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IN RE APPLICATION OF: *
*
CALM RIVER CAPITAL LLC *
IARD No. 326721 *
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**ORDER CONDITIONING
REGISTRATION AS AN
INVESTMENT ADVISER

NO. COND-202343-S**

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

WHEREAS, on May 26, 2023, Calm River Capital LLC (“Calm River”), a Connecticut limited liability company formed on March 28, 2023 and having its principal office at 42 Greenlea Lane, Weston, Connecticut 06883 and a mailing address at 30 Old Kings Highway South #1064, Darien, Connecticut 06820, filed with the Securities and Business Investments Division of the Department of Banking (the “Division”) an application for registration as an investment adviser pursuant to Sections 36b-7 and 36b-32 of the Act;

WHEREAS, on June 6, 2023, Ethan Fielding Blinder (“EFB”) (CRD No. 6152001), managing member and chief compliance officer of Calm River, filed with the Commissioner an application for registration as an investment adviser agent of Calm River pursuant to Sections 36b-7 and 36b-32 of the Act;

WHEREAS, on June 16, 2023, Ari Barrett Blinder (“ABB”) (CRD No. 7751163), Calm River’s second managing member, filed with the Commissioner an application for registration as an investment adviser agent of Calm River pursuant to Sections 36b-7 and 36b-32 of the Act;

WHEREAS, neither EFB nor ABB are or have ever been registered under the securities laws of any state;

WHEREAS, EFB, a licensed attorney in New York but not Connecticut, has no reported experience in the securities industry during the previous seven years but has passed the Series 65 examination;

WHEREAS, ABB, a film actor and real estate broker, has no reported experience in the securities industry during the previous seven years but has passed the Series 65 examination;

WHEREAS, in light of the Division's concerns about deficiencies in the securities experience of the firm's principals, Calm River has represented to the Division in writing that, once Calm River becomes registered as an investment adviser under the Act, one David M. Winer ("Winer") (CRD No. 5000497) will join the firm and will be solely responsible for advising clients and exercising trades in client accounts. Winer has passed the Series 65 examination and has been registered as an investment adviser agent of another investment adviser under the Act since November 23, 2020. Prior to that, from July 1, 2017 to September 28, 2018, Winer was associated with a separate investment adviser as an investment adviser agent (but not registered as such in Connecticut). From 2005 to 2007, Winer was associated in a nonregistered capacity with a securities brokerage firm as an analyst;

WHEREAS, in light of Winer's proposed post-registration engagement, Calm River has represented to the Division in writing that neither EFB nor ABB will advise clients on their holdings or have trading authority over client accounts once Winer is retained;

WHEREAS, Investment Adviser Registration Depository ("IARD") records do not show any reported disciplinary history for Calm River, EFB, ABB or Winer;

WHEREAS, in its application, Calm River indicated that it would be compensated based on a percentage of assets under management, that it would manage the portfolios of individuals and/or small businesses, that it would have discretion, that it would receive "soft dollars" for research and that it would not maintain custody of client funds or securities;

WHEREAS, the Commissioner, through the Division, has conducted an investigation of Calm River pursuant to Section 36b-8 of the Act;

WHEREAS, as a result of such investigation, the Division believes that Calm River has not fulfilled the experience requirements set forth in Section 36b-31-7b of the Regulations;

WHEREAS, Section 36b-31-7b of the Regulations under the Act provides, in part, that:

(a) Each applicant for investment adviser registration shall (1) have been engaged in the securities business as a broker-dealer, agent, investment adviser or investment adviser agent spending a major portion of his or her working time in the securities business for at least three years within the seven calendar years preceding the date of the application or (2) be otherwise qualified by knowledge and experience as determined by the commissioner. An attorney who has had at least three years of substantial experience in the practice of securities law, an accountant who has had at least three years of substantial experience in the sale of securities or the rendering of advice about the purchase or sale of securities and any other person who can demonstrate equivalent knowledge and experience in the sale of securities or the rendering of investment advice may be deemed to have sufficient experience for purposes of this subsection.

(d) Persons acting as managers shall meet the experience requirements of subsection (a) of this section. For purposes of this subsection, 'manager' means (1) any person who supervises investment adviser agents either directly or indirectly or (2) any person responsible for the day-to-

day operation and supervision of an investment adviser office in this state.

WHEREAS, as a result of such investigation, the Division also believes that a basis exists under Section 36b-15(a)(2)(J) of the Act for restricting or imposing conditions on the securities or investment advisory activities that Calm River may perform in this state based on Calm River's lack of securities-related experience;

WHEREAS, Section 36b-15(a) of the Act provides, in part, that: "The commissioner may by order deny ... any registration or by order restrict or impose conditions on the securities or investment advisory activities that an applicant ... may perform in this state if he finds (1) that the order is in the public interest and (2) that the applicant ... (J) is not qualified on the basis of such factors as training, experience, and knowledge of the securities business, except as otherwise provided in subsection (b) of this section"

WHEREAS, Calm River voluntarily agrees to waive any right to a hearing upon the entry of this Consent Order Conditioning Registration ("Conditional Registration Order"), and waives the right to seek judicial review or otherwise challenge or contest the validity of this Conditional Registration Order;

WHEREAS, the Commissioner finds that the entry of this Conditional Registration 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 this Act;

NOW THEREFORE, THE COMMISSIONER ORDERS AS FOLLOWS:

1. For three (3) years following the issuance of this Conditional Registration Order, Calm River shall notify each new client in writing prior to the rendering of investment advisory services concerning the restricted nature of the firm's investment adviser activities as set forth herein and/or provide a copy of this Conditional Registration Order to such client;
2. For three years, commencing on the date this Conditional Registration Order is signed by the Commissioner, Calm River and its principals shall refrain from having custody or control of client funds or securities;
3. For three years following the entry of this Conditional Registration Order by the Commissioner, Calm River shall limit its investment advisory activities to clients who qualify as "accredited investors" within the meaning of Rule 501(a) of federal Regulation D, 17 CFR 230.50. and shall not render investment advisory services to any other individual or entity, whether domestic or offshore; provided that this paragraph shall not preclude Winer from servicing entities who do not qualify as "accredited investors" and who were previous clients of Winer at his former investment adviser firm;
4. No later than twelve months following the entry of this Conditional Registration Order by the Commissioner, EFB, ABB and Winer shall each complete twelve credit hours of continuing education for investment adviser agents through one or more providers who have been approved by Prometric, on behalf of the North American Securities Administrators Association, Inc., to offer investment adviser representative continuing education course programs, and shall supply evidence of completion through a means approved by the Division;

5. For two (2) years following the Commissioner's entry of this Conditional Registration Order, Calm River shall retain an independent third party consultant ("Consultant"), not associated with the firm by ownership or employment, who is sufficiently experienced in state and federal securities law compliance and not unacceptable to the Division Director to evaluate the firm's compliance with this Conditional Registration Order, the Act and the Regulations thereunder, including, without limitation, filing and disclosure requirements. Calm River shall identify such Consultant in writing to the Division Director prior to the Commissioner's entry of this Conditional Registration Order. Calm River shall consult with such Consultant according to the following schedule, provided nothing herein shall preclude more frequent consultations should the need arise: (a) during the first year following the Commissioner's entry of this Conditional Registration Order, the consultation shall occur on a quarterly basis; and (b) during the second year following the Commissioner's entry of this Conditional Registration Order, the consultation shall occur semi-annually. By December 31st of each year to which this obligation extends, Calm River shall file with the Division Director an annual sworn affidavit verifying that it has fully discussed its Connecticut compliance responsibilities with the Consultant and that, in connection therewith, Calm River and its affiliates are complying with this Conditional Registration Order and with the recommendations of the Consultant. During the foregoing two year period, should Calm River sever its relationship with the Consultant identified to the Division Director, Calm River shall apprise the Division Director in writing of the reasons for such severance within thirty days following such severance, and shall identify the successor consultant engaged to perform the services described in this paragraph;
6. For three (3) years following the Commissioner's entry of this Conditional Registration Order, Calm River shall notify the Division Director promptly, through appropriate amendments to the CRD and IARD filings of Calm River and its investment adviser agents, concerning any securities-related complaints, actions, arbitrations or proceedings (and any updates thereto), including the dispositions thereof;
7. The entry of this Conditional Registration Order is expressly conditioned on Winer being fully retained by Calm River, in the capacity described in Calm River's written representations to the Commissioner, prior to the Commissioner's entry of this Conditional Registration Order. If Winer is not so retained, and Calm River does not provide the Commissioner with written documentation concerning an alternate individual with sufficient securities industry experience, the Commissioner reserves the right to initiate proceedings under Section 36b-15 of the Act and this Conditional Registration Order shall no longer be in effect;
8. Issuance of this Conditional Registration Order by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Calm River based upon a violation of this Conditional Registration Order if the Commissioner determines that compliance is not being observed with the terms hereof or if any representation made by or on behalf of Calm River in connection with its application for registration is subsequently discovered to be untrue;
9. Nothing in this Conditional Registration Order shall be construed as limiting the Commissioner's ability to take enforcement action against Calm River based upon evidence of which the Division was unaware on the date hereof relating to a violation of the Act or any regulation, rule or order under the Act;

10. Effective on the issuance of this Conditional Registration Order, the name “Calm River Capital LLC” be and is hereby entered on the Register of Investment Advisers pursuant to Section 36b-8 of the Act; and

11. This Conditional Registration Order shall become final when entered.

So ordered at Hartford, Connecticut
this 14th day of November 2023.

_____/s/_____
Jorge L. Perez
Banking Commissioner

