

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 102175 / January 14, 2025**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 6821 / January 14, 2025**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-22411**

**In the Matter of**

**DANNY Z. SPIEGEL,**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
AND CEASE-AND-DESIST PROCEEDINGS,  
PURSUANT TO SECTIONS 15(b) AND 21C  
OF THE SECURITIES EXCHANGE ACT OF  
1934 AND SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS AND A CEASE-  
AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Danny Z. Spiegel (“Spiegel” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section VI, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds<sup>1</sup> that:

#### Summary

1. These proceedings arise out of unregistered broker activity by Spiegel who, between at least June 2019 and March 2020 (the "Relevant Period"), solicited investors on behalf of StraightPath Venture Partners, LLC ("StraightPath"). StraightPath was an entity that offered investments in privately offered membership interests in limited liability companies (the "StraightPath Funds") that each purportedly owned shares of private issuers that had prospects of becoming publicly traded issuers ("Pre-IPO Issuers"). During the Relevant Period, Spiegel successfully solicited, either directly or through other unregistered agents he compensated, at least \$6 million in investments for the StraightPath Funds from at least 80 investors. Through his unregistered conduct brokering transactions between investors and the StraightPath Funds, Spiegel received over \$142,000 in transaction-based compensation.

#### Respondent

2. **Spiegel** (CRD No. 4191462), age 42, resides in Ocean Township, New Jersey. Spiegel has been an investment adviser representative with VCP Financial LLC ("VCP Financial") since 2013 and has an ownership interest in the firm. From 2003 to 2017, Spiegel was also associated with various broker-dealers. He holds an active Series 65 license as well as life and property agent and broker licenses from the State of New York, and he previously held Series 7 and 63 licenses. Spiegel was a co-owner of IKE Group LLC ("IKE Group") and has ownership interests in Vessel Capital Management, LLC ("Vessel Capital Management"), and Life 143, LLC ("Life 143").

#### Other Relevant Individuals and Entities

3. **Shabat** (CRD No. 4799909), age 46, resides in Staten Island, New York. Shabat has been an investment adviser with VCP Financial since 2013 and has an ownership interest in the firm. From 2004 to 2018, Shabat was associated with various broker-dealers. He holds an active life insurance agent license from New York and previously held Series 4, 7, and 63 licenses. Shabat was a co-owner of IKE Group and has ownership interests in Vessel Capital Management, which manages a series of private equity funds, and Life 143 a life and health insurance business.

4. **IKE Group**, formed in 2019 and dissolved in 2021, was a New York limited liability company co-owned by Spiegel and Shabat. Between June 2019 and March 2020, IKE Group received payments from StraightPath for soliciting investors for the StraightPath Funds.

5. **VCP Financial** is a New York limited liability company formed in 2013 with its principal place of business in Staten Island, New York. VCP Financial is registered as an investment adviser with the Commission. It reported approximately \$114.5 million in regulatory

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<sup>1</sup> The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

assets under management as of October 2024. Until January 2022, VCP Financial was known as LPS Financial LLC.

6. **StraightPath**, formed in 2017, is a Delaware limited liability company that owned and managed the StraightPath Funds. StraightPath was previously sued by the Commission in a case captioned *SEC v. StraightPath Venture Partners LLC, et al.*, 22-cv-3897 (LAK) (S.D.N.Y. May 13, 2022). In *SEC v. StraightPath Venture Partners LLC, et al.*, the Court appointed Melanie Cyganowski, (the “Receiver”) over StraightPath and certain affiliates including the StraightPath Funds.

### **Facts**

7. In 2019, Spiegel and Shabat formed IKE Group to share profits with StraightPath. In February 2019, IKE Group entered into a joint venture agreement (the “Joint Venture Agreement”) with StraightPath pursuant to which IKE Group agreed to (1) help make interests in certain StraightPath Funds available for purchase through an online broker-dealer and (2) solicit investors to purchase membership interests in the StraightPath Funds, in exchange for profit share payments from StraightPath. In May 2019, IKE Group also signed a Referral Agent Agreement with StraightPath pursuant to which StraightPath would pay IKE Group 10% of the amount invested by investors referred by IKE Group, as well as 10% of the profits of that investor when a Pre-IPO Issuer held by a StraightPath Fund conducted a public offering. The membership interests in the StraightPath Funds are securities.

8. In furtherance of the Joint Venture Agreement, Spiegel thereafter requested that a large broker-dealer (the “Brokerage Firm”) add two StraightPath Funds to its Alternative Investment Custody Service. Once the Brokerage Firm did so, customers with accounts at the Brokerage Firm could purchase interests in the StraightPath Funds through their account with the Brokerage Firm and access account statements listing their investment in the StraightPath Funds. To purchase the StraightPath Funds through the Brokerage Firm, a customer had to either (1) have at least \$250,000 in certain investments in their account or (2) have their registered investment adviser sign an “Alternative Investment Letter of Authorization” on their behalf.

9. After the StraightPath Funds became available for purchase through the Brokerage Firm, Spiegel solicited investments in the StraightPath Funds in several ways. *First*, Spiegel, through IKE Group, operated a sales force of individuals not registered as brokers by compensating at least three individuals who were not registered as brokers to call potential investors identified on lists purchased from specialized companies, commonly referred to as “leads,” to solicit investments in the StraightPath Funds. In those calls, some of which Spiegel monitored, the unregistered individuals provided information about the Pre-IPO Issuers and recommended investments in the Pre-IPO Issuers. Spiegel told the unregistered individuals which Pre-IPO Issuers were available to purchase through the StraightPath Funds, instructed them on the categories of information to collect from potential investors, and provided the individuals with sales software, telephones, and email addresses. Once an individual agreed to purchase interests in the StraightPath Funds, the unregistered individuals provided the prospective investor’s information to Spiegel and Shabat, who finalized the transactions, as described in paragraph 12.

10. *Second*, Spiegel solicited investments for the StraightPath Fund himself, both from existing advisory clients as well as by calling “leads” with no pre-existing relationship with VCP Financial. Spiegel communicated with prospective investors using methods of interstate commerce, including telephone and email. During those communications, he introduced the StraightPath Funds to investors he believed were interested in investing in Pre-IPO Issuers. He did so by providing them with information about the Pre-IPO Issuers and recommending the investments. In some instances, Spiegel also attempted to negotiate with StraightPath, on an investor’s behalf, the fee that StraightPath charged on an investor’s profits once a Pre-IPO Issuer went public. Once an individual agreed to purchase interests in the StraightPath Funds, Spiegel and Shabat finalized the transactions, as described in paragraph 12.

11. *Third*, Spiegel finalized sales of interests in the StraightPath Funds to investors initially contacted by other unregistered sales agents used by StraightPath, who desired to invest through the Brokerage Firm. In those instances, StraightPath provided those individuals’ names and contact information to Shabat and Spiegel, who in turn contacted the investors and finalized the transactions, as described in paragraph 12.

12. To finalize the investors’ transactions in the StraightPath Funds, Shabat and Spiegel ensured that the investor received and returned, where necessary, the paperwork for the StraightPath Funds, such as the Private Placement Memorandum, subscription agreements, accredited investor certifications, and investor questionnaires. If an investor was not a pre-existing VCP Financial client, the investor was also sent paperwork to become one. Thereafter, Spiegel signed the Alternative Investment Letter of Authorization for the investor so that they could complete their purchase through the Brokerage Firm’s Alternative Investment Custody Service. If an investor needed to fund their account with the Brokerage Firm to purchase their interest in the StraightPath Funds and decided to do so by check, they sent the check to Spiegel and Shabat, who in turn sent it to the Brokerage Firm.

13. Spiegel continued to serve as a point of contact for investors regarding their investments in the StraightPath Funds, including regarding the delivery of post-IPO shares.

14. When engaged in the conduct described above, Spiegel was not associated with a broker-dealer registered with the Commission. Although Spiegel was affiliated with a registered investment adviser during the Relevant Period, the actions of Spiegel in connection with the StraightPath Fund as described above were brokerage services distinct from his investment advisory services. Among other facts, most investors in connection with whom IKE Group received compensation were not pre-existing investment advisory clients of VCP Financial, and VCP Financial did not charge these investors a management fee for the value of their investments in the StraightPath Funds. Instead, Spiegel’s payments received in connection with investments in the StraightPath Funds came solely from payments that IKE Group received from StraightPath. Such payments were transaction-based compensation for brokerage services.

15. In total, Spiegel received \$142,083.01 from StraightPath in connection with the activities described in paragraphs 7 through 14 above. Certain of this compensation was paid through entities that Spiegel controlled or through payments of Spiegel’s expenses.

## **Violations**

16. As a result of the conduct described above, Spiegel willfully violated Section 15(a) of the Exchange Act, which prohibits any broker or dealer from making use of the mails or any means or instrumentality of interstate commerce, to effect any transaction in, or induce or attempt to induce the purchase or sale of, any security unless the broker or dealer is registered in accordance with Section 15(b) of the Exchange Act or is a natural person who is associated with a registered broker or dealer.

## **Disgorgement and Civil Penalties**

17. The disgorgement and prejudgment interest ordered in paragraph V.D is consistent with equitable principles and does not exceed Respondent's net profits from his violations, and will be distributed to harmed investors to the extent feasible. The Commission will remit funds paid pursuant to paragraph V.E to the court-appointed Receiver in *SEC v. StraightPath Venture Partners, LLC, et al.*, 22-cv-3897 (S.D.N.Y. May 13, 2022), for distribution to harmed investors pursuant to a court-approved distribution plan. Upon approval of the distribution final accounting by the Commission, any amounts remaining that are infeasible to return to investors, and any amounts returned to the Commission in the future that are infeasible to return to investors, may be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

## **IV.**

### **Undertaking**

18. Respondent has undertaken to provide to the Commission, within 14 days after the end of the 6-month suspension period described below, an affidavit that he has complied fully with the sanctions described in Section V below.

## **V.**

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Spiegel's Offer.

Accordingly, pursuant to Sections 15(b) and 21C of the Exchange Act and Section 203(f) of the Advisers Act, it is hereby ORDERED that:

A. Spiegel cease and desist from committing or causing any violations and any future violations of Section 15(a) of the Exchange Act.

B. Spiegel be, and hereby is, suspended from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization for six (6) months, effective on the second Monday six (6) months following the entry of this Order.

C. Spiegel be, and hereby is, suspended from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock for six (6) months, effective on the second Monday six (6) months following the entry of this Order.

D. Spiegel shall pay disgorgement of \$142,083.01, prejudgment interest of \$33,790.76, and civil penalties of \$40,000 to the Securities and Exchange Commission. If timely payment of disgorgement and prejudgment interest is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600. If timely payment of a civil money penalty is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

Payment shall be made in the following installments:

1. \$53,968.45 within 14 days of the entry of this Order; and
2. \$53,968.44 within each of 180, 240, and 360 days of the entry of this Order.

Payments shall be applied first to post order interest, which accrues pursuant to SEC Rule of Practice 600 and/or pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Spiegel as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Sheldon L. Pollock, Division of Enforcement, Securities and Exchange Commission, 100 Pearl Street, Suite 20-100, New York, NY 10004-2616.

E. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the disgorgement, prejudgment interest and penalties referenced in paragraph V.D. above. The Fair Fund may be added to or combined with Fair Funds established in *In the Matter of Tamir Shabat*, and *In the Matter of Joseph J. Orlando Jr.* Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

F. Respondent shall comply with the undertaking enumerated in Section IV.18 above.

## VI.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman  
Secretary