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Via Email

Honorable Paul S. Atkins, Chairman
Honorable Hester M. Peirce
Honorable Caroline A. Crenshaw
Honorable Mark T. Uyeda
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Re: *In the Matter of I. Joseph Massoud*, Admin Proc. File No 3-15170

To The Commission,

I represent I. Joseph Massoud and am writing to request that the Securities and Exchange Commission set aside his bar from association with any investment advisor. Over twelve years have passed since the imposition of the bar in the instant case. During this time, Joe Massoud, a truly accomplished individual, has maintained an unblemished record of compliance with laws and regulations, and has engaged in conscientious and socially responsible business activities. He has also demonstrated a continuous impressive record of good works. Indeed, in addition to his substantial personal commitment to meaningful charitable endeavors, his professional career has been devoted to work on behalf of a unique charitable trust. The underlying reckless conduct which led to the ban at issue was an inadvertent deviation which is at odds with Mr. Massoud's lifetime of careful work, and extraordinary history of charitable activities and ethical business conduct. Accordingly, the vacatur of Mr. Massoud's bar is in the public interest.

A. Procedural Background

In 2011, the Commission began an investigation into Joe Massoud, accusing him of purchasing securities of Patriot Capital Funding, Co. ("Patriot") while in possession of material non-public information. Mr. Massoud agreed to settle with the Commission without admitting or denying the allegation that he had traded on inside information. As part of that settlement, the Commission filed an action in the United States District Court for the District of Connecticut, and that settlement between the Commission and Mr. Massoud was approved by the Court in a final judgment entered on December 12, 2012. That judgment included a permanent injunction

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barring Joe Massoud from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The judgment also prohibited Mr. Massoud from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 or 15(d) of the Exchange Act; barred him from participating in an offering of penny stock; and ordered Joe Massoud to pay disgorgement in the amount of \$676,013, prejudgment interest in the amount of \$80,785, and a civil penalty in the amount of \$676,013. Mr. Massoud promptly paid the total amount – \$1,432,811 – to the Commission. The Department of Justice declined to charge Joe Massoud with any wrongdoing.

On January 11, 2013, as part of the settlement, the Commission issued an order barring Mr. Massoud from association with any broker, dealer, investment advisor, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization (“the Order”). In 2018, the Commission vacated the collateral bars but left in place the bar prohibiting Joe Massoud from association with an investment advisor. The collateral bars voluntarily were vacated by the Commission because they were based on conduct that occurred before the enactment of *Dodd-Frank*, and therefore the Commission recognized that it did not have the authority to impose collateral bars.

B. The Remaining Bar Should be Vacated

The Commission should vacate Joe Massoud’s bar against association with an investment advisor in light of the significant time that has passed since its imposition, the inadvertent nature of the underlying misconduct, Mr. Massoud’s longstanding record of ethical business conduct, his complete compliance with the terms of his settlement, and his remarkable and consistent hands-on charitable activities. Moreover, the bars imposed on Joe Massoud have significantly restricted him, as he is precluded from taking on new clients or building a third-party advisory business to capitalize on his lifetime of knowledge. In this respect, given the socially responsible way in which he acts as an advisor, the business community would benefit from the lifting of the remaining bar.

The investment association bar was imposed over a decade ago. Moreover, the conduct that formed the basis for the insider trading charges was the result of an inadvertent mistake. Mr. Massoud’s company, Compass Group Management, LLC (“Compass Group”), had entered into over 160 NDAs around the time it executed the NDA relating to Patriot. Almost all the NDA agreements were with private companies, and none of them (other than Patriot) was with a company in which Mr. Massoud had a personal trading interest. After executing the NDA with Patriot, Mr. Massoud unfortunately continued to purchase Patriot stock for his personal account for the same reasons he had traded in Patriot before signing the NDA. He knew that his trades in Patriot were not based on any material non-public information, and he overlooked the fact that he should not have been trading in Patriot stock after the execution of the NDA.

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As will be discussed in greater detail below, before and since the events that gave rise to these bars, Joe Massoud has lived an exemplary life, contributing an extraordinary amount of his time as well as his money to charitable works. He has made assisting others—through his mentorship and integration of fatherless young men into his family life, organization and financial sponsorship of Habitat for Humanity projects, and investment of energy, time, and money for numerous other worthwhile causes—a central part of his professional and personal life. The underlying inadvertent reckless offense, therefore, represents a departure from the way in which Mr. Massoud conducted himself both personally and professionally.

I. Joe Massoud is an Accomplished and Ethical Individual

Joe Massoud has spent over twenty-five years working on behalf of the Kattegat Trust, a charitable organization whose mission is to promote the advancement of youth and maritime education and safety programs globally, work that is conducted through the TK Foundation. The Kattegat Trust is comprised of multiple entities. Relevant to Joe Massoud’s work, Anholt Investments Ltd. (“Anholt Investments”), is the entity which has always held the funds invested on Kattegat’s behalf.

From 1998 until February 18, 2011, Joe Massoud co-founded and served as the Managing Director of Compass Group, the company that provides investment advice to Anholt Investments. Anholt Investments, under the advisement of the Compass Group, invested in a large number of Business Development Companies (“BDCs”), including Patriot. In 2006, Joe Massoud helped Anholt Investments take many of its assets—not including Patriot or any other BDCs—public in the form of a publicly-traded holding company, Compass Diversified Holdings (CODI).

In 2013, Joe Massoud shifted roles to comply with the bars imposed in connection with this matter and has since served as the Managing Director of Anholt Services (USA), Inc (“Anholt Services”). Anholt Services is a company under the Kattegat umbrella that invests in public and private entities across diverse sectors including agriculture and private funds. Anholt Services functions as a family office, investing only on behalf of the Kattegat Trust.

II. Joe Massoud is a Devoted Family Man who has made Substantial Contributions of his Time and Money to the Community

Apart from the charges that resulted from his trading in Patriot, Joe Massoud has an unblemished record. He also has a lifetime of extraordinary accomplishment and service to his community.

Joe Massoud is a devoted family man. He was born in New York and raised in Los Angeles, the only son of first-generation Egyptian immigrants whose inter-faith marriage was

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not possible in Egypt. Joe Massoud and his wife Beth Massoud have been married for over thirty years and have raised three sons into successful young men who all pursued careers in business.

Despite Joe Massoud's many professional and charitable commitments, his family has always been his highest priority. Joe Massoud's three adult sons were active in sports and theatre, and he made it a point to go to almost every game and show as they grew up. Joe Massoud was very involved with his children's recreational sports teams, even serving as a coach for them. Indeed, he coached over twenty, including over fifteen basketball teams, several soccer teams, and one team each of football and baseball. Joe Massoud enjoyed coaching these children and focused on creating a positive, supportive experience, instead of instilling the more typical win-first attitude. Notably, he was consistently recognized for his coaching, and it was not uncommon for parents to request that their children play on his teams after they had been teased or felt uncomfortable with the kids or coaches of other teams.

Beth Massoud is a Massachusetts native, and she and Joe have lived in Connecticut since shortly after Joe Massoud's mother passed away in 1995. Prior to then, Joe Massoud had lived almost exclusively in Los Angeles so he could care for his mother, whose health had been in a steady decline as she battled lymphedema, which left her mostly bedridden. Indeed, following his graduation with second year honors from Harvard business school Joe Massoud forewent prestigious career opportunities in the northeast and moved back home to be closer to his mother. In her final years, Joe Massoud took great care of his mother – accompanying her on a pilgrimage to Mecca despite not himself sharing her Muslim faith, and when she passed away, obtaining special permission from the Egyptian consulate to transport her body to her hometown for burial in accordance with her wishes.

Joe Massoud's father had a storied career as an accounting professor at Claremont Mckenna, where he was the thirteen-time recipient of the prestigious *Huntoon Superior Teaching Award*. In recognition of his achievements, Claremont McKenna named a central campus building after him. After his mother's passing, Joe Massoud purchased a condominium for his father in Connecticut, so that his father could have a place to stay when he spent each summer near Joe and his family. In 2023, after Mr. Massoud's father retired, he moved into the Connecticut condominium full time. He continues to reside there near his son with whom he is extremely close and who provides essential care and companionship.

A. Joe Massoud has Dedicated Significant Time to Charitable Organizations

Joe Massoud's charitable works long predate his trading in Patriot, and are particularly focused on his community around Bridgeport, Connecticut. Joe Massoud served as the director

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on the board of Big Brothers/Big Sisters of Connecticut from 2003 to 2022 and has been a “Big Brother” in the program for over twenty years.

Joe Massoud became a Big Brother almost immediately after moving to Connecticut. His first Little Brother, Melvin, was actively mentored by him from 1997 until his high school graduation in 2008. Melvin was raised by a single mother, and Joe Massoud stepped in to serve as a positive male role model in his life. When Melvin was younger, he and Joe spent an average of two hours a week together, and Joe Massoud developed a long-lasting bond both with Melvin and his mother that persists to this day. Melvin is a now successful businessman, serving as the regional manager overseeing several retail bank branches for JP Morgan Chase in Baltimore.

Joe Massoud is an avid sports fan and when he first met Melvin, he expected that he would find a boy with whom he could bond over sports. Instead of sharing a love of sports, Melvin developed in Joe Massoud a love for cooking. Melvin enjoyed cooking and baking, and the “big” and “little” brothers ended up forming a tight and close-knit bond over the kitchen table. Their culinary activities extended beyond the home. Joe Massoud would take Melvin shopping for ingredients at diverse specialty supermarkets in an effort to expose him to a variety of cultures and cuisines, including Thai, Indian, and Chinese food. Joe and Melvin would then prepare unique dishes together, often in Joe Massoud’s father’s condominium when his dad was not staying there, so that Melvin would get quality time with Joe without interruption from his children.

Going beyond the nominal mentorship role of a Big Brother, Joe Massoud also helped support Melvin over the years and assisted him financially at various times. Recently, when the now adult, Melvin (he is 36 years old) won a professional award, Joe Massoud traveled to Baltimore to celebrate with him. Now that Melvin is successfully launched into adulthood, Joe Massoud mentors another eighth-grade student, Tramont, through the Big Brothers program. Undoubtedly inspired by Melvin’s success, Joe Massoud provides similar consistent and sustained mentorship to Tramont, taking him to activities like sports games, boating, bowling, miniature golf, and pottery studios. Similar to his relationship with Melvin, Joe Massoud has become a male role model for Tramont, whose father is not a stable presence in his life.

Joe Massoud’s charitable community involvement is much more extensive than can be adequately detailed in this submission. Joe Massoud has also been an active member of many other boards and committees of organizations including Bridgeport Rescue Mission, where he regularly serves meals in the shelter kitchen with his now 84 year old father; Families Network of Western Connecticut; and the Philanthropic Board of Advisors for the Boston Children’s Hospital, where his son underwent heart surgery as an infant in 1999.

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B. Joe Massoud's Charitable Tendencies have been Contagious

Joe Massoud encourages his colleagues, his friends, and his family to commit to charitable works as well. Beth Massoud previously served as the chairman of the board of Habitat for Humanity in Bridgeport. Joe and Beth have financially sponsored the building of a number of homes in Bridgeport in association with Habitat for Humanity over the years, including one that was dedicated as recently as a few weeks ago. Joe Massoud has also encouraged his employees and colleagues to become engaged with Habitat and its affiliates. In his roles at both Compass Group and Anholt Services, Joe Massoud has taken the team on Habitat home builds in Bridgeport once or twice a year for nearly two decades. In 2006, Joe Massoud also took the team to a build in New Orleans to celebrate CODI's initial public offering, instead of a more traditional site for these sorts of events, like Las Vegas.

In a similar vein, in 2011, Joe Massoud was responsible for planning the annual retreat for a section of the Connecticut chapter of the Young Presidents Organization. He took the group to work on another home-build site in New Orleans. YPO is a premier, global organization for young chief executives of companies based on the mission of creating better leaders through education and idea exchange. The active volunteer project in which he got involved was far different than the YPO's usual corporate retreats. That was exactly why Joe Massoud organized the trip. Since 2011, Joe Massoud has led his YPO group on Bridgeport based home-builds on a number of occasions.

Separately, Joe Massoud also considered an important facet of his parenting that his sons understood their responsibility to others who are less fortunate. To this end, Joe Massoud regularly would volunteer with his sons to serve meals at the Bowery Mission in New York City and volunteered with them throughout COVID at the Bridgeport Rescue Mission food pantry. Joe Massoud continues to regularly participate in volunteer work serving the homeless.

C. Joe Massoud Donates a Significant Portion of his Income to Charity

In addition to their extraordinary hands-on involvement, Joe and Beth Massoud have made significant financial contributions to multiple charitable organizations and personal causes both before and after the imposition of the bar in this case. For instance, Joe Massoud has contributed to the college tuition of several people. Prior to the settlement of the case that led to the imposition of this bar, the Massouds contributed over \$200,000 annually to multiple individuals and charitable organizations. For instance, the Massouds have donated annually to Habitat for Humanity, as well as to the Boston Children's Hospital, Bridgeport Rescue Mission, Homes with Hope (CT) and Families Network of Western Connecticut. Joe and Beth Massoud also endowed a chaired professorship in accounting in the name of Joe Massoud's father at

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Claremont McKenna and created a scholarship for two students annually in the name of his mother, which they have been funding since 1996. To date they have donated over a million dollars to support this scholarship.

In 2023, the Massouds increased their contribution to Claremont McKenna and began donating \$700,000 annually to the financial aid pool in recognition of Joe Massoud's father. The Massouds have committed to making this donation for seven years and have donated 2.2 million dollars so far.

Since the imposition of the bars in the instant matter, Joe Massoud and his wife accelerated their charitable giving by starting the Elizabeth and Joseph Massoud Family Foundation. The Massoud Foundation currently holds approximately \$10 million in assets and paid out \$1.5 million in 2024. Joe Massoud and his wife contribute a significant portion of their post-tax income to the foundation each year. In addition to the charities already discussed, a few of the organizations supported by the foundation in 2024 were Catholic Charities of Fairfield County, the Seamens Church Institute, and the City Mission in Waterbury, Connecticut.

Joe Massoud also contributes financially to multiple causes outside the foundation. In 2024, Joe Massoud's charitable giving outside the foundation exceeded \$100,000. Organizations that were the recipients of the Massoud's personal donations in 2024 include the National Multiple Sclerosis Society, St. Anthony of Padua Church, in Fairfield, Connecticut, the Juvenile Diabetes Research Foundation, and Catholic Relief Services. Joe and his wife have also provided funds to support the Vivienne Massoud Café at the Bridgeport Rescue Mission, as well as a new kitchen at the Thomas Merton Center. Both organizations provide meals for homeless people.

D. Joe Massoud has a Proven Record of Ethical Decision-making in his Professional Life

Joe Massoud is a compassionate employer who attempts to have his employees share his sense of an obligation to give back to the community. As CEO of Compass Group, he encouraged his employees to volunteer for charitable projects, and he developed a company policy that they would not be charged a day off from work for a day of volunteer service. He also encouraged charitable giving by his employees and instituted both a corporate match by Compass Group for annual employee contributions, up to \$5,000, and a personal match by himself for annual employee contributions, up to \$5000 per employee. Joe Massoud's goal was to encourage charitable giving and to learn about new charities through the personal matching system. He also endeavored to create a healthy working environment for his employees and provide them with generous benefits. Joe Massoud regularly sponsored Compassfest, a retreat for Compass Group employees and families at different locations throughout the country. Joe

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Massoud paid for everyone to attend, simply to reward his employees for their hard work throughout the year and allow them the opportunity to have some fun away from the office.

Joe Massoud's charitable mission is now a hallmark of Anholt Services. For many years, in his role as CEO of Anholt Services, he has focused on investments that he believes will be beneficial to the environment. For instance, Anholt Services' largest agricultural investment is Ocho Sur, a palm oil operation located in Peru's Ucayali region. Anholt Services supports the development and operation of sustainable palm oil production, including reforestation initiatives involving the planting of native tree species. Ocho Sur is the largest employer in the region and the principal taxpayer in the city of Pucallpa. In addition to its economic and environmental contributions, Anholt Services, through Ocho Sur, has undertaken various community development efforts, including the construction of infrastructure such as roads and telecommunications towers. During the COVID-19 pandemic, the company housed workers on-site and coordinated medical care by bringing in nurses from other parts of South America to treat affected individuals.

III. Joe Massoud's Conduct Leading to the Bars was Inadvertent and Aberrational

From late 2007 through 2010, Joe Massoud purchased and sold, for his own account, shares of Patriot, a closed-end investment company regulated as a BDC. Approximately two years after Mr. Massoud began trading in Patriot, on April 7, 2009, Patriot publicly announced that it was entertaining proposals for strategic investments, including the sale of the company. On May 7, 2009, Compass Group executed a confidentiality agreement with Patriot in order to participate in Patriot's strategic process. After the confidentiality agreement was executed, Compass Group was permitted access to a virtual data room which contained financial information about Patriot and its portfolio companies. By design and regulations, BDCs are uniquely transparent companies and almost all the information in this data room previously had been publicly disclosed. As a result of this public disclosure of information about Patriot, no material non-public information was in the data room. Although, Joe Massoud did not enter this virtual data room, the information in the data room was utilized by a Compass Group employee, Tim Chiodo, in an analysis he circulated to Joe Massoud and other Compass Group employees.

Unfortunately, after Compass Group entered into the confidentiality agreement, Mr. Massoud inadvertently and recklessly failed to cease trading in Patriot stock. The Patriot confidentiality agreement was one of over 165 such agreements Compass Group executed that year. Although Mr. Massoud continued to trade in Patriot securities after the execution of the confidentiality agreement, importantly, he did not think that he was in possession of material non-public information.

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Although Joe Massoud should not have continued to trade in Patriot after the execution of the confidentiality agreement – which by its terms prohibited trading – counsel believes that he did not knowingly engage in insider trading for four reasons. *First*, Patriot publicly announced that it was pursuing strategic alternatives including the sale of the company. *Second*, Patriot, as a BDC, was a uniquely transparent entity. To the extent that there was any non-public information in the data room, it did not affect Mr. Massoud’s trading. *Third*, Mr. Massoud began trading in Patriot long before Compass Group entered into the confidentiality agreement with Patriot. These trades were based on the publicly available data. *Finally*, almost all of the 165 confidentiality agreements which Compass Group entered into that year were with companies that did not have publicly traded stock. Mr. Massoud simply did not pay sufficient attention to the fact that Compass Group had entered into a confidentiality agreement with Patriot and failed to comply with its restrictions. Importantly, Mr. Massoud never acted surreptitiously or acted to conceal his trading. Indeed, he utilized his own name and in his regular brokerage. This is conduct reflective of with a person who understood his trading to be proper.

A. The Data Room Information was not Material

BDCs hold a diversified portfolio of debt and equity investments and usually invest in small private companies. BDCs are governed by the Investment Company Act of 1940, which imposes structural requirements—such as investment diversification, asset coverage, board independence, and the provision of “significant managerial assistance” to portfolio companies—and also unique and heightened reporting obligations not applicable to traditional operating companies.¹ BDCs are required to disclose the fair value of their portfolio securities and the net asset value (“NAV”) of their shares. BDCs do not trade based on their earnings but rather on the value of their investment portfolio. At the time of the trades at issue in the Commission’s charges against Mr. Massoud, Compass Group did not normally recommend investments in public securities to Anholt Investments or CODI, but it did recommend investments in BDCs because the important information about them is uniquely transparent.

The information in the virtual data room that Patriot shared with Compass Group included financial information concerning Patriot’s portfolio companies. Prior to giving Compass Group and others access to the data room, Patriot had disclosed detailed information to the public about the portfolio companies in which it invested. Patriot’s disclosures, filed with the Commission, included an estimate of the fair value of its investments in its portfolio of companies (approved by its independent board of directors and verified by Duff & Phelps).

¹ 15 U.S.C. §§ 80a-2(a)(48), 80a-54, 80a-63.

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The information in the data room was fundamentally different from the kind of information traditionally found to be material, such as earnings projections, mergers and acquisitions, or new developments regarding customers or supplies. The verified fair value estimates that Patriot disclosed in its quarterly filing were important for investors – not the underlying financial information concerning the portfolio companies that had been utilized in creating the valuation. Indeed, because of this unique transparency, insiders at Patriot and other BDCs are permitted to trade in their company's stock even when they are in possession of the kind of information that was contained in the Patriot data room.

B. Joe Massoud's Trades Were Based on Public Information

BDCs typically trade at or around their publicly disclosed NAV per share, except in times of economic turmoil when they tend to trade at a substantial discount because of the somewhat illiquid nature of a BDC's portfolio of securities. After the collapse of Lehman Brothers, the trading price of BDCs plummeted in relationship to their NAV. Joe Massoud, an expert in the BDC space, believed that after the price per share of most BDCs declined significantly below their publicly disclosed NAV, a buying opportunity presented itself because of the inherent value that existed in the portfolio companies the BDCs owned. Although Mr. Massoud generally was a buyer of BDCs, he also attempted to capitalize on the volatility in the marketplace for his personal account. In January 2009, for instance, Mr. Massoud sold his stock in Patriot and then bought additional shares of Patriot again, realizing short-term profits.

Consistent with his belief that BDC's were undervalued, in addition to making personal investments in Patriot and other BDCs, Joe Massoud also recommended investments in Patriot and other BDCs to Anholt Investments, including in late March 2009, as the share price of Patriot continued to deteriorate. Because of his continued positive view of the prospects for BDCs, and after reviewing reports from leading analysts who followed BDCs that suggested even in a worst-case scenario BDCs were worth significantly more than their trading prices, Joe Massoud continued to invest in Patriot and other BDCs.

Joe Massoud considered Patriot undervalued based entirely on publicly available information. Notably, during the three-week period after Mr. Massoud received Mr. Chiodo's analysis of the data room information, Joe Massoud did not trade in Patriot. The information in the data room did not change his outlook on Patriot.

C. Joe Massoud did not Knowingly Trade on Material Non-Public Information

Joe Massoud made an unfortunate, and perhaps reckless mistake when he continued to trade Patriot stock after Compass Group had executed the confidentiality agreement. At this

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time, Mr. Massoud's commitments at work were focused on his responsibilities as CEO of CODI and the advice which he was providing to its six subsidiary companies as they navigated the recession and credit crisis. Mr. Massoud simply did not think about the restrictions that the confidentiality agreement placed on his own personal trading in Patriot, in which he had been trading for over a year and a half. He continued to trade based on his belief that Patriot was undervalued. Mr. Massoud's trades were not affected by any information that Compass Group had obtained from Patriot because the information in the data room been incorporated into Patriot's SEC filings.

At the time that Mr. Massoud was trading in Patriot, he was familiar with confidentiality agreements. Patriot was only one of the 53 deals in which Compass Group had executed a confidentiality agreement from May to July 2009, and only one of the more than 165 transactions for which it had signed confidentiality agreements that year. Those agreements were mostly with private companies and had never before overlapped with a company or sector in which Mr. Massoud had a personal trading interest. Nevertheless, because he was aware that CODI had executed an NDA, Mr. Massoud agreed to resolve this matter with the Commission in 2021.

IV. The Underlying Matter Concluded in a Settlement without Admission of Fault Based upon Joe Massoud's arguably Reckless Actions

Joe Massoud's believed that his decision to stop trading in patriot stock after executing an NDA with the company, though inadvertent, was inappropriate. As detailed above, Mr. Massoud has held himself to a high moral standard. Consistent with the high moral bar he set for himself, Mr. Massoud believed he should take responsibility for his mistake, even if he might have otherwise been able to mount a defense. Consequently, he agreed to a settlement with the Commission. In his settlement with the Commission, Mr. Massoud neither admitted nor denied the allegation that he had traded while in possession of material non-public information. That settlement included the order barring him from association with any broker, dealer, investment advisor, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization. All these bars except the bar from association with an investment advisor were lifted by the Commission in 2018 because they were collateral and based on conduct that occurred before the *Dodd-Frank Act*.²

The bars prohibiting Joe Massoud from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 or 15(d) of the Exchange Act, and from

² *In the Matter of I. Joseph Massoud*, Release No. 5018 (September 14, 2018); See also *Bartko v. SEC*, 845 F.3d 1217, 1225 (D.C. Cir. 2017); Commission Statement Regarding Decision in *Bartko v. SEC* (Feb. 23, 2017), available at <https://www.sec.gov/news/statement/commission-statement-regarding-bartko-v-sec.html>.

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participating in an offering of penny stock were entered pursuant to court order and continue to this day.

Following Joe Massoud's settlement with the Commission, Kattegat, the company under whose umbrella both Compass Group and CODI operated, did its own investigation of Mr. Massoud's conduct. Kattegat concluded that Mr. Massoud's actions did not have a negative impact on the company and were not antithetical to the interests of the trust. In fact, Kattegat has retained Mr. Massoud to continue to assist in the management of its assets as the Managing Director of Anholt Services.

Although it investigated this matter along with the SEC, the Department of Justice decided not to prosecute Joe Massoud. This decision was made in acknowledgment of the fact that Mr. Massoud did not knowingly trade on material non-public information and in reliance on the overwhelming evidence of his good character.

V. It is in the Public Interest to Terminate Joe Massoud's Bar

The Commission has the authority to modify or vacate administrative bars. Recently, in language patently apt to Joe Massoud, the Commission has emphasized that it "recognizes that it is in the public interest to allow barred individuals to reenter the industry if their individual circumstances demonstrate rehabilitation and increased risk controls to prevent recidivism, which will increase investor protection," explaining that "readmissions will encourage other barred individuals who wish to reenter the securities industry to take similar steps toward rehabilitation, compliance, and remediation." *In the Matter of the Amended Application Filed Under Rule 193 of the Commission's Rules of Practice on behalf of Roger T. Denha For Consent to Associate with SkyOak Wealth, LLC*, Release No. 6872 at *5 (April 11, 2025) (granting a Rule 193 petition for association with an investment advisor); See also *In the Matter of an Application on behalf of Manish Singh For Consent to Participate in Penny Stock Offerings*, Release No. 11372 at *3 (April 10, 2025) (holding that petitioner made a satisfactory showing that the proposed consent to participate in penny stock offerings is not adverse to the public interest where petitioner fully complied with pertinent sanctions and had no adverse disciplinary history).

Just as the Commission recognized that the appropriateness of vacating bars for the petitioners *in the Matter of Roger T. Denha* and *in the Matter of Manish Singh*, so too is it in the public interest here to vacate the bar prohibiting Joe Massoud from acting as an investment advisor because: (1) a significant period of time has elapsed since the imposition of this bar and Mr. Massoud has maintained an unblemished record of compliance; (2) the underlying misconduct was inadvertent and, at most, reckless and (3) Mr. Massoud's good works and charitable contributions illustrate that he is worthy of the Commission's leniency.

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First, the underlying conduct sustaining the investment bar occurred in 2009, sixteen years ago, and Joe Massoud and the Commission agreed to the Order over twelve years ago. Like in *In the Matter of Singh*, Release No. 11372 (April 10, 2025), Mr. Massoud has complied fully with all pertinent sanctions and had no adverse disciplinary history. Mr. Massoud's has also had occasion to prove his compliance both *before* and *after* being granted partial relief.

Second, the nature of the conduct in the instant case was not so insidious as to warrant a lifetime bar. As discussed above, Mr. Massoud's conduct was inadvertent and did not cause significant harm.

Finally, to the extent possible, Mr. Massoud has demonstrated significant rehabilitation since the imposition of the investment association bar. Mr. Massoud began a new role at Anholt Services, continued to steer his company towards ethical investments, and expanded his charitable efforts. Indeed, as mentioned, the Massouds donate a significant portion of their post-tax income each year to charitable causes.

Meanwhile, Joe Massoud paid a heavy price for his conduct. The bars imposed on Mr. Massoud have significantly restricted him. He is precluded from taking on new clients or building a third-party advisory business to capitalize on his lifetime of knowledge. Many of the investments that Mr. Massoud has engaged in have been designed to have an important positive impact on local communities. Should he be allowed to progress his career with a third-party advisory business, this work will have the same ethical focus. The vacatur of Joe Massoud's bar is, therefore, in the public interest.

If the Commission lifts Mr. Massoud's bar on association with an investment advisor, this firm likely will ask the court to vacate the court-imposed restrictions on his ability to act as an officer and director of publicly traded companies and from participating in an offering of penny stock.

The consequences Joe Massoud has suffered for over a decade are proportional to his wrongdoing and do not leave any need for continuing sanctions. The vacatur of the investment association bar is clearly in the public interest. In light of the mitigating factors discussed in this letter, including the nature of Mr. Massoud's underlying conduct, vacating the bars is, therefore, warranted.

Honorable Paul S. Atkins, Chairman
Honorable Hester M. Peirce
Honorable Caroline A. Crenshaw
Honorable Mark T. Uyeda
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VI. Conclusion

For the forgoing reasons, I respectfully request that the Commission vacate its order barring Joe Massoud from associating with an investment advisor. I would welcome the opportunity to appear in person to further discuss this matter and answer any questions the Commission may have.

Respectfully submitted,

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