

**STATE OF NEW HAMPSHIRE
BUREAU OF SECURITIES REGULATION
DEPARTMENT OF STATE**

IN THE MATTER OF:)
)
Democracy Funding, LLC) ORDER
CRD #122804) INV2017-00013
)

NOTICE OF ORDER

This Order commences an adjudicative proceeding under the provisions of RSA 421-B.

LEGAL AUTHORITY AND JURISDICTION

Pursuant to RSA 421-B:4-412(c) the Secretary of State has the authority to impose administrative penalties of up to \$2,500.00 for each violation of New Hampshire securities law and rules.

Pursuant to RSA 421-B:4-411(b)(1) every broker-dealer within 60 days after the closed of the fiscal year is required to make and transmit to the secretary of state an audited financial statement certified by an independent certified public.

Pursuant to RSA 421-B4-441(b)(2), every broker dealer shall pay to the state \$25 for each day of delinquency for filing said audited financial statement.

NOTICE OF RIGHT TO REQUEST A HEARING

The above named respondent has the right to request a hearing on this order, as well as the right to be represented by counsel. Any such request for a hearing shall be in writing, shall be signed by the respondent, or by the duly authorized agent of the above named respondent, and shall be delivered either by hand or certified mail, return receipt requested, to the Bureau of Securities Regulation, Department of State, 25 Capital Street, Concord, New Hampshire 03301.

Upon request for a hearing being received by the Bureau of Securities Regulation, in the manner and form indicated above, a hearing shall be, after which hearing, the Secretary of State, or such other person authorized by statute, shall issue a further order vacating or modifying this order, or making it permanent, as the circumstances require.

STATEMENT OF ALLEGATIONS

The allegations contained in the Staff Petition for Relief dated October 4, 2017 (a copy of which is attached hereto) are incorporated by reference hereto.

ORDER

WHEREAS, finding it necessary and appropriate and in the public interest, and for the protection of investors and consistent with the intent and purposes of the New Hampshire securities laws, and

WHEREAS, finding that the allegations contained in the Staff Petition, if proved true and correct, form the legal basis for the relief requested,

THEREFORE, it is hereby ORDERED, that:

1. The Respondent is ordered to pay an administrative fine of \$2,500.00 for violation of RSA 421-B:4-411(b)(1) failure to pay late filing fees; and
2. The Respondent is ordered to pay the aforementioned late filing fees of \$25.00 representing \$25 for each day of late filing of its audited financial statement.
3. Respondent's broker-dealer license is subject to suspension or revocation, as determined by the hearing examiner.

SIGNED,
WILLIAM M. GARDNER
SECRETARY OF STATE
BY:

Dated: 10-16-17



BARRY J. GLENNON
DIRECTOR OF SECURITIES REGULATION

STATE OF NEW HAMPSHIRE
BUREAU OF SECURITIES REGULATION
DEPARTMENT OF STATE
25 CAPITOL STREET
CONCORD, NH 03301

STAFF PETITION FOR RELIEF
IN THE MATTER OF:

Democracy Funding, LLC CRD#122804

INV2017-00013

STATEMENT OF ALLEGATIONS

I. The staff of the Bureau of Securities Regulation, Department of State, State of New Hampshire (hereinafter referred to as the "Bureau") alleges the following issues of fact:

1. Democracy Funding, LLC, (hereinafter referred to as "DF") is a broker-dealer firm with a mailing address on record with the Bureau of 1560 Wilson Blvd., Suite 450, Arlington, VA 22209. Many of DF's broker-dealer records are kept on the FINRA's Central Registry Depository system ("CRD"). DF's CRD number is 122804. DF was registered as a broker-dealer with the Bureau effective on 6/25/2015.
2. DF has failed to pay the Bureau a penalty of \$25.00 for late filing of its year 2016 audited financial report which was filed on 3/2/2017 and beyond the due date of 3/1/2017. Three warning letters were sent on 3/7/2017, 4/10/2017, and 5/17/2017 asking for payment. The 5/17/2017 letter was sent return receipt requested and the letter was signed for. No response was received by the Bureau, and no payment was received by the Bureau. On 8/25/2017, a certified letter was sent specifically asking for a response regarding the late penalty and warning that it is a violation of RSA 421-B not to respond to the Bureau's request for information and a response. The letter was received on 8/31/2017 and no response was given to the Bureau. See Exhibit A, letter of 8/25/2017.

II. The staff of the Bureau of Securities Regulation, Department of State, State of New Hampshire alleges the following issues of law:

1. RSA 421-B:4-411(b)(1), requires every broker-dealer within 60 days after the close of the fiscal year, to make and transmit to the secretary of state an audited financial statement certified by an independent certified public accountant.
2. RSA 421-B:4-411(b)(2) requires every broker-dealer to pay to the state \$25 for each day of delinquency. The secretary of state may suspend or revoke the license of any broker-dealer failing to file its annual statement when due. DF has violated this section.

3. RSA 421-B:4-411(j) gives the authority of the secretary of state to require at any reasonable time and in any reasonable manner from any person or company subject to RSA 421-B to give answers and other information in whatever reasonable form, and at any reasonable interval as the secretary of state may choose. DF violated this section.
4. RSA 421-B:4-411(l) requires any officer of a broker-dealer doing business in this state to reply in writing to any written inquiry from the Secretary of State requesting a reply. DF has violated this section by failing to respond and reply to correspondence from the Bureau.
5. RSA 421-B:4-412(b) and 421-B:4-412(d)(2) allows the secretary of state to revoke a broker-dealer license if he finds that it is in the public interest and that the broker-dealer or any officer of the broker-dealer has willfully failed to comply with any provision of the Act or rules thereunder. DF is subject to this section.
6. RSA 421-B:4-412(c) provides that the secretary of state, may upon hearing, assess an administrative fine of not more than \$2,500 per violation, in lieu of or in addition to, an order to revoke a license. DF is subject to a fine under this section.

RELIEF REQUESTED

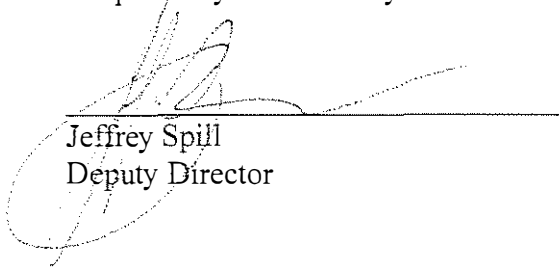
The staff of the Bureau of Securities Regulation requests the Director take the following action:

1. Find as fact the allegations contained in section I of the Statement of Allegations of this petition.
2. Make conclusions of law as stated in section II relative to the allegations contained in section I of this petition.
3. Order Respondent DF to pay administrative penalties of \$25.00 for violations of RSA 421-B:4-411(b)(2) and 421-B:4-411(b)(l) (total \$25.00).
4. Order Respondent to pay an administrative fine of \$2,500 for failing to respond and failing to give information.
5. Suspend and or revoke DF as determined by the Hearing Examiner.
6. Take such other actions as necessary for the protection of New Hampshire investors and enforcement of the Act.

RIGHT TO AMEND

The Bureau's Staff reserves the right to amend this Petition for Relief and to request that the Director of Securities take additional administrative action. Nothing herein shall preclude the Staff from bringing additional enforcement action under this NH RSA 421-B or the regulations thereunder.

Respectfully submitted by:



Jeffrey Spill
Deputy Director

10/4/17

October 4th, 2017



Barry Glennon
Director

Exhibit A

State of New Hampshire

Department of State Bureau of Securities Regulation

107 North Main Street, State House Rm. 204
Concord, NH 03301-4989
Telephone: (603) 271-1463, Fax: (603) 271-7933

8/25/2017

Jeffrey McClure
Democracy Funding, LLC
1560 Wilson Blvd, Ste 450
Arlington, VA 22209

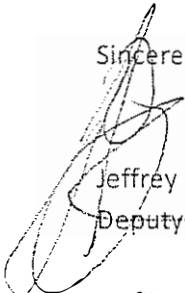
Re: 2016 audited financial statements

Dear Mr. McClure;

On several occasions the Bureau has sent your firm a written notice of lateness with respect to the filing of the firm's 2016 financial statements. They were received on 3/2/2017 and they were due 3/1/2017. It is a violation of our statute not to respond to the Bureau's inquiry. If there is some reason that you have not responded to us, please let us know so that further action can be avoided.

I look forward to your response.

Sincerely,



Jeffrey Spill
Deputy Director

Cc:file