

STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT

In the Matter of Halcyon Cabot
Partners, Ltd.,

Respondent.

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**FINDINGS OF FACT, CONCLUSIONS OF LAW, ORDER TO SUMMARILY SUSPEND
BROKER-DEALER REGISTRATION, NOTICE OF PROPOSED ORDER TO REVOKE
BROKER-DEALER REGISTRATION, AND NOTICE OF RIGHT TO REQUEST A
HEARING**

FINDINGS OF FACT

The Securities Commissioner has determined as follows:

1. Respondent, Halcyon Cabot Partners, Ltd., CRD #32664, is a New York corporation headquartered in New York, New York, which has been registered as a broker-dealer in North Dakota since June 16, 2010.
2. In an action initiated on or about July 16, 2015, the Financial Industry Regulatory Authority, (FINRA) alleged that Respondent willfully violated Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 and Rule 10b5(a) and (c), in a fraudulent scheme with a venture capital firm and a cancer drug development company to secretly kick back nearly 5 percent of the venture capital firm's \$35 million investment in the cancer drug development company to the capital venture firm, thereby misrepresenting the price paid for the shares; falsified records; unlawfully shared commissions; engaged in churning and unauthorized and excessive trading in customer accounts; and related supervisory failures.
3. Based on these violations, and without admitting or denying the allegations, Respondent consented to a Decision and Order of Offer of Settlement with FINRA, on or

about October 6, 2015, in which Respondent, Halcyon Cabot Partners, Ltd., was expelled from FINRA membership.

4. FINRA is the self-regulatory organization for broker-dealer firms under the Securities Exchange Act of 1934.

CONCLUSIONS OF LAW

1. The North Dakota Securities Department has jurisdiction over the subject matter of these proceedings and the Respondent.

2. Pursuant to N.D.A.C. § 73-02-09-02(29) and § 73-02-09-03(6), it is a dishonest or unethical practice for a broker-dealer or an agent to engage in any act which is a violation of FINRA Rules.

3. Pursuant to N.D.C.C. § 10-04-11(1)(j), it is grounds for revocation of a broker-dealer's registration in this state if the broker-dealer is the subject of an order expelling membership in a self-regulatory organization under the Securities Exchange Act of 1934.

4. Pursuant to N.D.C.C. § 10-04-11(1), the Commissioner may revoke the registration of a broker-dealer if the Commissioner finds that the broker-dealer has violated the provisions of the Securities Act or any order or rule issued pursuant thereto, has engaged in dishonest, fraudulent or unethical practices in the securities business, or has failed to properly supervise its agents. The activities set forth above constitute sufficient grounds for the Commissioner to summarily suspend and revoke the broker-dealer registration of Respondent, Halcyon Cabot Partners, Ltd.

5. This order is necessary and appropriate in the public interest for the protection of investors.

**ORDER TO SUMMARILY SUSPEND THE BROKER-DEALER
REGISTRATION OF HALCYON CABOT PARTNERS, LTD.**

Based on the Findings of Fact set forth above and pursuant to N.D.C.C. § 10-04-11(4), the Commissioner hereby Orders that the broker-dealer registration of Halcyon Cabot Partners, Ltd. is hereby suspended pending final determination of the matter regarding the Commissioner's proposed Order to revoke the broker-dealer registration of Halcyon Cabot Partners, Ltd., after hearing or opportunity for hearing.

**NOTICE OF PROPOSED ORDER TO REVOKE
BROKER-DEALER REGISTRATION**

YOU ARE HEREBY NOTIFIED THAT the North Dakota Securities Commissioner hereby proposes to issue an Order to Revoke the Broker-Dealer Registration of Respondent based on the Findings of Fact set forth above, pending hearing or an opportunity for hearing.

NOTICE OF RIGHT TO REQUEST A HEARING

YOU ARE NOTIFIED that, pursuant to N.D.C.C. §10-04-12, you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER. You have the right to be represented by legal counsel at the hearing.

IN TESTIMONY WHEREOF, witness my hand and seal this 12th day of October, 2015.





Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
600 East Boulevard Ave.
State Capitol – Fifth Floor
Bismarck, ND 58505-0510
(701) 328-2910

STATE OF NORTH DAKOTA
SECURITIES DEPARTMENT

In the Matter of Halcyon Cabot Partners, Ltd.,
Respondent.)
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) **AFFIDAVIT OF SERVICE BY MAIL**
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I, Jacqui Ferderer, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

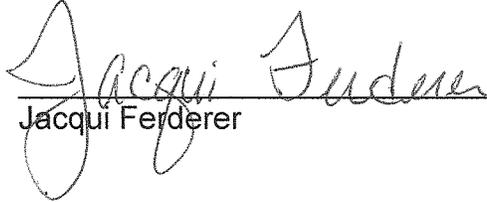
On October 13, 2015, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, true and correct copies of each of the following documents:

FINDINGS OF FACT, CONCLUSIONS OF LAW, ORDER TO SUMMARILY SUSPEND BROKER-DEALER REGISTRATION, NOTICE OF PROPOSED ORDER TO REVOKE BROKER-DEALER REGISTRATION, AND NOTICE OF RIGHT TO REQUEST A HEARING

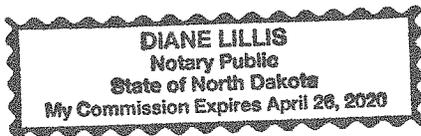
A copy of the above documents was securely enclosed in an envelope with postage prepaid, sent via Certified U. S. mail, return receipt requested, and addressed to each of the following:

Ronald M. Heineman, CCO
Halcyon Cabot Partners, Ltd.
767 Third Avenue
17th Floor
New York, NY 10017

To the best of my knowledge, information, and belief, the address given above is the last known address of the party intended to be served.


Jacquie Ferderer

Subscribed and sworn to before me on this 13 day of October, 2015.




Diane Lillis, Notary Public
Burleigh County, North Dakota
My commission expires 4/26/2020