

**STATE OF NEVADA**  
**OFFICE OF THE SECRETARY OF STATE**  
**SECURITIES DIVISION**  
**555 EAST WASHINGTON AVE, SUITE 5200**  
**LAS VEGAS, NEVADA 89101**

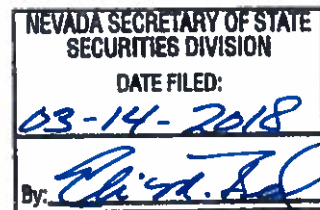
In the Matter of:

**JULIA SOHN, CRD No. 169967,**  
**Respondent.**

**ADMINISTRATIVE CONSENT ORDER**

**File No. CI16-210**

**TO: Julia Sohn**  
**c/o Julia Younggin Sohn**  
**2190 Tiger Links Drive**  
**Henderson, NV 89012**



**WHEREAS**, Julia Sohn ("JS"), CRD No. 169967 is a Nevada Investment Adviser who was registered on April 21, 2014 through December 31, 2014 and then again on July 6, 2015 through to the current date;

**WHEREAS**, on or about December 7, 2016, pursuant to the authority provided in Nevada Revised Statutes ("NRS") 90.410, the Securities Division of the Office of the Nevada Secretary of State ("Division") initiated an inspection of Respondent's books and records to ensure compliance with and uncover violations of the Nevada Uniform Securities Act ("Act"), codified in NRS Chapter 90, and the regulations promulgated thereunder and codified in Chapter 90 of the Nevada Administrative Code ("NAC");

**WHEREAS**, based on the facts and circumstances revealed during the course of the inspection, the Division has concluded that Respondent was unlicensed from January 1, 2014 to April 20, 2014 and from January 1, 2015 to July 5, 2015 while conducting an investment adviser business in Nevada, and charging advisory fees to client during those periods;

**WHEREAS**, based on the facts and circumstances revealed during the course of the inspection, the Division concluded that Respondent failed to properly maintain its books and records, and charged unreasonable fees as more fully set forth below;

**WHEREAS**, pursuant to the Act and the regulations adopted thereunder, Respondent is charged with complying with all applicable requirements while engaged in any securities-related business in or from the State of Nevada;

**WHEREAS**, Respondent has cooperated with the Division's inspection by responding to inquiries and providing documentary evidence;

**WHEREAS**, Respondent has advised the Division of its agreement to resolve the below failures and to comply with the requirements in the State of Nevada on the terms specified in this Administrative Consent Order (“Order”); and

**WHEREAS**, Respondent elects to permanently and expressly waive any right to a hearing and appeal under the Act and/or to seek judicial review under the Nevada Administrative Procedures Act, codified in NRS Chapter 233B, with respect to this Order.

**NOW THEREFORE**, the Administrator of the Division, pursuant to the Act, hereby enters  
this Order:

I.

## FINDINGS OF FACT

1. Respondent is a sole proprietorship licensed with the State of Nevada as an investment adviser, most recently since July 6, 2015, with its principal place of business located at 2190 Tiger Links Drive, Las Vegas, Nevada, 89012.

2. At all times relevant, Julia Younggin Sohn, CRD No. 851393, was the sole representative of the investment adviser.

3. Respondent was previously licensed with the Division from April 21, 2014 to December 31, 2014.

4. Respondent has continually operated as an investment adviser within the State of Nevada since April 21, 2014 up through the date of this Order and charged fees for the time period of January 1, 2014 through the date of this Order.

1           5.       According to current information maintained electronically by the Financial Industry  
2 Regulatory Authority ("FINRA") Central Registration Depository ("CRD/IARD") and as reported  
3 by Respondent, Respondent has Twelve Million Dollars (\$12,000,000.00) in assets under  
4 management.

5           6.       On or about December 7, 2016, investigators with the Division initiated an  
6 inspection of Respondent's records pursuant to the authority provided in NRS 90.410.

7           7.       Respondent is required to file an updating amendment to its Form ADV annually.

8           8.       According to the CRD/IARD, Respondent failed to file its annual updating  
9 amendments to its Form ADV for the fiscal years ending 2015 and 2016.

10          9.       Respondent is required to provide to each client, annually within 120 days after the  
11 end of Respondent's fiscal year, its Form ADV.

12          10.      Respondent has failed to annually provide clients with its Form ADV.

13          11.      Although Respondent does not divulge in its ADV, or its Investment Advisory  
14 Agreement that it will do so, Respondent, without consent by the client, charged fees on certain  
15 clients' margin balances.

16          12.      Respondent disclosed in its ADV, Investment Advisory Agreement and written  
17 Policies and Procedures that it charged a management fee to its clients quarterly "on the last  
18 business day" of the Quarter.

19          13.      Although Respondent charged some clients on a quarterly basis for certain times  
20 periods, Respondent charged clients annually and semi-annually without disclosing the same to  
21 clients in advance in its Form ADV and in its Investment Advisory Agreement.

22          14.      Respondent calculated and charged quarterly fees for Q2 of 2014 ending on June 27,  
23 2014 which was not the last business day of that quarter.

24          15.      Respondent calculated and charged an annual fee ending December 31, 2014 for  
25 each client's account, thus collecting fees from January 1, 2014 through April 20, 2014, while  
26 unlicensed.

27          16.      Respondent calculated a semi-annual fee ending June 30, 2015 for each client's  
28 account, thus collecting fees from January 1, 2015 to June 30, 2015, while unlicensed.

17. Fees collected for the January 1-June 30, 2015 time period totaled \$42,060.00.

18. Respondent calculated a semi-annual fee ending December 31, 2015 for each client's account, thus collecting fees from July 1, 2015 through December 31, 2015.

19. Respondent was unlicensed from July 1, 2015 through July 5, 2015, but continued to conduct its investment adviser business in Nevada and continued to charge advisory fees to clients and collect such fees from July 1, 2015 through July 5, 2015.

20. On at least two billing cycles, Respondent rounded clients' fees up or down to the nearest dollar, resulting in clients being over or undercharged for a particular billing cycle.

21. Respondent failed to maintain a general ledger.

22. Respondent failed to review her policies and procedures on annual basis.

23. Respondent has overcharged clients the total sum \$ 41,254.73.

## II.

## CONCLUSIONS OF LAW

1. The Division has jurisdiction over this matter pursuant to the Act, which authorizes the Division to regulate an entity or person acting as an investment adviser. Specifically, NRS 90.420 and NRS 90.630 allow the Division, through its Administrator, to take action against Respondent for violating the Act or any regulation or order adopted or issued under said Act.
2. Pursuant to NRS 90.330 investment advisers conducting business in the state of Nevada are required to be registered/licensed with the Division. Respondent violated NRS 90.330 during the times periods of January 1, 2015 through July 5, 2015.
3. Respondent is required to charge reasonable fees and adequately disclose the basis for the fees pursuant to NAC 90.3864 and the NASAA Model Rule 102(a)(4)-1(j). Respondent's fee charge on margin balances is an unreasonable fees charge, a violation of NAC 90.3864.
4. Within 120 days after the end of Respondents' fiscal year Respondent is required to provide to its clients a copy of its ADV with material changes, as required by NAC 90.3864(4), which adopts 17 C.F.R. 275.204-3. Respondent did not provide its ADV to its clients for the years 2014, 2015 and 2016, in violation of NAC 90.3864.

- 1 5. Respondent failed to review and update its Policies and Procedures Manual, in violation of  
2 NAC 90.3864(3) and its adoption of 17 C.F.R.275. 204(2)(a)(17)(i)&(ii), which requires a  
3 firm to conduct annual reviews of its policies and procedures to ensure they are current,  
4 adequate and effective.
- 5 6. Respondent failed to disclose in its ADV and Investment Advisory Agreement the various  
6 modifications to its fee charging that have occurred over the last two years, including its  
7 failure to charge fees on the last day of each quarter. Respondent violated NAC 90.329 and  
8 NAC 90.3864 by failing to disclosure the changing fee billing.
- 9 7. NAC 90.380(3) provides that "Within 90 days after the end of the fiscal year, an investment  
10 adviser must file an updated Form ADV with the Administrator in the manner set forth in  
11 NAC 90.3293." Furthermore, NAC 90.380(2) provides that any amendments to the most  
12 recent Form ADV must be filed within 30 days after an event that requires the filing of an  
13 amendment
- 14 8. Respondent has violated NAC 90.380(3) by failing to file its annual updating amendments  
15 to the Form ADV for the fiscal years ending in 2015 and 2016.
- 16 9. Respondent has violated NAC 90.3864(1) and the NASAA Model Rule 102(a)(4)(1)(j)  
17 charging fees on client's margin balance without properly disclosing same to them, thereby  
18 conducting an unethical business practice in charging unreasonable advisory fees to clients.
- 19 10. Respondent has violated NAC 90.329 and Code of Federal Regulation Section 275.204-  
20 3(b)(2)(ii) by failing to disclose to clients in its Form ADV that it charged annual, semi-  
21 annual fees and quarterly fees using a different date other than what was specified in its  
22 Form ADV and that it rounded up and down to the nearest dollar during (2) two business  
23 cycles.
- 24 11. Fees collected for the periods in which it was not licensed exceed \$40,000.00.
- 25 12. Respondent has violated NRS 90.330 by continuing to conduct advisory business and  
26 collect advisory fees, while unlicensed during the period of January 1, 2014 – April 20,  
27 2014 and January 1, 2015 – July 6, 2015.
- 28

1 13. Respondent has violated NAC 90.3864 by failing to maintain proper books and records in a  
2 general ledger.

3  
4 **III.**  
5 **ORDER**

6 Finding the following appropriate and in the public interest, and on the basis of the Findings  
7 of Facts, Conclusions of Law, and Respondent's consent to the entry of this Order,

8 **IT IS HEREBY ORDERED:**

9 1. Respondent will cease from violating the Act and the regulations adopted  
10 thereunder, and will comply with said Act and regulations now and in the future.

11 2. Respondent will promptly file its annual updating amendment to the Form ADV for  
12 the fiscal year ending in 2017. Respondent shall provide the updated ADV's to its clients and  
13 provide proof to the Division within 30 days of this order.

14 3. Respondent shall timely file all future annual updating amendments to the Form  
15 ADV within ninety (90) days of the fiscal year end as mandated by NAC 90.380(3) and within 30  
16 days after an event that requires the filing of an amendment as mandated by NAC 90.380(2).

17 4. Respondent shall pay the Nevada Secretary of State, on or before this Order is  
18 executed, a civil penalty in the amount of \$ 20,000.00 concurrently with the filing of this Order.  
19 Said funds shall be deposited in the State General Fund for credit to the Secretary of State's  
20 Operating General Fund Budget Account and shall be used for the purposes set forth in NRS  
21 90.851.

22 6. Respondent shall retain the services of a Compliance Consultant satisfactory to the  
23 Division, no later than February 15, 2018 to review and update Respondent's policies and  
24 procedures, Form ADV and Investment Advisory Agreement to accurately reflect the current  
25 business practices and fee structure of Respondent.

26 7. Respondent shall return to its clients, either by check or credit to the client's  
27 account, the total amount of funds overcharged. The client shall have the choice of the method of  
28

1 return. The Respondent shall provide to the Division on or before July 15, 2018, satisfactory proof  
2 that she has returned all overcharges to clients.

3 10. In addition, Respondent shall pay the Nevada Secretary of State, on or before this  
4 Order is executed, the fee for the Division's inspection of records performed pursuant to NRS  
5 90.410 in the amount of \$1,000.00.

6 11. In consideration, the Division will take no further enforcement action based upon the  
7 circumstances covered by this inspection and this Order and close its administrative investigation of  
8 Respondent in connection with the aforementioned activities.

9 12. Nothing in this Order shall be construed as a waiver of the Division's right to  
10 investigate and pursue any violations by Respondent in connection with actions other than the  
11 actions as set forth herein.


12 13. This Order shall be effective as of the date on which it is signed by the  
13 Administrator as set forth below.

14 DATED this 14<sup>th</sup> day of March, 2018.

15  
16  
17 **BY ORDER OF THE ADMINISTRATOR**  
Office of the Secretary of State, Securities Division

18  
19   
20 DIANA J. FOLEY  
21 Deputy Secretary for Securities  
22 Securities Administrator  
23  
24  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
0  
1  
2  
3  
4  
5  
6  
7  
8  
9  
0  
1  
2  
3  
4  
5  
6  
7  
8

 STACEY ROTER  
NOTARY PUBLIC  
STATE OF NEVADA  
No. D2-75147-1 My Appt. Exp. Sept. 10, 2021