

6. Spartan neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order and Consent to Order.

II. FINDINGS OF FACT

7. On or about July 9, 2003, Iowa consumer R.C. registered his home telephone number with the Federal Do Not Call Registry.

8. Beginning approximately April 12, 2018, Spartan made several telephone calls to R.C.'s home telephone number, attempting to sell financial services and products to R.C.

9. According to an affidavit signed by R.C. on August 24, 2020, Spartan called R.C. on at least nine (9) occasions between April 12, 2018, and October 24, 2019.

10. During those calls, R.C. notified the Spartan representative that his home telephone number was registered on the national Do-Not-Call Registry, and requested that his number be deleted from Spartan's call list.

11. Spartan repeatedly called R.C. on his home telephone number despite it being registered on the federal Do-Not-Call registry, and despite R.C.'s requests that Spartan remove his number from their call list.

12. R.C. obtained two (2) default judgments against Spartan, in both cases alleging that Spartan violated the Telephone Consumer Protection Act (47 U.S.C. § 227) in their repeated calls to his home telephone number. On May 24, 2019, R.C. obtained a default judgment against Spartan totaling \$6,000. On November 17, 2020, R.C. obtained a default judgment against Spartan totaling \$13,500. To date, Spartan has not satisfied either judgment.

13. Spartan has been sanctioned by a state securities regulatory authority on at least two (2) occasions for similar conduct:

- a. On January 4, 2012, Spartan entered into a Consent Order with the New Hampshire Bureau of Securities Regulation, in which Spartan admitted to “regularly and repeatedly violat[ing] the Do-Not-Call restrictions,” agreed to a cease and desist order and a fine of \$35,000.
- b. On April 3, 2013, Spartan entered into a second Consent Order with the New Hampshire Bureau of Securities Regulations. Spartan admitted that, although it implemented a new system to block Do-Not-Call numbers, Spartan nonetheless violated the prior cease and desist order by making calls to Do-Not-Call numbers. Spartan agreed to a second cease and desist order, as well as a \$40,000 fine.

III. CONCLUSIONS OF LAW

COUNT I

Unethical Practices in Securities Business

14. Iowa Code § 502.412(2) provides that,

[I]f the administrator finds that the order is in the public interest and subsection 4 authorizes the action, an order issued under this chapter may revoke, suspend, condition, or limit the registration of a registrant and, if the registrant is a broker-dealer or investment adviser, of a partner, officer, director, or person having a similar status or performing similar functions, or a person directly or indirectly in control, of the broker-dealer or investment adviser.
15. A registrant may be disciplined under Iowa Code § 502.412(4)(m) if the administrator finds the registrant has “engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous ten years.”
16. Iowa Administrative Code rule 191—50.16(1)(aa) defines a “dishonest or unethical” practice to include “[f]ailing to comply with any applicable provision of the FINRA Conduct

Rules or any applicable fair practice or ethical standard promulgated by the SEC or by a self-regulatory organization approved by the SEC.”

17. FINRA Conduct Rule 3230 prohibits FINRA members from initiating outbound telephone calls to either “[a]ny person that previously has stated that he or she does not wish to receive an outbound telephone call made by or on behalf of the member,” or “[a]ny person who has registered his or her telephone number on the Federal Trade Commission’s national do-not-call registry.”

18. Spartan initiated several outbound telephone calls to R.C.’s home telephone number, which had been registered on the national Do-Not-Call registry since 2003. Further, Spartan continued to call R.C. despite his multiple requests to be taken off Spartan’s call list.

19. Spartan’s acts and practices have been in violation of Iowa Code § 502.412 and Iowa Administrative Code rule 191—50.16, subjecting Spartan to the following potential remedies: denial, revocation, suspension, withdrawal, restriction, condition, or limitation of their registration, the imposition of a civil penalty, and an order requiring Spartan to cease and desist from engaging in such acts or practices, and an order for restitution pursuant to Iowa Code §§ 502.412 and 502.604.

IV. ORDER

WHEREFORE, IT IS ORDERED pursuant to the power granted to the Commissioner of Insurance by Iowa Code chapter 502:

- A. Spartan shall immediately cease and desist from any further violations of FINRA Conduct Rule 3230;
- B. Spartan shall, contemporaneously with this Consent Order, pay a civil penalty in the amount of \$15,000, made payable to the Iowa Insurance Division, to be credited to

NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER

YOU ARE NOTIFIED that any person who violates this order may be subject to administrative and civil penalties pursuant to Iowa Code § 502.604. The commissioner may petition the district court to hold a hearing to enforce the order as certified by the commissioner. The district court may assess a civil penalty against the person in an amount not less than three thousand dollars but not greater than ten thousand dollars for each violation, and may issue further orders as it deems appropriate.

NOTICE OF FINAL ORDER IMPACT

A final order of license revocation or a cease and desist order may adversely affect other existing business or professional licenses and may result in license revocation or disciplinary action.

A final order in an administrative action does not resolve any potential criminal or civil violations or causes of action that might arise from the same or similar conduct that is the subject of this this order. It may result in criminal law enforcement authorities, including the fraud bureau of the Iowa Insurance Division, pursuing a criminal investigation or prosecution of potential criminal law violations.

CONSENT TO ORDER AND AGREEMENT

I, Kim Monchik, in my capacity as an authorized agent of Spartan Capital Securities, LLC, Respondent in this matter, have read, understood, and do knowingly consent to this Order in its entirety. By executing this Consent, I understand that I am waiving my rights to a hearing, to confront and cross-examine witnesses, to produce evidence, and to judicial review.

I further understand this Order is considered a final administrative action that will be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand this Order is a public record under Iowa Code chapter 22 and information may be shared with other regulatory authorities or governmental agencies, pursuant to Iowa Code § 505.8(8)(d). I also understand this Order will be posted to the Division's website and a notation will be made to the publicly available website record that administrative action has been taken against me.

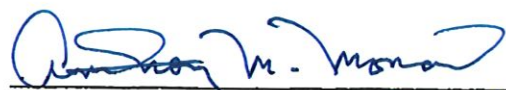
Dated: 9/1/2023


Spartan Capital Securities, LLC
Respondent

45 Broadway, 19th Floor, New York,
Address of Signatory
NY 10006

By: Kim Monchik
Name and Title

Subscribed and sworn before me by Anthony M. Monaco on this 1st day of Sept, 2023.


Notary Public for the State of New York

ANTHONY M. MONACO
Notary Public, State of New York
No. 01MO6171824
Qualified in Suffolk County
Commission Expires 07/30/2027