

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 80993 / June 21, 2017**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18041**

**In the Matter of**

**Bonwick Capital Partners,  
LLC and Devin Wicker,**

**Respondents.**

**ORDER INSTITUTING CEASE-AND-  
DESIST PROCEEDINGS PURSUANT TO  
SECTION 21C OF THE SECURITIES  
EXCHANGE ACT OF 1934, MAKING  
FINDINGS, AND IMPOSING A CEASE-  
AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Bonwick Capital Partners, LLC (“Bonwick”) and Devin Wicker (“Wicker”) (collectively, “Respondents”).

**II.**

In anticipation of the institution of these proceedings, Respondents have 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 them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and Desist-Order (“Order”), as set forth below.

### III.

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

#### Summary

1. This proceeding arises out of the failure by Bonwick, while a registered broker-dealer, to properly accrue certain payables and, as a result, to properly calculate and report its net capital. As a consequence, at certain times from January 2015 through May 2015 (the "relevant period"), Bonwick operated with a net capital deficiency and violated net capital reporting and books and records provisions. Wicker, Bonwick's Chief Executive Officer ("CEO") and Chief Compliance Officer ("CCO"), caused Bonwick's violations by failing to communicate the existence of these payables to Bonwick's Financial and Operations Principal ("FINOP").

#### Respondents

2. Bonwick is a New York limited liability company based in New York, New York. During the relevant period, Bonwick was registered with the Commission as a broker-dealer. On December 13, 2016, Bonwick filed a Form BDW withdrawing its registration. This withdrawal became effective on February 11, 2017.

3. Wicker, age 39, lives in New York, N.Y. Wicker is the managing member of Bonwick and served as its CEO and CCO during the relevant period. During the relevant period, Wicker held a Series 7 and a Series 27 license, among others.

#### Facts

##### **A. The Net Capital Rule**

4. Section 15(c)(3) of the Exchange Act and Rule 15c3-1 thereunder (the "net capital rule") require that broker-dealers generally effecting transactions in securities "at all times have and maintain net capital" no less than the greatest of the minimum requirement applicable to their business. The net capital rule requires different minimum amounts of net capital based on the nature of a firm's business (for example, whether the firm holds customer funds or securities), and the method a firm uses in computing its net capital. The rule is designed to require a broker-dealer to maintain sufficient liquid assets to meet all obligations to customers and have adequate additional resources to wind down its business in an orderly manner without the need for a formal proceeding if the firm fails financially.

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

5. In particular, the net capital rule requires that a broker-dealer perform two calculations: (i) a computation of the minimum amount of net capital the broker-dealer must maintain; and (ii) a computation of the amount of net capital the broker-dealer is maintaining. The minimum net capital requirement is the greater of a fixed-dollar amount specified in the rule or an amount determined by applying one of two financial ratios.<sup>2</sup> The minimum fixed dollar amount for Bonwick during the relevant period was \$100,000.<sup>3</sup>

6. To compute its net capital, a broker-dealer first calculates its net worth and then makes certain adjustments set forth in the rules.

**B. Bonwick's Erroneous Net Capital Calculations, Books and Records and Financial Reports**

7. During the relevant period, Bonwick had accounts payables that it failed to record on its books and records (the "unrecorded payables"). The aggregate amount of the unrecorded payables ranged from about \$73,000 to about \$185,000 during the relevant period.

8. During the relevant period, Bonwick used an outsourced FINOP to calculate its net capital and to prepare monthly Financial and Operational Combined Uniform Single ("FOCUS") reports. Bonwick's FINOP treated the firm's properly recorded payables as liabilities when calculating Bonwick's net capital. However, the FINOP was unaware of the unrecorded payables, and therefore did not treat the unrecorded payables as liabilities when calculating Bonwick's net capital.

9. Because he did not know about the unrecorded payables, the FINOP filed FOCUS reports for the firm for the relevant period that contained incorrect calculations of Bonwick's net capital. Bonwick's FOCUS reports erroneously reflected that Bonwick was in end of month net capital compliance for February through May 2015, and that it had a net capital deficiency of only \$33,966 for January 2015. In fact, Bonwick had a net capital deficiency throughout the entire period, and its actual deficiency in January 2015 was over \$200,000. On various dates during the relevant period, Bonwick conducted a securities business while in net capital deficit.

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<sup>2</sup> The Aggregate Indebtedness Standard, set forth in Exchange Act Rule 15c3-1(a)(1)(i), requires that a firm's aggregate indebtedness not exceed 1500 percent of its net capital (or 800 percent of its net capital for 12 months after commencing business as a broker or dealer). The Alternative Standard, set forth in Exchange Act Rule 15c3-1(a)(1)(ii), requires that a firm's net capital must not be less than the greater of \$250,000 or 2 percent of aggregate debit items computed in accordance with a specified formula.

<sup>3</sup> Bonwick operated under the exemptive provisions of subparagraph (k)(2)(i) of Exchange Act Rule 15c3-3 and therefore was subject to a \$100,000 minimum fixed dollar net capital requirement pursuant to Exchange Act Rule 15c3-1(a)(2)(ii).

**C. Wicker Caused Bonwick's Erroneous Net Capital Calculations, Books and Records and Financial Reports**

10. Wicker failed to ensure that Bonwick's FINOP was aware of all of the firm's payables. Wicker was the firm's CEO and CCO, and he had a Series 27 (FINOP) license. He was aware of the unaccrued payables and should have informed the FINOP about them. Wicker's failure to do so caused Bonwick to calculate its net capital incorrectly.

11. Wicker knew, or should have known, that the unrecorded payables were not included in the firm's net capital calculations. The FINOP prepared a monthly financial package, which he forwarded to Wicker for Wicker's review and approval. This package included the FINOP's net capital calculation and other financial statements, including Bonwick's accounts payable. The unrecorded payables were not reflected in these monthly financial packages, which should have indicated to Wicker that the FINOP was unaware of the unrecorded payables.

**D. Violations**

12. As a result of the conduct described above, Bonwick violated Section 15(c)(3) of the Exchange Act and Rule 15c3-1 thereunder, which require broker-dealers to maintain minimum net capital, and Section 17(a)(1) of the Exchange Act and Rules 17a-3 and 17a-5 thereunder, which require broker-dealers to make and keep current certain books and records, and to make certain reports and filings with the Commission, and Wicker caused Bonwick's violations.

**IV.**

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents' Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondents cease and desist from committing or causing any violations and any future violations of Sections 15(c)(3) and 17(a)(1) of the Exchange Act and Rules 15c3-1, 17a-3 and 17a-5 thereunder.

B. Respondent Bonwick shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of \$50,000 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). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

C. Respondent Wicker shall pay a civil money penalty in the amount of \$15,000 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: \$2,500 within 10 days of the entry of this Order; \$2,500 within 60 days of the entry of this Order; \$2,500 within 90 days of the entry of this Order; \$2,500 within 120 days of the entry of this order; \$2,500 within 150 days of the entry of this Order; and \$2,500 within 180 days of the

entry of this Order. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance plus any additional interest accrued pursuant to 31 U.S.C. §3717 shall be due and payable immediately, without further application.

Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents 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) Respondents 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 Bonwick Capital Partners, LLC and Devin Wicker as Respondents 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 Sanjay Wadhwa, Senior Associate Regional Director, New York Regional Office, Securities and Exchange Commission, Brookfield Place, 200 Vesey Street, Suite 400, New York, NY 10281.

D. 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, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they 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 Respondents 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 Wicker, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent Wicker 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 Wicker 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.

Brent J. Fields  
Secretary