

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 74608 / March 30, 2015**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4054 / March 30, 2015**

**INVESTMENT COMPANY ACT OF 1940**  
**Release No. 31541 / March 30, 2015**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-16463**

**In the Matter of**

**AEGIS CAPITAL, LLC,  
CIRCLE ONE WEALTH  
MANAGEMENT, LLC,  
DIANE W. LAMM,  
STRATEGIC CONSULTING  
ADVISORS, LLC, and  
DAVID I. OSUNKWO,**

**Respondents.**

**ORDER INSTITUTING ADMINISTRATIVE  
AND CEASE-AND-DESIST PROCEEDINGS  
PURSUANT TO SECTION 15(b)(6) OF THE  
SECURITIES EXCHANGE ACT OF 1934,  
SECTIONS 203(e), 203(f), AND 203(k) OF  
THE INVESTMENT ADVISERS ACT OF  
1940, AND SECTION 9(b) OF THE  
INVESTMENT COMPANY ACT OF 1940**

**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 against Aegis Capital, LLC (“Aegis Capital”) and Circle One Wealth Management, LLC (“Circle One”) (collectively, “Registrants”) pursuant to Section 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”), against Aegis Capital pursuant to Section 203(e) of the Advisers Act, against Diane W. Lamm (“Lamm”), Strategic Consulting Advisors, LLC (“SC Advisors”), and David I. Osunkwo (“Osunkwo”), pursuant to Sections 203(f) and 203(k) of the Advisers Act and Section 9(b) of the Investment Company Act, and against Osunkwo pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 (“Exchange Act”). Registrants, Lamm, SC Advisors, and Osunkwo are collectively referred to herein as “Respondents.”

## II.

After an investigation, the Division of Enforcement alleges:

### SUMMARY

1. Aegis Capital and Circle One failed to file timely and accurate reports with the Commission and to maintain required books and records. In Forms ADV filed with the Commission in March 2010 and March 2011, Registrants, affiliated because of common control, grossly overstated their assets under management (“AUM”) and total number of client accounts. Indeed, in March 2011, Registrants overstated their AUM by over \$119 million, or 190%, and total number of client accounts by at least 1,000 accounts, or over 340%. Moreover, from 2009 to 2011, Registrants’ books and records were unsegregated and mixed together with affiliated entities at the level of the parent holding company. Registrants were unable to provide adviser-specific books and records in response to examination staff’s queries in a timely manner, if at all.

2. Registrants outsourced their compliance responsibilities to SC Advisors, a firm that offered compliance consulting and Chief Compliance Officer (“CCO”) services to investment management firms. Osunkwo, an attorney and principal at SC Advisors, was designated as Registrants’ CCO. In this role, he was responsible for preparing, reviewing, and filing Registrants’ Forms ADV. Osunkwo reported to and worked closely with Lamm, Registrants’ Chief Operating Officer (“COO”), who provided information to Osunkwo to include in Aegis Capital’s Form ADV filings, signed Aegis Capital’s Form ADV, and otherwise was responsible for Registrants’ books and records. As a direct consequence of Osunkwo’s and Lamm’s failures, Registrants failed to file accurate and timely reports with the Commission and failed to make and keep required books and records.

### RESPONDENTS

3. Aegis Capital is a North Carolina limited liability company with its principal place of business in Mount Pleasant, South Carolina. Aegis Capital terminated its Commission registration on or about March 27, 2012, and is currently registered with the state of North Carolina. In a December 31, 2009 Form ADV, filed with the Commission on March 31, 2010, Aegis Capital claimed to have nearly \$165 million in AUM and 1,540 client accounts. In fact, Aegis Capital overstated these amounts.

4. Circle One is a Florida limited liability company, formerly an investment adviser and currently listed as “Inactive” in the records of the Florida Department of State Division of Corporations. According to a December 31, 2010 Form ADV, filed March 31, 2011, Circle One had \$182 million in AUM and 1,289 client accounts. In fact, Circle One overstated these amounts. On March 28, 2012, Circle One withdrew its Commission registration by filing a partial withdrawal on Form ADV-W. On May 7, 2012, Circle One filed a Form ADV-W, declaring that it was no longer in business and terminating its registration status with state regulators.

5. Lamm, 54 years of age, is a resident of Highlands, North Carolina. She served as the COO for Aegis Capital, Circle One, and Capital L Group, LLC (“Capital L”), Registrants’ parent holding company, beginning in October 2009. She remains listed as the COO for Aegis Capital in its most recent filing with the Commission.

6. SC Advisors is an Illinois limited liability company with its principal place of business in Naperville, Illinois. SC Advisors offers consulting services to investment management firms, registered and unregistered funds, and private equity firms on a wide range of business and regulatory compliance matters, and also offers outsourced CCO services for Commission-registered entities. Osunkwo is one of the principals of SC Advisors. During 2010 and 2011, SC Advisors contracted with Capital L and agreed to provide CCO services to Registrants.

7. Osunkwo, 53 and a resident of Charlotte, North Carolina, is self-employed. He provides business and compliance consulting services through affiliations with other firms, including SC Advisors. From January 2011 to March 2012, Osunkwo was registered with a broker-dealer registered with the Commission. Osunkwo is an attorney at law licensed by the state of New York. During 2010 and 2011, Osunkwo was a principal of SC Advisors and was designated, and served as, Registrants’ CCO.

#### REGISTRANTS’ FALSE FORM ADV FILINGS

8. Between January 2010 and December 2011, SC Advisors was contractually obligated to provide compliance services to Registrants, including preparing, reviewing, and filing Forms ADV, and to make available a principal of its firm to be appointed and serve as Registrants’ CCO. Pursuant to this agreement, SC Advisors designated Osunkwo as CCO for Registrants.

9. Throughout the same time period, Lamm was Registrants’ COO and Osunkwo’s direct supervisor.

10. On March 31, 2010, Aegis Capital filed its Form ADV for the December 31, 2009 year end. In that Form ADV, Aegis Capital reported that it had \$164,994,972 in AUM and 1,540 advisory accounts.

11. Aegis Capital’s Form ADV for that year was filed by Osunkwo based on information obtained from Lamm. Lamm provided inaccurate information concerning AUM and the number of client accounts of Aegis Capital to Osunkwo, who included that information in the Form ADV filed with the Commission. Lamm signed Aegis Capital’s Form ADV as of December 31, 2009, certifying that the information therein was “true and correct.”

12. Aegis Capital did not file an annual update for the December 31, 2010 year end. On March 27, 2012, Aegis Capital filed a Form ADV-W to withdraw its registration status with the Commission.

13. In March 2011, pursuant to the contract with SC Advisors, Osunkwo was responsible for, among other compliance-related matters, preparing, reviewing, and filing a Form ADV for Circle One for the year ended December 31, 2010.

14. On March 31, 2011, Osunkwo filed a Form ADV for Circle One for the December 31, 2010 year end. In that Form ADV, Circle One reported that it had \$182,000,000 in AUM and 1,289 advisory accounts.

15. When preparing and filing the 2010 Form ADV for Circle One, Osunkwo did not personally review Circle One's records to determine Circle One's AUM and number of advisory accounts. Instead, Osunkwo relied exclusively on information provided to him by Circle One's Chief Investment Officer ("CIO"), whom Osunkwo knew had little to no involvement with Registrants' investment advisory client accounts. Osunkwo collected the information from the CIO only hours before the filing deadline, and knew from the CIO's message that the information was only intended to be an estimate.

16. When Osunkwo filed Circle One's 2010 Form ADV, he misrepresented that the CIO certified the contents of Circle One's Form ADV to be true and correct, and forged the CIO's electronic signature on the filing.

17. As a result of Osunkwo's and Lamm's conduct, the AUM and number of advisory accounts claimed by Aegis Capital and Circle One, as described above in Paragraphs 10 and 14, were false. In fact, Registrants' combined AUM as of December 31, 2010 was \$62,862,270.28—an overstatement of AUM of \$119,137,728.72. Registrants also overstated their total client accounts by at least 1,000 accounts as of December 31, 2010. Registrants' AUM and the number of client accounts as of December 31, 2009, were similarly overstated.

#### REGISTRANTS FAILED TO MAINTAIN REQUIRED BOOKS AND RECORDS

18. Between 2009 and 2011, Aegis Capital failed to keep books and records in a segregated fashion, but instead created and maintained such records in the name of Capital L. Thus, Aegis Capital's records were unsegregated and mixed together with affiliated entities at the level of the parent holding company. Specifically, Aegis Capital failed to make and keep advisory-specific trial balances, financial statements, and internal working papers; journals, including cash receipts and disbursements, and any other records of original entry forming the basis of entries into ledgers; general ledgers reflecting asset, liability reserve, capital, income and expense accounts; checkbooks, bank statements, cancelled checks and cash reconciliations; and bills or statements, paid or unpaid.

19. Between 2010 and 2011, Circle One similarly failed to keep books and records in a segregated fashion, but instead created and maintained such records in the name of Capital L. Specifically, Circle One failed to make and keep separate, advisory-specific trial balances, financial statements, and internal working papers; journals, including cash receipts and disbursements, and any other records of original entry forming the basis of entries into ledgers; general ledgers reflecting asset, liability reserve, capital, income and expense accounts;

checkbooks, bank statements, cancelled checks and cash reconciliations; and bills or statements, paid or unpaid.

20. In August 2011, Commission staff requested that Registrants produce the following books and records: Registrants' balance sheet, trial balance, income statement, and cash flow statements as of the end of its most recent fiscal year and the most current year to date; Registrants' cash receipts and disbursements journal; Registrants' general ledger and chart of accounts; and any loans from clients to the Registrants or sales of Registrants' stock to clients.

21. Registrants were not able to comply with the Commission staff's requests, and Registrants did not produce the requested books and records.

22. As COO, Lamm was responsible for Capital L's Operations Department, which included accounting and keeping and maintaining Registrants' books and records.

## VIOLATIONS

23. As a result of the conduct described above, Aegis Capital willfully violated, and SC Advisors and Osunkwo caused violations of, Section 204 of the Advisers Act and Rule 204-1(a)(1) thereunder, which require registered investment advisers to amend their Form ADV "[a]t least annually, within 90 days of the end of [their] fiscal year ... [and] [m]ore frequently, if required by the instructions to Form ADV."

24. As a result of the conduct described above, Aegis Capital and Circle One willfully violated, and Lamm willfully aided and abetted and/or caused violations of, Section 204 of the Advisers Act and Rule 204-2(a) thereunder. Section 204 of the Advisers Act requires an investment adviser to "make and keep ... such reports as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors," and further provides that such records are subject to periodic examinations by the Commission. Rule 204-2(a) promulgated thereunder requires that an investment adviser "make and keep true, accurate and current" books and records relating to its advisory business including, among others: a journal or journals, including cash receipts and disbursements, records, and any other records of original entry forming the basis of entries in any ledger (Rule 204-2(a)(1)); general and auxiliary ledgers (or other comparable records) reflecting asset, liability, reserve, capital, income, and expense accounts (Rule 204-2(a)(2)); all check books, bank statements, cancelled checks, and cash reconciliations of the investment adviser (Rule 204-2(a)(4)); all bills or statements (or copies thereof), paid or unpaid, relating to the business of the investment adviser (Rule 204-2(a)(5)); and all trial balances, financial statements, and internal audit working papers relating to the business of such investment adviser (Rule 204-2(a)(6)).

25. As a result of the conduct described above, Aegis Capital, Circle One, Lamm, SC Advisors, and Osunkwo willfully violated Section 207 of the Advisers Act, which makes it "unlawful for any person willfully to make any untrue statement of a material fact in any registration application or report filed with the Commission under Section 203, or 204, or willfully to omit to state in any such application or report any material fact which is required to be stated therein."

### III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Aegis Capital pursuant to Section 203(e) of the Advisers Act and Section 9(b) of the Investment Company Act including, but not limited to, civil penalties pursuant to Section 203(i) of the Advisers Act;

C. What, if any, remedial action is appropriate in the public interest against Circle One pursuant to Section 203(k) of the Advisers Act and Section 9(b) of the Investment Company Act including, but not limited to, civil penalties pursuant to Section 203(i) of the Advisers Act;

D. What, if any, remedial action is appropriate in the public interest against Lamm, SC Advisors, and Osunkwo pursuant to Section 203(f) of the Advisers Act and Section 9(b) of the Investment Company Act including, but not limited to, civil penalties pursuant to Section 203(i) of the Advisers Act;

E. What, if any, remedial action is appropriate in the public interest against Osunkwo pursuant to Section 15(b)(6) of the Exchange Act including, but not limited to, civil penalties pursuant to Section 21B of the Exchange Act;

F. Whether, pursuant to Section 203(k) of the Advisers Act, Aegis Capital should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 204 and 207 of the Advisers Act and Rules 204(1)(a)(1) and 204-2(a) thereunder;

G. Whether, pursuant to Section 203(k) of the Advisers Act, Circle One should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 204 and 207 of the Advisers Act and Rule 204-2(a) thereunder;

H. Whether, pursuant to Section 203(k) of the Advisers Act, Lamm should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 204 and 207 of the Advisers Act and Rule 204-2(a) thereunder; and

I. Whether, pursuant to Section 203(k) of the Advisers Act, SC Advisors and Osunkwo should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 204 and 207 of the Advisers Act and Rule 204-1(a)(1) thereunder.

#### IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondents as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Brent J. Fields  
Secretary