

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

**CONSENT AGREEMENT**  
**IN THE MATTER OF:**

Augment Securities, Inc. (CRD # 28373)

- I. For the purposes of settling the above-captioned matter (BSR # 2018000033), and in lieu of further administrative proceedings, Augment Securities, Inc. ("Augment") has submitted an offer of settlement, which the State of New Hampshire has determined to accept. Accordingly, without admitting or denying the facts and allegations contained herein, Augment does hereby consent to the entry of this Consent Agreement and to the following:

**FACTS AND ALLEGATIONS:**

1. Augment is a corporation organized April 16, 1991 under the laws of the State of New York.
2. The New York Department of State still lists Augment as an active corporation.
3. Augment was licensed by the SEC, FINRA and the State of New Hampshire, amongst other states, as a securities broker-dealer.
4. New Hampshire law required Augment file its 2017 financial statements with the New Hampshire Bureau of Securities Regulation ("Bureau") on or before March 1, 2018 or receive a filing extension.
5. Augment did not file its 2017 financial report with the Bureau on or before March 1, 2018 and did not acquire an extension.
6. On March 14, 2018, the Bureau sent Augment a letter reminding Augment of its obligation to submit a 2017 financial report. Augment did not respond to this letter.

7. On April 27, 2018, Augment filed a Uniform Request Withdrawal from Broker-Dealer Registration seeking de-registration as a Broker-Dealer with all states, the SEC and FINRA.
8. The SEC lists Mr. James Shanley as the custodian of records for Augment on the WebCRD database.
9. The State of New Hampshire did not process Augment's Request to Withdraw because Augment had not yet filed its outstanding 2017 financial statement.
10. On July 12, 2018, the Bureau sent a second letter requesting the 2017 financial report. Augment did not respond to this letter.
11. On October 1, 2018, the Bureau called Mr. Shanley on his personal telephone number as listed on WebCRD. Mr. Shanley requested a letter be sent to his home address.
12. On October 1, 2018, the Bureau of Securities regulation sent a request for Augment's 2017 financial statement to Mr. Shanley's home address.
13. On October 10, 2018, the Bureau received an e-mail from Mr. Joe Culhane of Spencer Trask. Mr. Culhane indicated he represented Augment and Mr. Shanley. Mr. Culhane attached Augment's 2017 financial statement to the e-mail.

#### STATEMENT OF LAW

14. RSA 421-B:4-411(b)(1) requires broker-dealers submit annual financial statements to the Bureau no more than 60 days after the close of the fiscal year.
15. RSA 421-B:4-411(b)(2) provides for a penalty of \$25 per day for each day of delinquent filing, and allows the Secretary of State to "suspend or revoke, the license of any broker dealer failing to file its annual statement when due."
16. RSA 421-B:6-604(a)(1) allows the Secretary of State to issue an order directing a person or entity who violates this State's securities laws to cease and desist from such behavior, and allows the Secretary to take other action he believes necessary and appropriate to ensure compliance with New Hampshire's securities laws.
17. RSA 421-B:6-604 allows the Secretary of State to administratively enforce this State's securities laws including, *inter alia*, RSA 421-B:3-302(c). RSA 421-B:6:604(d) provides that persons and entities who fail to comply with this state's securities laws may be subject to a \$2,500 penalty. RSA 421-B:6-604(g) allows the

Secretary to recover the costs of investigation and enforcement under an order issued pursuant to RSA 421-B:6-604.

II. In view of the foregoing, the Respondent agrees to the following undertakings and sanctions:

1. Respondent agrees that they have voluntarily consented to the entry of this Order and represent and aver that no employee or representative of the Bureau has made any promise, representation, or threat to induce their execution.
2. Respondent agrees to waive their right to an administrative hearing and any appeal therein under this chapter.
3. Respondent agrees to pay an administrative fine in the amount of One Thousand Dollars (\$1,000.00) to the State of New Hampshire. Upon execution of this Order, payment shall be made by 1) United States postal money order, certified check, bank cashier's check, or bank money order; 2) made payable to the State of New Hampshire; and 3) hand-delivered or mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.
4. Respondent agrees that this Consent Agreement is entered into for the purpose of resolving only the matter and issues as described herein and no other issues pending before the State of New Hampshire. This Consent Agreement shall have no collateral estoppel, res judicata, evidentiary, or other legal effect in any other lawsuit, proceeding, or action, not described herein.
5. The Respondent may not take any action or make or permit to be made any public statement, including in any regulatory filings or otherwise, denying directly or indirectly, any allegation in this Consent Agreement or create the impression that the Consent is without factual basis. Nothing in this provision affects the Respondents' testimonial obligations or right to take legal positions in litigation in which the State of New Hampshire is not a party.

III. Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Order. **THEREFORE, IT IS HEREBY AGREED THAT:**

1. Respondent shall pay a penalty of One Thousand Dollars (\$1,000.00) in the manner described above.

2. Respondent shall cease and desist from any further violations of RSA 421-B.
3. Respondent complies with the above-referenced undertakings.

Executed this 17<sup>th</sup> day of October 2018.

  
On behalf of Augment Securities, Inc.

Please print name below:

J.P. Culhane

Entered this 17<sup>th</sup> day of October 2018.

  
Barry Glennon, Director