



**COMMISSIONER OF SECURITIES
STATE OF GEORGIA**

In the matter of

**ARI Asset Management, LLC
and Ira Braunstein**

ENSC-190824

Respondents.

ORDER TO CEASE AND DESIST AND IMPOSITION OF CIVIL PENALTY

This matter comes before the Commissioner of Securities for the State of Georgia (“Commissioner”) pursuant to the authority granted in O.C.G.A. § 10-5-70, *et seq.* of the Georgia Uniform Securities Act of 2008, as amended (“Act”). Whereas, the Commissioner undertook an investigation into the acts and practices of ARI ASSET MANGEMENT, LLC (“ARI”) and IRA BRAUNSTEIN (“Braunstein”) (collectively “Respondents”).

Based on the investigation, the Commissioner has found grounds to conclude that Respondents may have engaged in acts or practices constituting violations of the Act. The Commissioner has determined it is in the public interest to issue this Order.

Based upon information obtained during the investigation, the Commissioner finds as follows:

I. FINDINGS OF FACT

1. ARI is an active domestic limited liability company registered with the Georgia Office of the Secretary of State’s Corporations Division. ARI was formed on December 11, 2008. ARI’s principal office address is listed as 5311 Baldwin Ridge Trail, Marietta, Georgia 30068.

2. ARI was first registered with the Commissioner as an investment adviser pursuant to O.C.G.A. § 10-5-32 on August 14, 2014. ARI failed to renew its annual registration with the Commissioner on December 31, 2018. For the 2018 occurrence, ARI has not attempted to reapply for registration with the Commissioner and is not currently registered with the Commissioner as an investment adviser. ARI’s CRD Number is 171945.

3. Braunstein is the Chief Compliance Officer, Managing Member, and sole investment adviser representative of ARI. Braunstein has been registered with the Commissioner as an investment adviser representative of ARI pursuant to O.C.G.A. § 10-5-33 since September 9, 2014. Braunstein's annual registration failed to renew in 2018. For the 2018 occurrence, Braunstein has not attempted to reapply for registration with the Commissioner and is not currently registered with the Commissioner as an investment adviser representative. Braunstein's CRD Number is 2192484.

II. CONCLUSIONS OF LAW

4. Paragraphs 1 through 3 are incorporated by reference as though fully set forth herein.

5. The Commissioner has jurisdiction over this matter pursuant to the Act. *See* O.G.C.A. §§ 10-5-70 and 10-5-71.

6. Pursuant to O.C.G.A. § 10-5-73(a)(1) of the Act, if the Commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or Rules, the Commissioner may “[i]ssue an order directing the person to cease and desist from engaging in the act, practice, or course of business, or to take other action necessary or appropriate.”

7. Pursuant to O.C.G.A. § 10-5-73(d), “the Commissioner may impose a civil penalty up to \$50,000.00 for a single violation or up to \$500,000.00 for more than one violation.”

8. Pursuant to O.C.G.A. § 10-5-41(b), the Commissioner may revoke, suspend, condition, or limit the registration of a registrant if the Commissioner finds that the penalty is in the public interest and the Commissioner's action is authorized by O.C.G.A. § 10-5-41(d).

9. Pursuant to O.C.G.A. § 10-5-41(d)(2) a person may be disciplined if that person “[w]illfully violated or willfully failed to comply with this chapter or the predecessor Act or a rule adopted or order issued under this chapter or the predecessor Act within the previous ten years.”

10. Pursuant to O.C.G.A. § 10-5-2(17), the term “investment adviser” is defined as “a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analysis or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides

investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation.”

11. Pursuant to O.C.G.A. § 10-5-2(19), an “investment adviser representative” is defined as ” an individual employed by or associated with an investment adviser or federal covered investment adviser who makes any recommendations or otherwise gives investment advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, provides investment advice or holds herself or himself out as providing investment advice, receives compensation to solicit, offer, or negotiate for the sale of or for selling investment advice, or supervises employees who perform any of the foregoing.”

12. Pursuant to Rule 590-4-4-.08(2), “[a]ll renewal notices must be filed with all necessary information and required filing fees no earlier than October 1st and no later than December 31st of each year.” When Respondents failed to renew their respective registrations with the Commissioner by December 31, 2018, Respondents violated Rule 590-4-4-.08(2) and are operating in an unregistered capacity.

13. Pursuant to O.C.G.A. § 10-5-32, “[i]t is unlawful for a person to transact business in this state as an investment adviser unless the person is registered under this chapter as an investment adviser or is exempt from registration as an investment adviser.” ARI is operating as an unregistered investment advisor in violation of O.C.G.A. § 10-5-32, and therefore, is subject to penalties pursuant to O.C.G.A. §§ 10-5-41 and 10-5-73.

14. Pursuant to O.C.G.A. § 10-5-33, “[i]t is unlawful for an individual to transact business in this state as an investment adviser representative unless the individual is registered under this chapter as an investment adviser representative or is exempt from registration as an investment adviser.” Braunstein is operating as an unregistered investment adviser representative in violation of O.C.G.A. § 10-5-33, and therefore, is subject to penalties pursuant to O.C.G.A. §§ 10-5-41 and 10-5-73.

III. ORDER

WHEREFORE, by the authority vested in me as the Commissioner of Securities for the State of Georgia, **IT IS HEREBY ORDERED**:

1. That **ARI ASSET MANAGEMENT, LLC** and **IRA BRAUNSTEIN** immediately **CEASE AND DESIST** all violations of the Georgia Uniform Securities Act of 2008, as amended.

2. **ARI ASSET MANAGEMENT, LLC** and **IRA BRAUNSTEIN**, jointly and severally, pay a civil penalty in the amount of one thousand dollars (\$1,000.00). Full payment of this monetary penalty is due within thirty (30) days of the entry of a Final Order by the Commissioner of Securities.

3. **ARI ASSET MANAGEMENT, LLC** and **IRA BRAUNSTEIN**, jointly and severally, remit payment to the Commissioner of Securities in the amount equal to the Commissioner's cost of investigation. The amount of said cost to be determined upon entry of a Final Order with full payment due within thirty (30) days of the entry of a Final Order by the Commissioner of Securities.

The entry of the Order is deemed to be in the public interest and shall not be deemed to constitute findings or conclusions relating to other persons unrelated to Respondents and shall not be deemed to be a waiver or estoppel on the part of the Commissioner from proceeding in individual actions against any person who may have violated the Act or any transactions not specifically referred to herein or not known to the Commissioner at the time this Order was issued.

SO ORDERED this 18th day of March, 2019.

**SECRETARY OF STATE
COMMISSIONER OF SECURITIES**

By: 
C. Ryan Germany
Assistant Commissioner of Securities