

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF:

Key Client Fiduciary Advisors, LLC
(CRD No. 298240),

Respondent.

ADMINISTRATIVE CONSENT
ORDER

Pursuant to the authority granted to Elizabeth M. Harris, Chief of the New Jersey Bureau of Securities (“Bureau Chief”), under the Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -89 (“Securities Law”) and certain regulations thereunder, and based upon documents and information obtained during the investigation by the New Jersey Bureau of Securities (“Bureau”), and after careful review and due consideration, the Bureau Chief hereby finds that there is good cause and it is in the public interest to enter into a Consent Order (“Consent Order”) with Key Client Fiduciary Advisors (“Key Client”), and Key Client hereby agrees to resolve any and all issues in controversy regarding the specific conduct described herein on the terms set forth in this Consent Order.

WHEREAS, the New Jersey Bureau of Securities (the “Bureau”) is the State agency with the responsibility to administer and enforce the Securities Law;

WHEREAS, N.J.S.A. 49:3-67 authorizes the Bureau Chief from time to time to issue such Orders as are necessary to carry out the provisions of the Securities Law, upon a finding that the action is necessary and appropriate in the public interest or for the protection of investors, consistent with the purposes fairly intended by the provisions of the Securities Law;

WHEREAS, the Bureau has conducted an investigation into certain activities of Key Client as set forth in this Consent Order;

WHEREAS, Key Client and the Bureau Chief wish to resolve these issues without the expense and delay that formal proceedings would involve;

WHEREAS, Key Client consents to the form, content, and entry of this Consent Order and accordingly waive the following rights:

- a. to be afforded an opportunity for hearing on the Bureau Chiefs findings of fact and conclusions of law in this Consent Order; and
- b. to seek judicial review, or otherwise challenge or contest the validity, of this Consent Order;

WHEREAS, Key Client agrees that solely for the purposes of settling this matter, or any future proceedings by the Bureau solely related to the specific conduct described herein, this Consent Order shall have the same effect as if proven and ordered after a full hearing held pursuant to N.J.S.A. 52:14B-1 to-31; and

WHEREAS, this Consent Order concludes the investigation and action by the Bureau Chief and any civil or administrative action that could be commenced, pursuant to the Securities Law, on behalf of the Bureau Chief as it relates to seeking civil monetary penalties or other relief against Key Client for the specific conduct described herein.

The Bureau Chief makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Key Client (CRD No. 298240), with a principal place of business located at 363 Route 46 West Suite, 300 Fairfield, New Jersey has been registered with the U.S. Securities and

Exchange Commission (“SEC”) as an investment adviser since September 21, 2018, and notice-filed with the Bureau effective November 7, 2018.

2. Lilia Nia (“Nia”) (CRD No. 6018019), residing in Wharton, New Jersey has been registered with the Bureau as an agent and/or investment adviser representative of several firms since 2012. Nia’s recent registrations with the Bureau include:

- a. as an agent of Purshe Kaplan Sterling Investments (CRD No. 35747) (“PKS”) from September 3, 2013 through February 26, 2021; and
- b. as an investment adviser representative of Key Client from September 30, 2022 through November 15, 2023.

3. By Summary Suspension Order dated November 15, 2023, the Bureau suspended Nia’s investment adviser registration with the Bureau through August 6, 2024 or the date of full payment of all FINRA fines and disgorgement specified in the Notice of Letter of Acceptance, Waiver, and Consent, No. 2020065297002, accepted by Financial Industry Regulatory Authority (“FINRA”) on August 2, 2023, whichever date is later.

4. William H. Weisbrod (“Weisbrod”) (CRD No. 812664), residing in Montville, New Jersey, has been registered with the Bureau as an agent of several firms from August 24, 1983 through February 18, 2021, and as an investment adviser representative of several firms since 2002. Weisbrod’s recent registrations with the Bureau include:

- a. as an agent of Purshe Kaplan Sterling Investments (CRD No. 35747) (“PKS”) from May 26, 2009 through February 18, 2021; and
- b. as an investment adviser representative of Key Client from September 30, 2022 through November 15, 2023.

5. Richard Anthony Flora (CRD No. 1121424) (“Flora”), residing in Rockaway New Jersey, has been registered with the Bureau as an agent and/or investment representative of several firms since April 16, 1985. He serves and has served as the Chief Compliance Officer and co-Member of Key Client since July 2018.

A. Heightened Supervision Agreement with Nia

6. The Bureau approved Nia’s investment adviser representative registration on September 30, 2022 with Key Client conditioned on a heightened supervisory agreement pursuant to N.J.A.C. 13:47A-3A.1(e).

7. A heightened supervisory agreement was signed by Nia and Flora as Chief Compliance Officer and Nia’s supervisor on September 30, 2022 (the “Nia Agreement”).

8. Pursuant to the Nia Agreement, Flora accepted supervisory responsibility over Nia.

9. Paragraph 15 of the Nia Agreement states that:

“IA [Key Client], the SUPERVISOR [Flora], and IAR [Nia] will have joint responsibility for directly notifying the Bureau of any new or updated customer complaint, civil or criminal action, regulatory action, arbitration, internal review or investigation instituted against IAR within 10 business days of the notification of the occurrence. The Bureau shall be notified whether or not the matters are deemed reportable by FINRA or have been expunged or occurred at a prior employer. Include all documents such as the customer Complaint, Statement of Claim, Answer, Settlement Agreement and Orders issued by any other regulatory agency. Required reporting to the CRD of any of the above occurrences will not satisfy this paragraph. The notice of the occurrence must be sent directly to the Bureau.”

10. Paragraph 17 of the Nia Agreement states: “All notifications required in this agreement shall be addressed to the Director of Registration at the following address: 153 Halsey Street, 6th Floor, Newark, NJ 07012 or any subsequent office location.”

B. Heightened Supervision Agreement with Weisbrod

11. The Bureau approved Weisbrod's investment adviser representative registration on September 30, 2022 with Key Client conditioned on a heightened supervisory agreement pursuant to N.J.A.C. 13:47A-3A.1(e).

12. A heightened supervisory agreement was signed by Weisbrod and Flora as Chief Compliance Officer and Weisbrod's supervisor on September 30, 2022 (the "Weisbrod Agreement").

13. Pursuant to the Weisbrod Agreement, Flora accepted supervisory responsibility over Weisbrod.

14. Paragraph 15 of the Weisbrod Agreement states that:

"IA [Key Client], the SUPERVISOR [Flora], and IAR [Weisbrod] will have joint responsibility for directly notifying the Bureau of any new or updated customer complaint, civil or criminal action, regulatory action, arbitration, internal review or investigation instituted against IAR within 10 business days of the notification of the occurrence. The Bureau shall be notified whether or not the matters are deemed reportable by FINRA or have been expunged or occurred at a prior employer. Include all documents such as the customer Complaint, Statement of Claim, Answer, Settlement Agreement and Orders issued by any other regulatory agency. Required reporting to the CRD of any of the above occurrences will not satisfy this paragraph. The notice of the occurrence must be sent directly to the Bureau."

15. Paragraph 17 of the Weisbrod Agreement states: "All notifications required in this agreement shall be addressed to the Director of Registration at the following address: 153 Halsey Street, 6th Floor, Newark, NJ 07012 or any subsequent office location."

C. Failure to Notify Bureau of Regulatory Actions

16. There was one disclosure as described in Paragraph 15 of the Nia Agreement that was not reported to the Bureau in accordance with Paragraph 15 or submitted as set forth in Paragraph 17 of the Nia Agreement.

17. On August 2, 2023, FINRA accepted a Letter of Acceptance, Waiver, and Consent in which Nia consented to a one-year suspension (effective August 7, 2023 through August 6, 2024) from associating in any capacity with any FINRA member, a \$5,000 fine, and Disgorgement of \$150,000. (Occurrence #2287264) (“Nia AWC”).

18. By letter dated September 11, 2023, the Bureau notified Key Client that neither Key Client nor Nia notified the Bureau of the Nia AWC and requested an explanation as to the lapse in compliance with the Nia Agreement.

19. Paragraph 15 of the Nia Agreement specifies that Key Client and Nia have “joint responsibility for directly notifying the Bureau of any new or updated.... regulatory action, within 10 business days of the notification of the occurrence,” and “[r]equired reporting to the CRD of any of the above occurrences will not satisfy this paragraph.” In spite of these provisions, on September 11, 2023, Key Client responded to the Bureau that it was not aware of its obligation to forward notification to the Bureau beyond the updating of the Form U4 and Form ADV.

20. Nia and Key Client failed to notify the Bureau of the Nia AWC as required by paragraphs 15 and 17 of the Nia agreement.

21. There was one disclosure as described in Paragraph 15 of the Weisbrod Agreement that was not reported to the Bureau in accordance with Paragraph 15 of the Weisbrod Agreement or submitted as set forth in Paragraph 17 of the Weisbrod Agreement.

22. On August 2, 2023, FINRA accepted a Letter of Acceptance, Waiver, and Consent in which Weisbrod consented to the imposition of a sanction barring him from associating with any FINRA member in all capacities (Occurrence #2292840) (“Weisbrod AWC”).

23. By letter dated September 11, 2023, the Bureau notified Key Client that neither Key Client nor Weisbrod notified the Bureau of the Weisbrod AWC and requested an explanation as to the lapse in compliance with the Weisbrod Agreement.

24. Paragraph 15 of the Weisbrod Agreement specifies that Key Client and Weisbrod have “joint responsibility for directly notifying the Bureau of any new or updated.... regulatory action, within 10 business days of the notification of the occurrence,” and “[r]equired reporting to the CRD of any of the above occurrences will not satisfy this paragraph.” In spite of these provisions, on September 11, 2023, Key Client responded to the Bureau that it was not aware of its obligation to forward notification to the Bureau beyond the updating of the Form U4 and Form ADV.

25. Weisbrod and Key Client failed to notify the Bureau of the Weisbrod AWC as required by paragraphs 15 and 17 of the Weisbrod Agreement.

26. The Nia Agreement and Weisbrod Agreement both state in their respective Paragraph 19 that “[f]ailure to comply with this agreement shall be deemed to be a violation of N.J.A.C. 13:47A-14.16 and may lead to a formal action, which may include, but not be limited to, revocation of registration and/or monetary penalties.”

CONCLUSIONS OF LAW

KEY CLIENT HAS FAILED TO COMPLY WITH THE TERMS OF A SUPERVISORY AGREEMENT

N.J.S.A. 49:3-70.1

N.J.A.C. 13:47A-14.16

27. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

28. A regulatory action was instituted against Nia that required notification directly to the Bureau, which was not reported to the Bureau as required by the Nia Agreement.

29. A regulatory action was instituted against Weisbrod that required notification directly to the Bureau, which was not reported to the Bureau as required by the Weisbrod Agreement.

30. The Nia Agreement and Wesibrod Agreement both state that “[f]ailure to comply with this agreement shall be deemed to be a violation of N.J.A.C. 13:47A-14.16, and may lead to a formal action, which may include, but not be limited to, revocation of registration and/or monetary penalties.”

31. This is cause, pursuant to N.J.S.A. 49:3-70.1 to assess civil monetary penalties against Key Client.

CONCLUSION

THEREFORE, it is on this 23RD day of February 2024 hereby **ORDERED AND AGREED** that:

32. Key Client cease and desist from further violations of the Securities Law and will comply with the Securities Law; and

33. Key Client is hereby assessed a civil monetary penalty in the amount of Twenty-Thousand dollars (\$20,000) pursuant to N.J.S.A. 49:3-70.1, which is due upon entry of this Consent Order.

34. Payment is to be made by certified check, bank check or an attorney trust account check payable to the “State of New Jersey, Bureau of Securities,” and delivered to the Bureau of Securities, 153 Halsey Street, 6th Floor, Newark, NJ 07102, to the attention of the Bureau Chief

upon execution of this Order. The penalty payment shall be deposited into the Securities Enforcement Fund, pursuant to N.J.S.A. 49:3-66.1.

GENERAL PROVISIONS


35. Pursuant to N.J.A.C. 1:1-19.1(d) this Consent Order shall be deemed the final decision as to Key Client.

36. Nothing in this Consent Order is intended to limit or supersede any authority or remedy available to the Bureau Chief under the Securities Law.


37. No employee or official of, or person representing, the Bureau or the State of New Jersey has made any additional promise or representation to Key Client regarding this Consent Order.

38. This Consent Order shall not bind any person not a party thereto. Each of the undersigned has read this Consent Order, understands it, and agrees to be bound by its terms.

39. Key Client agrees that solely for the purpose of this matter or future proceedings to enforce this Consent Order that this Consent Order shall have the same effect as if proven and ordered after a full hearing pursuant to N.J.S.A. 52:14B-1 -89.

By: 
Elizabeth M. Harris
Chief, Bureau of Securities

KEY CLIENT FIDUCIARY ADVISORS, LLC

By:  2/12/24
RAT 2-12-24

Dated: