

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6861 / March 7, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-22461

In the Matter of

TIFFANY L. HAWKINS,
a/k/a TIFFANY TAYLOR-
WATSON,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
PURSUANT TO SECTIONS 203(f) AND
203(k) 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 203(f) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) against Tiffany L. Hawkins, a/k/a Tiffany Taylor-Watson (“Hawkins” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Hawkins 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 her and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V below, Hawkins consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 203(f) and 203(k) 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 finds¹ that:

Summary

These proceedings arise out of Tiffany Hawkins' fraudulent misappropriation of approximately \$223,000 from portfolio companies of a private fund managed by Hawkins while she was employed as chief operating officer of Momentum Advisors, LLC ("Momentum Advisors"), an investment adviser registered with the Commission.

In late 2020, Hawkins, along with the managing partner of Momentum Advisors, formed Franklin Morgan Fund 1 LLC (the "Fund") for the purpose of investing in franchise businesses, such as dry cleaners (the "Portfolio Companies"). As a member of the general partner of the Fund, Hawkins represented to investors that the Portfolio Companies would be operated in such a manner as to generate cash to distribute to investors in the Fund. In total, the Fund raised approximately \$5 million from advisory clients of Momentum Advisors and invested in nine Portfolio Companies.

From at least August 2021 through February 2024, Hawkins misappropriated approximately \$223,000 from the Portfolio Companies. Specifically, Hawkins misused the Portfolio Company debit cards in more than 100 transactions to pay for personal purchases, clothing, and vacations for herself and caused herself to be paid compensation in excess of her authorized salary. Hawkins concealed her misappropriation from Momentum Advisors, the Portfolio Companies' bookkeeper, and Commission staff.

As a result, Hawkins violated Sections 206(1) and 206(2) of the Advisers Act.

Respondent

1. **Hawkins**, age 42, is a resident of Washington, DC. Hawkins was a partner and chief operating officer of Momentum Advisors, a registered investment adviser, until her resignation in March 2024. In 2017, Hawkins became a part owner of two dry cleaners (that later became part of the Portfolio Companies), and she retained that ownership until December 2024. From approximately April 2022 through March 2024, Hawkins owned 10% equity in Momentum Advisors. Hawkins was also a member of Franklin Morgan Partners, LLC, which was general partner of the Fund.

¹ The findings herein are made pursuant to Respondent's Offer and are not binding on any other person or entity in this or any other proceeding.

Other Relevant Entities and Individuals

2. **Momentum Advisors** is a New York limited liability company with its principal place of business in New York, New York. Momentum Advisors is registered with the Commission as an investment adviser. Momentum Advisors has approximately \$353 million in regulatory assets under management in about 300 accounts as of March 29, 2024.

3. **The Fund** is a private fund formed as a Delaware limited liability company. At all relevant times, an affiliate under common control with Momentum Advisors was the managing member of the Fund. Momentum Advisors has been the investment adviser to the Fund since at least 2020.

4. **Allan J. Boomer (“Boomer”)** (CRD No. 4182424), age 48, is an individual residing in the state of New Jersey. Boomer is a partner of Momentum Advisors and a member of Franklin Morgan Partners, LLC, the manager of the Fund. Until March 2024, Boomer was the managing partner and chief compliance officer of Momentum Advisors. Boomer is currently a partner of Momentum Advisors.

5. **Franklin Morgan Partners, LLC (“Franklin Morgan Partners”)** is the general partner of the Fund. Franklin Morgan Partners is a New Jersey limited liability company. Boomer and Hawkins are managing members of Franklin Morgan Partners.

Facts

Formation of the Fund and Operation of the Portfolio Companies

6. In November 2020, Hawkins and Boomer formed the Fund for the purpose of raising money from investors to purchase and develop franchise businesses, such as dry cleaners. The Fund raised approximately \$5 million from advisory clients of Momentum Advisors. Momentum Advisors provides investment advisory services to the Fund. Franklin Morgan Partners serves as the general partner of the Fund.

7. Boomer and Hawkins represented in the Fund’s offering materials that they would operate the Fund in such a manner as to generate distributable cash from the operations of the Portfolio Companies, which would then be distributed to Fund investors. In total, the Fund invested in nine dry cleaners (in two of which Hawkins had a partial personal ownership interest) and the Fund distributed returns to Fund investors based on the Portfolio Companies’ profitability and cash on hand.

8. Until March 2024, the Portfolio Companies were managed on a day-to-day basis by employees of the Portfolio Companies and Hawkins. Hawkins, along with Boomer, opened business checking accounts for several of the Portfolio Companies and Hawkins held a debit card linked to those business accounts to use for the Portfolio Companies’ business expenses.

Hawkins Misappropriated Portfolio Company Funds

9. From at least August 2021 through February 2024, Hawkins misappropriated a total of approximately \$223,000 from the Portfolio Companies. Hawkins used Portfolio Company debit cards in more than 100 transactions to pay for personal vacations, clothing, and other personal expenses.

10. From November 2022 through February 2024, Hawkins received compensation from one of the Portfolio Companies totaling more than \$24,000 above her authorized salary. Hawkins received \$5,000 per month, in addition to her compensation as a partner of Momentum Advisors and manager of the Fund, as compensation for her work in managing the Portfolio Companies. Hawkins and Boomer disclosed to investors that Hawkins had been “temporarily employed by the stores at an annual salary of \$60,000.” Notwithstanding the disclosure to investors, Hawkins was paid \$6,500 per month from November 2022 through February 2024.

11. Hawkins concealed her misconduct from Boomer, Momentum Advisors, the Portfolio Companies’ bookkeeper, and Commission staff. Hawkins falsely represented that tens of thousands of dollars of expenses paid for by the Portfolio Companies relating to her personal vacations were legitimate business travel expenses. Hawkins also falsely represented that certain of the Portfolio Companies’ purchases of designer clothing were legitimate business expenses in which the Portfolio Companies had replaced customer garments that had been damaged by the dry cleaners. In fact, these purchases were made by Hawkins for her own personal use.

12. In August 2023, Hawkins informed Boomer that several Portfolio Company transactions that she had previously represented were legitimate business travel expenses were personal expenses for which she had mistakenly used the Portfolio Companies’ debit cards, and Hawkins reimbursed approximately \$18,000 to the Portfolio Companies. This amount, however, was not the full scope of her misappropriation.

13. In March 2024, Hawkins resigned from Momentum Advisors and Hawkins and Momentum Advisors have since reimbursed the Portfolio Companies for the full amount of Hawkins’ misappropriation.

Violations

14. As a result of the conduct described above, Hawkins willfully violated Sections 206(1) and 206(2) of the Advisers Act, which prohibits investment advisers from, directly or indirectly, employing any device, scheme, or artifice to defraud, or engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon, any client or prospective client.

IV.

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

Accordingly, pursuant to Sections 203(f) and 203(k) of the Advisers Act, it is hereby ORDERED that:

A. Hawkins cease and desist from committing or causing any violations and any future violations of Sections 206(1) and 206(2) of the Advisers Act.

B. Hawkins be, and hereby is:

barred from association with an investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization

C. Any application for reentry by the Respondent will be made to the appropriate self-regulatory organization, or if there is none, to the Commission by contacting the Division of Enforcement's Office of Chief Counsel at ENF-Reentry@sec.gov, and will be subject to the applicable laws and regulations governing the reentry process. Reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

D. Hawkins shall pay a civil monetary penalty in the amount of \$200,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments:

- \$25,000 within 10 days of the entry of this Order;
- \$25,000 within 30 days of the entry of this Order;
- \$50,000 within 120 days of the entry of this Order;
- \$50,000 within 240 days of the entry of this Order; and
- \$50,000 within 360 days of the entry of this Order.

Payments shall be applied first to post-order interest, which accrues 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 Hawkins 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 Thomas P. Smith, Jr., Associate Regional Director, Division of Enforcement, Securities and Exchange Commission, 100 Pearl Street, Suite 20-100, New York, New York, 10004-2616.

E. 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, she shall not argue that she is entitled to, nor shall she 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 she 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.

V.

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