld material information from, or made any material misstatement or omission to, the Commissioner in connection with this matter;
4. Ceros shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis;
5. Ceros shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. Nothing in this provision affects Ceros’ (i) testimonial obligations; or (ii) right to take a legal or factual position in litigation, arbitration, or other legal proceeding in which the Commissioner is not a party; and
6. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut,
this 28th day of October 2025.

_____/s/
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, Angela Holland, state on behalf of Ceros Financial Services, Inc. ("Ceros"), that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Ceros; that Ceros agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that Ceros consents to the entry of this Consent Order.

Ceros Financial Services, Inc.

By: _____/s/_____
Angela Holland
Chief Compliance Officer

State of: Maryland

County of: Howard

On this the 8 day of October 2025, before me, the undersigned officer, personally appeared Angela Holland, who acknowledged herself to be Chief Compliance Officer of Ceros Financial Services, Inc., a Massachusetts corporation, and that she, as such Chief Compliance Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by herself as Chief Compliance Officer.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public / Commissioner of the Superior Court
Date Commission Expires: 11/12/2027