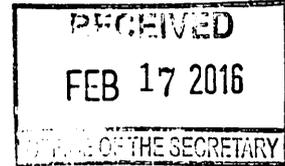


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16463

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In the Matter of :
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:
AEGIS CAPITAL, LLC :
CIRCLE ONE WEALTH :
MANAGEMENT, LLC :
DIANE W. LAMM :
STRATEGIC CONSULTING :
ADVISORS, LLC and :
DAVID I. OSUNKWO :
:
Respondents. :
:
:
-----X



CORRECTED REPLY IN FURTHER SUPPORT OF
RESPONDENTS STRATEGIC CONSULTING ADVISORS, LLC AND
DAVID I. OSUNKWO'S MOTION TO SEVER

Respondents Strategic Consulting Advisors, LLC (“Strategic Consulting”) and David I. Osunkwo (“Osunkwo”) (collectively the “Moving Respondents”) respectfully submit this Corrected Reply in Further Support of Moving Respondents’ Motion to Sever the causes of action against them from the other named respondents.

I. Preliminary Statement

In their Motion to Sever the Moving Respondents demonstrated that good cause exists to sever the Moving Respondents from the administrative proceedings against Aegis Capital, LLC (“Aegis”), Circle One Wealth Management, LLC (“Circle One”) and Diane Lamm (“Lamm”)(collectively the “Non-Moving Respondents”). The Motion to Sever demonstrated the severe prejudice that the Moving Respondents are suffering as a result of the indefinite stay that

has been put in place due to a pending criminal case that is pending against one of the respondents, Lamm, in the Eastern District of New York (the “Criminal Case”).

The Division of Enforcement’s (the “Division”) Opposition to the Motion to Sever (“Opp.”) fails to rebut the Moving Respondents’ argument that good cause existed to grant the motion. Even though the Division does not contest the significant financial and reputational harm that the Moving Respondents have suffered as a result of the indefinite stay, let alone the fact that they are insisting that this proceeding be held in abeyance for one respondent because they want this person as a witness against Osunkwo, the Division nevertheless opposes the motion to sever. The Division’s primary argument against granting the motion to sever is that judicial economy favors trying the allegations against Osunkwo and Strategic Consulting in the same administrative hearing with Lamm, Aegis Capital and Circle One.

Judicial Economy Favors Granting the Motion to Sever

The Moving Respondents and the Division at least agree that judicial economy is the key question in determining whether the Commission should grant the Motion to Sever. What the Division fails to appreciate, however, is that judicial economy weighs heavily in favor of granting the Motion to Sever and allowing this proceeding – which was filed ten months ago – to proceed as to the Moving Respondents. First, only one of the five respondents in this proceeding is a party to the Criminal Case. The administrative proceeding can move forward against the other four respondents without affecting judicial economy and without prejudicing the Criminal Case. Moreover, two of the respondents – Aegis and Circle One have not filed answers in this proceeding nor are they likely as they have not filed appearances and the Division knows they are defunct so that default orders can be entered against them. The two Moving Respondents should not have to wait and are prepared to move forward toward a hearing in the appropriate

forum. The only respondent that is not available to move forward to a hearing is Lamm nor does it appear that she will be available any time soon based on the USAO' report continuing this proceeding for a third time since May 2015. While the proceedings are stayed because of Lamm's criminal case the Moving Respondents are suffering substantial prejudice because they have no opportunity to clear their names and the pending administrative proceeding makes it extremely difficult for them to work in the securities industry.

Where, as here, one or more parties are delaying the proceeding, the Commission has understood that the harm to respondents and the public interest demand moving forward rather than waiting. In John A. Carley, et al. SEC Rel. No 50695 2004 WL 2624639(November 18, 2004), the Commission granted a motion to sever when administrative proceedings could proceed against some respondents but not all respondents because two of the respondents could not be served with the Order Instituting Proceedings ("OIP").. The Commission in Carley found that good cause existed to sever the administrative proceedings because the potential harm to respondents and to the public interest from delaying the administrative proceedings outweighed the risk that there would be some duplication of effort in litigating the case. A similar outcome should apply here and the Division in its response does not overcome this fact.

There is No Risk of Duplication of Effort if the Proceedings Were Severed

In this proceeding there is little risk of duplication of effort if the proceedings are severed. As a predicate matter, the status of Lamm's criminal proceedings, makes it likely that either a guilty plea or verdict that the Division's proceeding against Lamm is superfluous as the Division will by virtue of the guilty plea have grounds to bar her from the industry irrespective of the charges in this case. Even if she wins in her trial (a process that could take years or is found guilty, in which case her likely appeals would take years), either scenario further

compounds the delay here and burden to Movants here. Finally, even assuming Lamm's case were to go forward now, the allegations against Lamm and Movants concern different facts, witnesses and time frames, notwithstanding the fact they both worked for Aegis and Circle One. That common nucleus is not sufficient. In other words, there would still be no risk of duplication of effort because the legal standards applicable to Lamm's conduct as a principal and owner of the Aegis and Circle One are fundamentally different than the legal standards that apply to the Moving Respondents. As an owner and principal of Aegis and Circle One Lamm's conduct can be attributed to Aegis and Circle One and likewise her obligations as a principal, owner and control person as well as signatory to the 2010 Aegis Capital ADV means that she carried certain non-delegable duties.

In contrast, the proceeding against Osunkwo (as stated by the Commission in a recent Risk Alert about CCOs describing this case) is about the responsibility of an outside compliance consultant and CCO to validate information provided to him by the firm for which he worked as a core component of his duties as CCO. In a National Exam Program Risk Alert regarding Examinations of Advisers and Funds that Outsource Their Chief Compliance Officers issued November 9, 2015, it described Aegis Capital proceeding is alleging "that the conduct of an adviser's outsourced CCO contributed to the firm making false filings with the Commission because the outsourced CCO "did not personally review [the adviser's] records" to validate the information. Instead, he relied "exclusively on information provided to him by [advisory personnel]." (National Exam Program Risk Alert, Footnote 13)(November 9, 2015) (citing *In re Aegis Capital LLC*, Advisers Act Rel. No 4054 (March 30, 2015). Thus, the Division's theory of liability against the Moving Respondents is that despite the fact that they were outside compliance consultants and were not owners or principals of the advisory firms, nonetheless they

assumed duties to validate and verify information provided to them by the Chief Investment Officer and Head of Operations for the 2011 ADV's for Aegis and Circle One. Thus, the cases involve distinctly different periods, misconduct and liabilities.

Consistent herewith, in other administrative proceedings the Commission has acknowledged that there are significant differences between the facts and legal standards related to the liability of Chief Compliance Officers ("CCO's") as opposed to principals of the an advisor by bringing separate proceedings against each. For whatever reason, the Division here brought the cases together. For example in administrative proceedings related to an overstatement of assets under management in a Form ADV filed by Ariston Wealth Management, LP the Commission brought three separate administrative proceedings against the President, Vice-President and the CCO, (See Bradford D. Szczecinski (President)(AP File No. 3-16760)(August 17, 2015); Theodore R. Augustyniak (Vice President)(AP File No. File No. 3-16758)(August 17, 2015); and In the Matter of Tamara Kraus (CCO) (AP File No. 3-16759)(August 17, 2015). Given the criminal charges against Lamm, as well as that Osunkwo is neither named or involved in any aspect of the proceeding, it seems the only purpose of trying them together is that Lamm's separate fraudulent misconduct could taint Osunkwo. Indeed, the Division in the OIP attempted to characterize Lamm and the Moving Respondents as acting in concert, but after Movants sought clarification of this fact, the Division confirmed that Lamm and Osunkwo are charged with different events and were not alleged to be acting together. (*See* Division of Enforcement's Response to Motion for More Definite Statement dated May 18, 2015 and Order on Motion for More Definite Statement dated May 27, 2015). Thus, there is no basis for the notion that Lamm or Osunkwo acted in concert with regard to any aspect of the

allegations in these proceedings nor could they have given the discrete ADV's about which the Division complains each Lamm and Osunkwo were responsible.

There is also little overlap in the witnesses that would be called if the proceedings were severed and two separate hearings were held. As alleged in the Complaint, the claims against Lamm are based on her responsibility for verifying the AUM in the 2010 ADV for Aegis Capital, which she signed and previously testified she had verified the numbers. While we cannot speculate who would be necessary witnesses for Lamm or the Division, given the different standard of care and roles which Osunkwo occupied in the organization as well as who he reported to, the Moving Respondents would involve a broad array of witnesses to demonstrate not only were others operationally responsible for knowing the firm's assets under management for Aegis and Circle One for 2011's ADV filings, but also that Osunkwo reasonably obtained those figures from those responsible and he did not have responsibility for validating the AUM including Eric Blau (Chief Investment Officer of Aegis), Les Robertson (Director of Operations for Aegis) and Ginger Freeman (an operations employee at Aegis). Given the substantive differences factual, operationally, organizationally, chronologically and legally between Lamm and Osunkwo, therefore, there is no reason these proceedings should be tried together even assuming they could both go forward now.

II. Judicial Economy Will Not Suffer if the Proceedings Are Severed

A. The Division Failed to Rebut the Moving Respondents' Showing That There is Minimal Overlap in the Legal Theories at Issue for the Moving Respondents and for the Nonmoving Respondents.

The Division's argument that judicial economy weighs in factor of denying the motion to sever is without merit because there is minimal overlap in the legal theories that would be at issue in a hearing involving the Moving Respondents and a different hearing involving the Non-

Moving Respondents. The allegations against Osunkwo -- an outside independent compliance consultant who acted as the Chief Compliance Officer of Aegis and Circle One -- and Strategic Consulting involve different time frames, different underlying conduct and different legal standards than the allegations against Aegis and Circle One (two former registered investment advisors) and their Chief Operating Officer Diane Lamm.

In particular, the Division's Opposition fails to address the differences in the fundamental legal standards that govern the role of a Chief Compliance Officer and the legal standards that govern Aegis, Circle One and their principals. Rule 206(4)-7 under the Investment Advisers Act of 1940 (the "Advisers Act") states that registered investment advisory firms such as Aegis and Circle One are required to "[a]dopt and implement written policies and procedures reasonably designed to prevent violation[s]" of the Advisers Act and its rules. Rule 206(4)-7 speaks only to the responsibilities of the advisory firm and not to the responsibilities of the CCO. The language of the rule itself makes clear that ultimate responsibility for implementation of the required policies and procedures falls upon the advisory firms themselves (in this case Aegis and Circle One) and their management (in this case Lamm) and not the individual CCO, especially one who was not an employee of the registrants but an independent contractor therefor. Because the legal standards governing the responsibilities of CCO's are fundamentally different than the legal standards governing investment advisers and their management there will be little to no overlap in the legal theories that are at issue in a hearing involving the Moving Respondents and a hearing involving Lamm, Aegis and Circle One.

The precedents that the Division cites in support of its argument that judicial economy weighs against granting the severance do not support the Division's position. For example, the Division cites to Michael Bresner, et al., Exchange Act Rel. No. 34-68464, 2012 WL 6608195

(Dec. 18, 2012) a Commission decision denying a respondent's motion to sever. However, the Bresner matter involved the same legal standards that were applicable to all of the respondents because the motion was filed by the supervisor of two registered representatives. The Bresner case did not involve the distinct standards that are applicable to compliance personnel as opposed to registered advisers and line supervisors. In this case, Osunkwo as the CCO was not the supervisor of any of the personnel of Aegis or Circle One (including Lamm) and whether Osunkwo properly carried out his responsibilities as a CCO involves fundamentally different legal issues than whether Aegis, Circle One and Lamm carried out their legal responsibilities.

Likewise, the Division's citation to David A. Finnerty, et al. SEC Rel. No. 56756, 2007 WL 3274455 ("Finnerty II") denying respondent's motion to sever also fails to support the Division's argument that a severance should be denied in this matter. Finnerty II, unlike this matter, involved legal issues that were common to all respondents. Finnerty II stated the "OIP charges each respondent with violating the same provisions of the federal securities laws and related rules. Consequently, many legal issues are common to all respondents" (*3)

David A. Finnerty et al. SEC Rel No. 52207, 2005 WL 1963821 ("Finnerty I") (August 4, 2005) is another case cited by the Division where a motion to sever was denied but it too involved legal issues that were common to all respondents. Finnerty I found that judicial economy weighed in favor of denying severance because there were common legal questions regarding the duties of specialists on the exchange floor. The Finnerty I decision, however, does not support the Division's Opposition to the Motion to sever because in this matter there are

different legal theories that apply to the duties of a CCO such as Osunkwo and the duties of registered investment advisory firms and their management.¹

Finally, the Division cites to John A. Carley, et al. SEC Rel. No 50695 2004 WL 2624639(November 18, 2004), a case that granted a motion to sever and, in fact, supports the Moving Respondent's request to sever these proceedings. The Commission in Carley found that good cause existed to sever the administrative proceedings because the potential harm to respondents and to the public interest from delaying the administrative proceedings outweighed the risk that there would be some duplication of effort in litigating the case. Likewise in this matter the harm that continues to occur to the Moving Respondents from delaying the administrative proceedings far outweighs any concerns regarding duplication of efforts in litigating separate administrative proceedings.

B. The Division Failed to Rebut the Moving Respondents' Showing That There is Minimal Overlap in the Facts at Issue for the Moving Respondents and for the Nonmoving Respondents.

The Division's argument that there is substantial overlap in the facts at issue concerning the Moving Respondents and the Non-Moving Respondents is also unpersuasive. The facts alleged in the Order Instituting Proceedings (the "OIP") against the Moving Respondents are separate and distinct from the facts alleged against the Non-Moving Respondents and could easily be tried in two separate hearings without any significant overlap or duplication. Osunkwo was an outside consultant and Chief Compliance Officer to Aegis and Circle One, the SEC-

¹ The Division's Opposition also notes that Finnerty I involved respondents who argued that during the pendency of the administrative proceeding a cloud would hang over them which would be an obstacle to securing employment. However, the Finnerty I decision did not dispute that having a cloud over respondents would be good cause to sever the proceeding – the Finnerty I decision to deny the motion to sever was based on the conclusion that there were common legal and factual issues among all respondents, which is not the case in this proceeding.

registered advisers within the Capital L Group. Contrary to the assertion made in the Division's Opp, Osunkwo was not designated, and never served, as the CCO of Capital L, the entity that Lamm and Lakian are alleged to have defrauded. Further, unlike Lamm, Osunkwo was not an owner or employee of either investment adviser. As clarified by the Division in response to the Moving Respondent's Motion for a More Definite Statement the allegations against Osunkwo in this proceeding concern only the filing of the 2010 Form ADV for registrant Aegis and registrant Circle One. Contrary to the Division's assertions in its Opposition there are no allegations in the OIP that Osunkwo was involved in any matters related to the pending criminal charges against Lamm or that he and Lamm acted in concert. Osunkwo was never involved with fundraising from Capital L investors, the basis of the criminal allegations against Lamm and Lakian.

The Division argues that another factor weighing in favor of denying the motion to sever is that the respondents were properly joined in the same administrative proceeding at the time the OIP was issued. However, there have been significant changes in the facts and circumstances of the case since it was first brought such that the respondents should no longer be together in the same proceeding. Among the changes are new procedural rights that have been proposed for respondents in administrative proceedings, new questions about the standards for compliance officer liability which make the issue unclear and the difficulty of having an administrative proceedings based on standards of liability not found in the Advisors Act.

III. The Moving Respondents Did Not Waive Their Right to Object to an Indefinite Stay of the Proceedings

The Division's argument that the Moving Respondents have waived their right to object to the indefinite stay that has been imposed in these proceedings is without merit. The Division's argument that Moving Respondents did not "press their right to a speedy hearing" during the May 12, 2015 prehearing conference (Opp. at 6) is flatly contradicted by the hearing

transcript attached to the Opposition as Exhibit A. During the hearing counsel for Moving Respondents specifically raised concerns regarding the impact of an indefinite stay:

MR. HEIM: I'm sorry, before we leave this topic -- this is Robert Heim -- I was wondering if Mr. Knapp, while he's on the call or perhaps in his motion papers, would also kind of inform us in terms of how long he anticipates that the stay would be needed for. The issue with respect to my clients, Mr. Osunkwo and Strategic Consulting Advisors, is that Mr. Osunkwo is very active as a compliance consultant. And he has this administrative proceeding that is hanging over his head. And we would have some concerns in terms of a stay that we may want to address as part of our application. I'm not saying right now that we would necessarily oppose it, but we do have some concerns. And I think part of that, it would be helpful for us to know, in terms of how long the proceedings would be stayed for. Because during the pendency of this action, I think there's a cloud over Mr. Osunkwo's head... (Tr. 9:2-19)

In addition, in its Opposition the Division improperly conflates the Moving Respondents' waiver of the requirement to have the cease and desist hearing within sixty days with a waiver of their right to object to an indefinite stay or to seek a severance of the proceedings. The Division's position is without merit and the Administrative Law Judge also acknowledged that at the time of the prehearing conference the United States Attorney Office had not filed a motion to stay and until the USAO made the motion the administrative proceedings would be continue as if there would be a hearing in the next few months. (Tr. 8:10-12) The Moving Respondents agreed to waive the sixty day deadline in order to have a small amount of additional time to get through discovery before the hearing; the Moving Respondents never consented to an indefinite stay of the proceedings.

IV. The Division Has Failed to Rebut the Moving Respondents' Argument that There Would Be No Prejudice to the Criminal Case Against Lamm if the Motion to Sever is Granted.

In its Motion to Sever the Respondents demonstrated that Osunkwo and Strategic Consulting are not parties or otherwise involved in the criminal case that is pending against Lamm in the Eastern District of New York. The Moving Respondents are not mentioned at all in the Lamm Indictment and the allegations against Lamm in the Lamm Criminal Case involve conduct by Lamm that is different in nature and origin from the conduct at issue in the administrative proceeding. As noted above, Osunkwo was designated the Chief Compliance Officer of Aegis and Circle One, the registered advisers, but did not serve in that role or provide similar functions to Capital L, the holding company whose investors Lamm and John Lakian are alleged to have defrauded. Osunkwo was never involved with compliance oversight over Capital L and as such was completely uninvolved with its fundraising or corporate organizational matters, the activities from which the facts of the criminal allegations against Lamm and Lakian arose. In fact, the allegations against Osunkwo in this proceeding concern only the filing of the 2010 Form ADV for Circle One Wealth (and the alleged failure to file the 2010 Form ADV for Aegis) and there are no allegations that he was involved in any way whatsoever in matters related to the Lamm Criminal Case or that he and Lamm acted in concert in those matters.

In its Opposition the Division relies on the conclusory assertions in the USAO Motion for a Stay to support the argument that granting the Motion to Sever would poses a substantial risk of prejudice to the criminal case against Lamm. The Division states that Lamm and Lakian are likely witnesses in the Division's case against the Moving Respondents however the Division does not offer any reason as to why calling either Lamm or Laiken in the case against Moving Respondents would in any way prejudice the criminal case against Lamm for conduct that is

unrelated to the allegation in the OIP against the Moving Respondents. The Lamm Indictment does not make any allegations related to the operation of the two registered investment advisors involved in this administrative proceeding – Aegis and Circle One. In contrast to the offering fraud alleged in the Lamm Indictment, the OIP in this matter alleges that Aegis and Circle One failed to timely file accurate reports for the year-end 2010 with the Commission and to maintain required books and records (OPI ¶ 1). The OIP also alleges that Respondents Osunkwo and Strategic Consulting failed to adequately prepare, review and file the Aegis Form ADV for the year end December 31, 2009 (OPI ¶ 2). Nothing in the OIP relates to the allegations in the Lamm Indictment which concerns alleged misrepresentations made by Respondent Lamm to investors in entities that are not parties to this administrative proceeding and over which Osunkwo had no CCO responsibility. Such conclusory allegations of prejudice to the Lamm criminal case – given the lack of any overlap between the OIP and the Lamm Indictment – should not be used as a basis for the Commission to deny the Motion to Sever.

V. The Allegations Against Osunkwo and Strategic Consulting Raise Novel Legal Questions that Should Be Heard in Federal Court.

Finally, in their Motion to Sever the Moving Respondents demonstrated that the allegations against them raise unique, complex and still developing legal questions related to the duties and responsibilities of chief compliance officers under Advisers Act Rule 206(4)-7. The Moving Respondents also noted that the Commission has also shown a willingness to provide respondents with greater due process rights in administrative proceedings through its rule proposal modernizing the administrative proceeding process by, among other things, allowing discovery depositions. (See Proposed Amendments to the Commission’s Rules of Practice (Release No. 34-75976 (September 24, 2015))).

The Division's Opposition (Opp. At 9) is incorrect when it argues these issues are irrelevant to the motion to sever because these issues are directly related to whether "good cause" exists to grant the Motion to Sever. In addition, the Division's Opposition misconstrues the Moving Respondent's arguments on this point as an attack on the fairness of the rules governing administrative proceedings (Id.) and an attack on the constitutionality of the administrative process (Opp. at 10). Both of these responses from the Division fail to address the point that the Moving Respondents made in their Motion to Sever, which is because the case against the Moving Respondents raises unsettled and complex legal issues of federal law and the Commission has no inherent advantage over a federal court in interpreting Rule 206(4)-7, it should be heard in federal court under the standards that the Commission itself laid out in determining which cases would be brought in federal court and which cases would be brought in administrative proceedings. This matter is ready to proceed as to the Moving Respondents whether it is in federal court or in an administrative proceeding,

In its Motion to Sever the Moving Respondents demonstrated why the new proposed rules governing administrative proceedings should govern this proceeding if it is severed and allowed to move forward in the administrative context. The Division argues that the amended Rules of Practice should only govern proceedings that were commenced after the effective date of those amended rules. But for administrative respondents such as the Moving Respondents who have not had an evidentiary hearing before an SEC Administrative Law Judge, the application of the original rules would be unjust. Instead of implementing a uniform prospective application, the Commission should instead adopt the approach taken with amendments to procedural rules in federal judicial proceedings. That is, the amendments should apply to pending cases "insofar as just and practicable." See Landgraf v. USI Film Prods., 511 U.S. 244, 275 n.29 (1994); Order Amending Federal Rules of

Civil Procedure (Apr. 29, 2015) (stating that amendments are applicable to pending cases “insofar as just and practicable”).

The United States Supreme Court has noted that “[c]hanges in procedural rules may often be applied in suits arising before their enactment[.]” Landgraf, 511 U.S. at 275. Indeed, for rules that are “merely procedural in a strict sense (say, setting deadlines for filing and disposition) the natural expectation would be that [they] would apply to pending cases.” Lindh v. Murphy, 521 U.S. 320, 327 (1997) (internal citations omitted); cf. Moore v. Agency for Int’l Development, 994 F.2d 874, 879 (D.C. Cir. 1993) (“Where a statute deals only with procedure, prima facie it applies to all actions – to those which have accrued or are pending, and to future actions.”) (quoting Norman J. Singer, SUTHERLAND STATUTES AND STATUTORY CONSTRUCTION § 41.04, at 349 (4th ed. 1986)). And because procedural rules regulate secondary, instead of primary, conduct, the considerations underlying the otherwise well-settled presumption against retroactivity (*e.g.*, fair notice, reasonable reliance, and the protection of settled expectations) are diminished. See Landgraf, 511 U.S. at 275 (noting “the diminished reliance interests in matters of procedure”). The proposed rules provide more generous procedures than those offered by the prior rules. Given these circumstances, the proposed rules should apply retrospectively to this proceeding. See Landgraf, 511 U.S. at 276 n. 30 (reciting “the principle . . . that the government should accord grace to private parties disadvantaged by an old rule when it adopts a new and more generous one”).

Application of the amended rules to cases such as this one that have not yet proceeded to a hearing would be both just and feasible. See Landgraf, 511 U.S. at 275, n.29 (stating that “[o]ur orders approving amendments to federal procedural rules reflect the commonsense notion that applicability of such provisions ordinarily depends on the posture of the particular case”). This is in contrast to a situation where a litigant seeks to benefit from the retrospective application of new procedural protections after a trial has already been held. See id. (noting, for instance, that the “promulgation of a new rule of evidence would not require an appellate remand for a new trial”). In

short, given their purely procedural nature, the amended Rules of Practice should be applied to this proceeding

The Commission has shown a willingness to provide respondents with greater due process rights in administrative proceedings through its rule proposal modernizing the administrative proceeding process by, among other things, allowing discovery depositions.

Conclusion

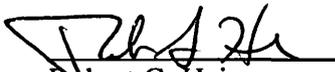
These un rebutted arguments by the Moving Respondents remain valid and, along with the growing concern about pursuing enforcement proceedings against outsourced compliance officers, all weigh in favor of granting this Motion to Sever.

Based upon the foregoing, Respondents Strategic Consulting and Osunkwo respectfully request that the causes of action alleged against them be severed from the other named respondents and that they be allowed to proceed to a hearing in this matter in the appropriate forum.

Dated: New York, New York
February 16, 2016

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

Counsel hereby certifies that the foregoing Reply contains approximately 5042 words, which is less than the total words permitted by the rules of the Commission. Counsel has relied upon the word count of the computer program used to prepare this Reply.

Dated: February 16, 2016



Robert G. Heim

EXHIBIT A

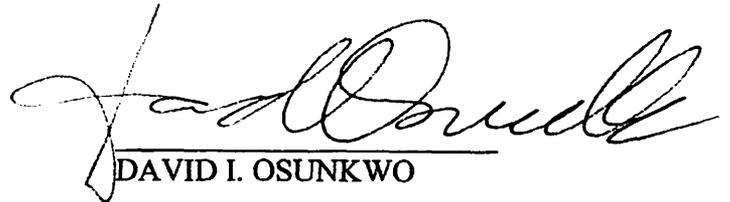
3. The Division's Opposition incorrectly states that I served as the Chief Compliance Officer ("CCO") for Capital L, the parent company of Aegis Capital. ("As the records reflect, AUSA Knapp stated in prior briefing that Osunkwo's conduct is related to both proceedings, as Osunkwo served as [CCO] of Capital L, the parent company of Aegis Capital...")(Opposition page 7)

4. In fact, I only served as the CCO for the SEC registered entities Aegis Capital, LLC and Circle One Wealth Management, LLC not for Aegis' parent company Capital L.

5. This is an important fact to correct because the criminal case that is pending against Respondent Diane Lamm involves an alleged fraud involving the parent company Capital L, an entity that I had no role in. The Division's argument that my conduct was related to the criminal case against Lamm rests on an incorrect factual argument that I was the CCO of Capital L, which I was not.

WHEREFORE, I request that the Commission grant the Motion to Sever.

Dated: Charlotte, North Carolina
February 12, 2016



DAVID I. OSUNKWO

Sworn to before me this 12th
day of February, 2016



Notary Public

