

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 90959 / January 21, 2021**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-15987**

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<b>In the Matter of</b>	:	<b>ORDER AUTHORIZING THE TRANSFER</b>
	:	<b>TO THE U.S. TREASURY OF THE</b>
	:	<b>REMAINING FUNDS AND ANY FUNDS</b>
<b>Dominick &amp; Dominick LLC and</b>	:	<b>RETURNED TO THE DISGORGEMENT</b>
<b>Robert X. Reilly</b>	:	<b>FUND IN THE FUTURE AND</b>
	:	<b>TERMINATING THE DISGORGEMENT</b>
<b>Respondents.</b>	:	<b>FUND</b>

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On July 28, 2014, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceeding Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 and Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and Cease-and-Desist Orders (the “Order”)<sup>1</sup> against Dominick & Dominick LLC (“D&D”) and Robert X. Reilly (“Reilly”) (collectively, the “Respondents”). In the Order, the Commission found that D&D, a dually registered investment adviser and broker-dealer, violated the federal securities laws by breaching its fiduciary duty to certain advisory clients and failing to disclose a conflict of interest involving its clearing firm. Additionally, the Commission found that D&D did not adopt and implement written best execution policies and procedures reasonably designed to prevent violations of the Investment Advisers Act of 1940 (the “Advisers Act”), engaged in transactions with advisory clients on a principal basis without obtaining client consent before completing the transactions, and made inaccurate statements on its Form ADV concerning best execution and principal transactions, and omitting disclosure of rebates received on margin loan interest. The Commission also found that Reilly, who was responsible for conducting D&D’s best execution analyses for advisory clients and adopting and implementing its written best execution policies and procedures for advisory clients, caused D&D’s best execution and policy and procedures violations. The Order found that the D&D willfully violated, and Reilly caused D&D’s violations of, Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder; and D&D willfully violated Sections 206(3) and 207 of the Advisers Act.

The Commission ordered D&D and Reilly to pay a \$75,000.00 and \$10,000.00 civil money penalty, respectively, which was deposited with the United States Treasury. The Commission further ordered D&D to pay disgorgement of \$136,523.00 and prejudgment interest

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<sup>1</sup> Exchange Act Rel. No. 72694 (July 28, 2014).

of \$11,083.60, which comprised the Disgorgement Fund. Section IV.D.2.D. of the Order also placed responsibility for the administration of the Disgorgement Fund with the Respondents by, among other things, requiring them to deposit the full amount ordered into an escrow account for the purpose of making payments to harmed advisory clients.

Pursuant to the Order, the Respondents were responsible for administering the Disgorgement Fund at their own expense pursuant to a calculation specified in the Order. Respondents issued 141 checks, totaling \$136,058.62, of which 124 were received and cashed by harmed advisory clients for a total of \$128,133.58 (94%) that was successfully disbursed to recipients who were compensated for 100% of their losses. Distribution payments ranged from \$25.03 to \$15,483.84. The Respondents made additional efforts to reach investors who did not cash checks including refreshing addresses and reissuing checks when needed. The remaining \$19,473.02 in the Disgorgement Fund that the Respondents has returned to the Commission consists of uncashed checks, returned funds, accounts not exceeding the *de minimis*, and \$11,083.60 in ordered prejudgment interest in excess of the harm.

The Order further requires the Respondents to provide a final accounting to the Commission staff for submission to the Commission for approval. Upon approval of the final accounting, all remaining amounts in the Disgorgement Fund, and any funds returned in the future, are to be sent to the U.S. Treasury. The final accounting has been submitted to the Commission for approval, as required by the Order, and has been approved.

Accordingly, it is ORDERED that:

- A. the remaining funds in the amount of \$19,473.02, and any funds returned to the Disgorgement Fund in the future, shall be transferred to the U.S. Treasury, subject to Section 21F(g)(3) of the Securities Exchange Act of 1934 [15 U.S. Code § 78u-6(g)(3)]; and
- B. the Disgorgement Fund is terminated.

By the Commission.

Vanessa A. Countryman  
Secretary