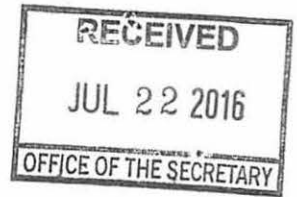




UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
ATLANTA REGIONAL OFFICE  
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July 22, 2016

BY FIRST CLASS MAIL AND EMAIL

Hon. James E. Grimes  
Administrative Law Judge  
Securities and Exchange Commission  
100 F Street NE, Room 2557  
Washington, D.C. 20549-2557

**Re:** *In the Matter of Aegis Capital, LLC, et al.*, Administrative Proceeding File No. 3-16463 – Response to Question Regarding Relief Sought in Default Motion

Dear Judge Grimes:

I write to respond to the Court's question posed during the prehearing conference regarding the relief sought by the Division of Enforcement ("Division") in its March 24, 2016 Motion for Entry of Default and Imposition of Sanctions as to Respondents Aegis Capital, LLC ("Aegis Capital") and Circle One Wealth Management, LLC ("Circle One"). In the default motion, the Division seeks a censure against both firms pursuant to Section 203(e) of the Investment Advisers Act of 1940 ("Advisers Act").

During the prehearing conference, the Court asked whether it was correct that in Section III, ¶ C., the Order Instituting Proceedings authorizes the Division to proceed against Circle One under Section 203(k) of the Advisers Act, to the exclusion of Section 203(e). The Court further asked, assuming the Court was correct as to the lack of authorization under Section 203(e) as to Circle One, what steps the Division would suggest to resolve the situation.

The Court is correct in its reading of Section III, ¶ C. that the Advisers Act authorization against Circle One is only under Section 203(k). The Division regrets the oversight, and is happy to resolve the issue in whatever way the Court would prefer. Unfortunately, however, the Division cannot move to amend the Order Instituting Proceedings to add Section 203(e) to Section III, ¶ C., as it appears that during the investigation stage, the staff concluded that the

Honorable James E. Grimes

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Commission could not proceed against Circle One as to Section 203(e) for jurisdictional reasons. One possible solution would be to allow the Division to file an amended default motion that would withdraw the request for a censure as to Circle One, and seek appropriate relief against Circle One pursuant to Section 203(k) of the Advisers Act.

The Division looks forward to additional guidance from the Court.

Sincerely,

A handwritten signature in blue ink, appearing to read "W. Shawn Murnahan". The signature is fluid and cursive, with a prominent initial "W" and a long, sweeping underline.

W. Shawn Murnahan