UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 97032 / March 3, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21323

In the Matter of **ROBERT DANIEL LOUIS,** **Respondent.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 15(b) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, 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 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Robert Daniel Louis ("Louis" or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent 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 him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings,

Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, 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 finds[1] that:

Summary

1. These proceedings arise out of Respondent's effort to solicit investors on behalf of Silver Edge Financial LLC ("Silver Edge"), an entity not registered with the Commission that operates two pooled investment vehicles—the Silver Edge Pre-IPO Fund, LLC and the Silver Edge Venture Fund, LLC (the "Silver Edge Funds"). The Silver Edge Funds are series LLCs formed to invest in securities of private companies that Silver Edge identified as good candidates for an initial public offering ("IPO") or other liquidity event within a 2-5 year time horizon. Since January 2019, Respondent marketed and sold securities in the form of series interests in the Silver Edge Funds nationwide and was compensated based on his success in recruiting investors. In so doing, Respondent operated as an unregistered broker.

Respondent

2. **Robert Daniel Louis, Jr.** (CRD No. 2707569), age 54, is a resident of Blackwood, New Jersey. Louis was a sales representative and training manager at Silver Edge from January 2019 to the present. Louis solicited investment in at least 12 pre-IPO series offerings of the Silver Edge Funds. Louis also acted as the training manager at Silver Edge, providing guidance to trainee sales representatives and sitting with them as they cold-called potential investors. Louis was previously a registered representative associated with broker-dealers registered with the Commission. Louis was a registered representative from October 1995 through March 2000. On December 27, 2000, the National Association of Securities Dealers ("NASD"), a predecessor to the Financial Industry Regulatory Authority ("FINRA), permanently barred Louis "from associating with any member firm in all capacities" and fined Louis $50,000 for falsifying records and providing false information during his employment at Barron Chase, in violation of NASD rules. (NASD Disciplinary Proceeding No. C9B000007.)

Other Relevant Entities

3. **Silver Edge Financial, LLC**, incorporated in Delaware on December 26, 2018, operates, and solicits investments in, the Silver Edge Funds. Silver Edge's primary place of business is in Hackensack, New Jersey. Since January 2019, Silver Edge and its CEO, Daniel J. Mackle, Sr. ("Mackle"), procured interests in a portfolio of pre-IPO shares which it offered to investors as membership interests in series of the Silver Edge Funds. During the relevant period,

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

Silver Edge sold over $65 million worth of pre-IPO series interests to investors through a sales force of unregistered brokers. Silver Edge has never been registered with the Commission as a broker- dealer.

4. **Silver Edge Pre-IPO Fund, LLC**, incorporated in Delaware on January 14, 2019, is a pooled investment vehicle managed by Mackle and operated by Silver Edge. The fund's assets include rights to pre-IPO shares which are offered to investors as series interests in the fund.

5. **Silver Edge Venture Fund, LLC**, incorporated in Delaware on January 15, 2020, is a pooled investment vehicle managed by Mackle and operated by Silver Edge. The Fund's assets include rights to pre-IPO shares which are offered to investors as series interests in the Fund.

Facts

6. Since January 2019, Silver Edge has run two "pre-IPO" funds that provide accredited investors access to the shares of private companies that the firm's manager anticipates will enter into initial public offerings within a 2-5 year window. The Silver Edge Funds are both set up as series LLCs, where each individual series of the respective fund holds rights to shares of a particular private company in the event of an IPO or other liquidity event. The series interests are securities.

7. Silver Edge sells the majority of interests in the series through a sales force of independent contractors, including Respondent. From January 2019 through the present, Respondent solicited investors to purchase pre-IPO shares through series interests in the Silver Edge Funds. If the underlying pre-IPO company went public or otherwise experienced a liquidity event, investors in the Silver Edge Funds received shares in the company or cash reflecting the market value of those shares, per the terms of the Silver Edge Operating Agreement. Respondent's efforts contributed to Silver Edge raising over $65 million from accredited investors during this time.

8. Respondent used interstate commerce or the mails to effect transactions in the Silver Edge Funds' securities or to induce or attempt to induce others to purchase or sell the Silver Edge Funds' securities. Respondent received a list of accredited investors from Silver Edge's CEO, and routinely cold-called investors located nationwide from that list. Respondent provided the potential investors with information regarding the companies whose pre-IPO shares Silver Edge was offering, and took steps to secure investments by providing investment documentation to potential investors and following up to solicit investors by phone, text, or email. Respondent was compensated based on his success in selling series interests in the Silver Edge Funds, including through discretionary bonuses that were paid based on the Respondent's success bringing in new investors.

9. When soliciting investors on behalf of Silver Edge, Respondent was not

associated with a broker-dealer registered with the Commission.

10. Furthermore, Respondent solicited investment in the Silver Edge Funds after being subject to a bar from association with a member firm imposed by NASD.

Violations

11. As a result of the conduct described above, Respondent willfully[2] violated Section 15(a) of the Exchange Act, which prohibits any broker or dealer, from effecting any transaction in, or inducing or attempting to induce the purchase or sale of, any security unless the broker or dealer is registered in accordance with Section 15(b) of the Exchange Act or is a natural person who is associated with a registered broker or dealer.

IV.

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

Accordingly, pursuant to Sections 15(b) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent cease and desist from committing or causing any violations and any future violations Section 15(a) of the Exchange Act.

B. Respondent be, and hereby is:

> barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and
>
> barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to

[2] "Willfully," for purposes of imposing relief under Section 15(b) of the Exchange Act and Section 9(b) of the Investment Company Act, "'means no more than that the person charged with the duty knows what he is doing.'" *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term "willfully" for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has "willfully omit[ted]" material information from a required disclosure in violation of Section 207 of the Advisers Act).

induce the purchase or sale of any penny stock.

D. Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and 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.

E. Louis shall, within 14 days of the entry of this Order, pay a civil money penalty in the amount of $124,320 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.

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 Louis 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 David Becker, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-0213.

F. 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, Respondent shall not argue that he are entitled to, nor shall he 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 he 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