

STATE OF NEVADA
OFFICE OF THE SECRETARY OF STATE
SECURITIES DIVISION

1 STATE OF NEVADA WAY, 3RD FLOOR
LAS VEGAS, NEVADA 89119

In the Matter of:

STEVEN JAMES SUSOEFF (CRD
#2885186), an individual,

Respondent.

ADMINISTRATIVE CONSENT ORDER

File No. INV24-102

Nevada Secretary Of State
Securities Division

MAR 25 2025

TO: Steven James Susoeff
1863 Vista Pointe Avenue
Henderson, NV 89012

By: 

WHEREAS, STEVEN JAMES SUSOEFF, CRD No. 2885186, ("Respondent"), is a Nevada based investor adviser representative for Meritage Financial Group, CRD No. 147070;

WHEREAS, on May 8, 2024, the Nevada Securities Division ("Division"), pursuant to the Administrator's authority under NRS § 90.620, commenced an investigation of Respondent to determine their compliance with the Nevada Uniform Securities Act, the Investment Advisers Act of 1940, and the various rules and regulations promulgated thereunder (the "Act");

WHEREAS, the Division discovered during the aforementioned investigation that the U.S. Securities and Exchange Commission ("SEC") issued an Order barring Respondent immediately from "association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization with the right to apply for reentry after five years" pursuant to Section 203(f) of the Advisers Act;

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 advised the Division of their desire to resolve the above failures to comply with the requirements of Nevada's Uniform Securities Act, on the terms specified within this Administrative Consent Order;

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 Procedure Act, NRS Chapter 233B, with respect to this Order.

NOW THEREFORE, the Administrator, pursuant to the Act, hereby enters the following:

I.

FINDINGS OF FACT

1. Respondent Steven James Susoeff, CRD No. 2885186, first applied for licensing as a registered investment adviser representative of an investment adviser in the State of Nevada on or about April 25, 2008.

2. Respondent's application for licensing was approved by the Division on or about May 28, 2008.

3. The SEC is an independent federal agency created through Congress pursuant to the Securities Exchange Act of 1934, for the regulatory oversight of securities exchanges, securities brokers and dealers, investment advisors and mutual funds to promote fair dealing, disclosure of important market manipulation and to prevent fraud.

4. On or about February 1, 2023, the SEC filed a complaint against Respondent Steven James Susoeff. (*Civil Action Number 2:23-cv-00173-JCM-EJY*). The **complaint** alleged that between January 2021 and July 2021, Respondent through Respondent's investment advisory firm, Meritage Financial, engaged in a fraudulent cherry-picking scheme in breach of their fiduciary duties to their clients. The complaint further alleged that Respondent, through the use of his investment advisory firm's omnibus trading account, disproportionately allocated a number of favorable trades to three accounts held by his friend, his girlfriend, and himself, while disproportionately allocating a number of unfavorable trades to the accounts of his other clients. A copy of SEC's complaint is attached hereto as **Exhibit A**.

5. On or about October 18, 2024, Respondent voluntarily entered into a Consent Order with the SEC, permanently enjoining him from future violations of Sections 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act. On or about December 23, 2024, a final judgment was entered against Respondent. A copy is attached hereto as **Exhibit B.**

6. In light of the SEC's complaint and consent by Respondent, on or about December 30, 2024, the SEC issued an Order barring Respondent immediately from "association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization with the right to apply for reentry after five years to the appropriate self-regulatory organization, or if there is none, to the Commission" pursuant to Section 203(f) of the Advisers Act. A copy of the SEC's order is attached hereto as **Exhibit C**.

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 allows 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 90.420(1), the Administrator of the Division may suspend an applicant or licensed person from association with a licensed broker-dealer or investment adviser if the Administrator finds that the suspension is in the public interest and the investment adviser representative:

(g) Is or has been the subject of any of the following orders which were issued within the past 5 years, unless the order has been vacated:

(1) An order by the securities agency or administrator of another state, jurisdiction, Canadian province or territory, the Commodity Futures Trading Commission, or by the Securities and Exchange Commission or a comparable regulatory agency of another country, entered after notice and opportunity for hearing, denying, suspending or revoking the person's license as a broker-dealer, sales representative,

investment adviser, representative of an investment adviser or transfer agent;

3. Pursuant to NRS 90.630(2):

If the Administrator reasonably believes, whether or not based upon an investigation conducted under NRS 90.620, that a person has violated this chapter or regulation or order of the Administrator under this chapter, the Administrator, in addition to any specific power granted under this chapter, after giving notice by registered or certified mail and conducting a hearing in an administrative hearing, unless the right to notice and hearing is waived by the person against whom the sanction is imposed, may:

(c) Bar or suspend the person from association with a licensed broker-dealer or investment adviser in this State;

4. Within the last five (5) years, Respondent has been the subject of a suspension of licensure and has been barred from association with any broker-dealer and investment adviser, as referenced under NRS 90.420(1)(g)(1).

5. Suspending Respondent from association with a licensed broker-dealer or investment adviser is in the public interest.

III.

ORDER

Finding the following appropriate and in the public's interest, and on the basis of the foregoing, Respondent consents to the entry of this Order,

IT IS HEREBY ORDERED:

1. Respondent will cease from violating the Act and will comply with said Act.

2. Respondent will be subject to suspension from association with any licensed broker-dealer or investment adviser in the State of Nevada.

3. Respondent's suspension will commence upon entry of this Order, with the right to apply for reentry after five years.

1 4. Any application for reentry by Respondent will be subject to the applicable laws and
2 regulations under the Act, and may be conditioned upon a number of factors, including but not
3 limited to heightened supervision.

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

7 6. Nothing in this Order shall be construed as a waiver of the Division's right to
8 investigate and pursue any violations by Respondent in connection with other activity not set forth
9 herein.


10 7. Nothing in this Order is intended to limit or create for third parties any private remedies
11 against Respondent.

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

14
15 IT IS SO ORDERED.

16 DATED this 25th day of March, 2025.

17
18 BY ORDER OF THE ADMINISTRATOR
19 Office of the Secretary of State, Securities Division

20 
21 ERIN M. HOUSTON
22 Deputy Secretary for Securities
23 Securities Administrator
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CONSENT TO ENTRY OF ADMINISTRATIVE ORDER

Respondent Steven James Susoeff, hereby acknowledges being served with a copy of this Order, have read the foregoing Order, is aware of his rights to a hearing and appeal in this matter, and has waived the same.

Respondent specifically acknowledges that a violation of this Order may constitute a felony pursuant to NRS 90.650.

Respondent admits the jurisdiction of the Securities Division of the Nevada Office of the Secretary of State and consents to entry of this Order by the Administrator of the Division as settlement of the issues contained within this Order.

Respondent states that no promise of any kind or nature, other than the consideration set forth in the Order, was made to them to induce them to enter into this Order and that he has entered into this Order voluntarily.

Dated this 24 day of March, 2025.



Steven James Susoeff

Approved as to form by:



Kimberly P. Stein, Esq.

DOUGLAS M. MILLER (Cal. Bar No. 240398)

Email: millerdou@sec.gov

KELLY C. BOWERS (Cal. Bar No. 164007)

Email: bowersk@sec.gov

Attorneys for Plaintiff

Securities and Exchange Commission

Michele Wein Layne, Regional Director

Katharine Zoladz, Associate Regional Director

Gary Y. Leung, Regional Trial Counsel

444 S. Flower Street, Suite 900

Los Angeles, California 90071

Telephone: (323) 965-3998

Facsimile: (213) 443-1904

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

vs.

**STEVEN J. SUSOEFF and STEVE
SUSOEFF, LLC (dba Meritage
Financial Group),**

Defendants.

Case No. 2:23-cv-173

COMPLAINT

Plaintiff Securities and Exchange Commission ("SEC") alleges:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77i(b), 77i(d)(1) & 77v(a), Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27(a) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e) & 78aa(a), and Sections 209(d), 209(e)(1) and 214 of the Investment Advisers Act of 1940 ("Advisers Act"), 15 U.S.C. §§ 80b-9(d), 80b-

COMPLAINT

EXHIBIT A

1 9(e)(1) & 90b-14.

2 2. Defendants have, directly or indirectly, made use of the means or
3 instrumentalities of interstate commerce, of the mails, or of the facilities of a national
4 securities exchange in connection with the transactions, acts, practices and courses of
5 business alleged in this complaint.

6 3. Venue is proper in this district pursuant to Section 22(a) of the Securities
7 Act, 15 U.S.C. § 77v(a), Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a), and
8 Section 214 of the Advisers Act, 15 U.S.C. §§ 80b-14, because certain of the
9 transactions, acts, practices and courses of conduct constituting violations of the
10 federal securities laws occurred within this district. In addition, venue is proper in
11 this district because Defendants Steven J. Susoeff ("Susoeff") and Steve Susoeff,
12 LLC (dba Meritage Financial Group) ("Meritage Financial") reside in this district.

13 **SUMMARY**

14 4. This case is about a "cherry-picking" scheme carried out by Susoeff, an
15 investment adviser representative, and by his investment adviser firm, Meritage
16 Financial, which Susoeff solely owned and controlled.

17 5. Between in or about January 2021 and July 2021, Meritage Financial
18 managed approximately \$8 million for approximately 59 clients. During this time,
19 Susoeff had discretionary authority over his clients' accounts, meaning he had the
20 authority to make investment decisions and execute trades on his clients' behalf.
21 Susoeff executed many of these trades through what is commonly called a "block
22 trading account," which allowed him to aggregate and execute trades for several
23 clients in one account, and later allocate each trade to individual client accounts.
24 These aggregated trade allocations could be submitted to the brokerage firm at the
25 end of the trading day, so Susoeff had the opportunity to "cherry-pick" – that is, to
26 allocate the winning trades to some favored accounts, and to allocate the losing trades
27 to other disfavored accounts.

28 6. However, allocating trades in a way that favors some accounts over

1 other disfavored accounts defrauds the disfavored clients and violates the fiduciary
2 duties that an investment adviser owes to them, including Susoeff's duty of care and
3 duty of loyalty to his advisory clients. Nevertheless, that is exactly what Susoeff and
4 Meritage Financial did in this case.

5 7. For approximately seven months, Susoeff and his advisory firm engaged
6 in a cherry-picking scheme. It began with Susoeff disproportionately allocating
7 winning trades to an account of his girlfriend (ending in 9566), whose initials are
8 H.E., and to accounts of his business associate (ending in 3610 and 8378), whose
9 initials are N.A. Then, after a few months of doing this for his girlfriend and business
10 associate, Susoeff also started disproportionately allocating winning trades to his own
11 account (ending in 4264). Meanwhile, throughout the scheme, Susoeff was
12 consistently allocating losing trades to his disfavored clients' accounts.

13 8. Throughout the relevant period, "Broker A," the broker with custody of
14 of Susoeff's clients' brokerage accounts, repeatedly warned Susoeff that he could not
15 allocate trades in a manner that systematically advantaged or disadvantaged clients,
16 and that Susoeff had to have procedures in place designed to ensure that trades were
17 allocated in way that all clients were treated fairly and equitably. Susoeff ignored all
18 of these warnings and continued to cherry-pick favorable trades.

19 9. In total, Susoeff's cherry-picking scheme enabled him to obtain
20 approximately \$54,232 in ill-gotten gains for his own account, and approximately
21 \$90,334 in ill-gotten gains for the favored accounts of H.E. and N.A. At the same
22 time, the disfavored accounts suffered approximately \$144,566 in first-day losses
23 attributable to the fraud. Susoeff's cherry-picking ceased when Broker A eventually
24 removed Susoeff and his advisory firm from its trading platform.

25 10. By engaging in this conduct, defendants Susoeff and Meritage Financial
26 violated the antifraud provisions of Sections 17(a)(1) and (a)(3) of the Securities Act,
27 15 U.S.C. § 77q(a)(1) and (a)(3), Section 10(b) of the Securities Exchange Act, 15
28 U.S.C. § 78j(b), and Rules 10b-5(a) and (c) thereunder, 17 C.F.R. § 240.10b-5(a) and

(c), and Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. § 80b-6(1) and (2).

11. With this action, the SEC seeks permanent injunctive relief against the defendants to prevent future violations of the federal securities laws, disgorgement of ill-gotten gains along with prejudgment interest on a joint-and-several basis, and civil penalties.

THE DEFENDANTS

12. Defendant Steven James Susoeff, is a resident of Henderson, Nevada. Since approximately 2008, Susoeff has been the sole owner, officer, control person and chief compliance officer of Meritage Financial. Prior to 2008, Susoeff was a registered representative at broker-dealers for 11 years.

13. Defendant Meritage Financial Group, also known as Steve Susoeff, LLC, is a Nevada company with its principal place of business in Henderson, Nevada, and is a registered investment adviser with Nevada and California. According to its March 25, 2022 Form ADV, Meritage Financial currently has 78 clients and \$9 million in assets under management.

THE ALLEGATIONS

A. Background

14. Susoeff founded Meritage Financial on or around May 7, 2008 and by January 2021 it had approximately 59 clients and approximately \$8 million in assets under management.

15. Meritage Financial provided a variety of financial planning services to individuals, families and other clients regarding the management of their financial resources based upon their financial situation, goals, and objectives.

16. At all relevant times, Susoeff and Meritage Financial were investment advisers under Section 202(a)(11) of the Advisers Act, 15 U.S.C. §80b-2(a)(11), because they provided investment advice for compensation to their clients regarding securities.

1 17. Susoeff and Meritage Financial provided investment advice by using
2 their discretionary authority over their clients' accounts to buy and sell securities.
3 They received compensation by charging their clients an advisory fee that was a
4 percentage of their assets under management.

5 18. As the sole owner, officer, and control person of Meritage Financial,
6 Susoeff directly benefitted from the advisory fees that clients paid to Meritage
7 Financial.

8 19. Susoeff was the only person at Meritage Financial who provided
9 investment advice to its clients and was the only person who executed trades on
10 behalf of its clients.

11 20. Many of the trades that Susoeff executed on behalf of clients were
12 through its block trading account at Broker A, the custodian of the assets under
13 Meritage Financial's management.

14 21. Meritage Financial's block trading account at Broker A allowed Susoeff
15 to place a single trade in a stock through the block trading account, and later that
16 same day, allocate portions of that trade to multiple client accounts and/or his
17 personal account.

18 22. Susoeff was the only person at Meritage Financial who allocated trades
19 executed in the block trading account.

20 **B. The Cherry-Picking Scheme**

21 23. From approximately January 2021 through approximately July 2021,
22 Susoeff and Meritage Financial misused the block trading account at Broker A to
23 engage in a fraudulent scheme to defraud their investment advisory clients by cherry-
24 picking and disproportionately allocating profitable trades to the accounts of his live-
25 in girlfriend, H.E., his business associate, N.A., and eventually to Susoeff's own
26 account. At the same time, Susoeff defrauded his other clients and violated the
27 fiduciary duties that he owed to them by disproportionately allocating the
28 unprofitable trades to their accounts.

1 24. Susoeff carried out this scheme by executing trades in the block trading
2 account and taking advantage of the time he had to allocate those trades in order to
3 determine the security's intraday performance.

4 25. For example, when the price of a stock rose on the purchase date,
5 Susoeff disproportionately allocated those profitable trades to one or more of the
6 favored accounts. In most instances, when Susoeff did this, he sold the security that
7 same day, making it a day-trade and locking in the profit.

8 26. By contrast, when the price of a stock went down on the purchase date,
9 Susoeff disproportionally allocated those unprofitable trades to the disfavored clients'
10 accounts as long positions (*i.e.*, stocks to be held in their accounts).

11 27. This scheme, by its very nature, was inherently deceptive because
12 cherry-picking is virtually impossible for clients to detect on their own. They
13 generally are unable to see how their adviser allocates trades and rely on their adviser
14 to meet his fiduciary duty of care to provide investment advice that is in their best
15 interest, and meet his fiduciary duty of loyalty by putting their financial interests
16 ahead of his own. Thus, each allocation of a trade based on the security's
17 performance was an inherently deceptive act in furtherance of the scheme.

18 28. As one example, on or about May 7, 2021, Susoeff used the block
19 trading account to purchase 767 shares of Apple, Inc. stock ("AAPL") at 10:05 a.m.
20 for \$130.485 (for a total of \$100,082).

21 29. Then, at 10:27 a.m. that same day, Susoeff sold 767 shares of AAPL for
22 \$130.71 (for a total of \$100,251).

23 30. At 1:30 p.m. that same day, Susoeff bought another 767 shares of AAPL
24 \$130.225 (for a total of \$99,883).

25 31. At the end of the day, the 4:00 p.m. closing price of AAPL stock was
26 down to \$130.21. At this time, Susoeff still had not allocated any of the block trading
27 account's AAPL stock trades at 10:05 a.m. and 1:30 p.m. to any client accounts.

28 32. Beginning at 5:17 p.m., Susoeff allocated the 10:27 a.m. sale of 767

1 AAPL shares for \$130.71 and the subsequent 1:30 p.m. purchase of 767 AAPL shares
2 for \$130.21 to the favored accounts, rendering this allocation profitable.

3 33. At 5:55 p.m., when the share price was trading at \$130.22, Susoeff
4 allocated the bulk of the 767 AAPL shares purchased earlier at 10:05 a.m. (at the
5 higher price of \$130.485) to the disfavored accounts (679 shares), which in light of
6 the intraday price of AAPL's stock rendered this allocation unprofitable.

7 34. Only a small portion of this unprofitable allocation (88 shares) went to
8 the favored accounts.

9 35. At the time of allocation, Susoeff knew the prices of the two block
10 purchases and the sale price of the block sale, as well as the current trade price. He
11 allocated an AAPL day trade that would be most profitable to the favored accounts:
12 the 10:27 a.m. sale for \$130.71 and the later 1:30 p.m. purchase for \$130.225 for a
13 realized gain \$0.458 per share. To the disfavored accounts, he allocated at 5:55 p.m.,
14 after the stock had fallen to \$130.22 at market close, the more expensive 10:05 a.m.
15 purchase of \$130.485, for a first-day unrealized loss of \$0.265 per share.

16 36. In total, during the relevant period: (1) Susoeff's allocations resulted in
17 approximately 89.9 percent of the dollars traded on behalf of the favored accounts
18 being profitable at the time of the allocation; and (2) Susoeff's allocations resulted in
19 only 25.5 percent of the dollars traded on behalf of the disfavored accounts being
20 profitable at the time of the allocation. During the same period: (1) Susoeff's
21 allocations through the block trading account resulted in an approximate 0.61 percent
22 rate of return on investments for the favored accounts; and (2) Susoeff's allocations
23 through the block trading account resulted in approximately -0.60 percent rate of
24 return on investments for the disfavored accounts.

25 37. The scheme resulted in Susoeff receiving ill-gotten gains of
26 approximately \$54,232 and all of the favored accounts combined receiving
27 approximately \$144,566 in ill-gotten gains.
28

C. Susoeff's Scienter and Negligence

38. Susoeff, whose mental state is imputed to Meritage Financial as its sole owner and control person, knew, or was reckless in not knowing, that using the block trading account to allocate winning trades to the favored accounts and losing trades to the disfavored accounts defrauded his disfavored clients and violated the fiduciary duties that he owed to those clients.

39. Susoeff also acted negligently; that is, he failed to act as a reasonable person would under the circumstances when acting as his advisory clients' investment adviser, including his allocation of trades in the block trading account.

1. Trade Blotter Analysis

40. Based on a statistical analysis of the subject trades, trade allocations, and first-day investment returns, the likelihood that Susoeff's disproportionate allocation of profitable trades to the favored accounts and unprofitable trades to disfavored accounts resulted from random chance, as opposed to knowing and intentional conduct, is, at best, less than one in a million.

2. Broker A Repeatedly Warned Susoeff Not to Allocate Trades in a Manner that Systematically Advantaged or Disadvantaged His Clients

41. Beginning at least in or about December 2020 and continuing through July 2021, Broker A repeatedly warned Susoeff not to allocate trades in a manner that systematically advantaged or disadvantaged his clients. Broker A began issuing these warnings after noticing that Susoeff was late in allocating trades in the block trading account, which violated Broker A's policy that all traded allocations occur by no later than 6 p.m. Eastern Standard Time and resulted in several financial penalties being imposed against Susoeff.

42. Each time Susoeff was late in allocating trades in the block trading account, Broker A sent Susoeff an email containing general information about how to properly use the block trading account.

1 43. This information warned Susoeff that he could aggregate or “bunch”
2 orders in the block trading account “so long as ... no client is systematically
3 advantaged or disadvantaged by the bunching.” It further warned Susoeff that he
4 “must have procedures in place that are designed to ensure that the trades are
5 allocated in such a manner that all clients are treated fairly and equitably.”

6 44. Broker A sent these emails and warnings to Susoeff on at least six
7 different occasions before and during the cherry-picking scheme, including on or
8 about December 14, 2020, December 15, 2020, April 12, 2021, April 26, 2021, May
9 19, 2021 and July 13, 2021.

10 45. Despite receiving these warnings, Susoeff continued to misuse the block
11 trading account for the cherry-picking scheme, disproportionately allocating
12 profitable trades to the favored accounts and unprofitable trades to other disfavored
13 accounts.

14 46. Moreover, Susoeff never kept records of his trade allocations and had no
15 procedures in place that were designed to ensure that the trades were allocated in a
16 manner that all clients were treated fairly and equitably.

17 **3. Susoeff's Fiduciary Duty to His Advisory Clients**

18 47. Susoeff's scienter and negligence is further evidenced by the fiduciary
19 duties that he owed to his clients.

20 48. Susoeff and Meritage Financial were fiduciaries for their advisory
21 clients.

22 49. Susoeff and Meritage Financial owed their advisory clients a duty of
23 loyalty. That duty of loyalty included an affirmative duty of utmost good faith, a
24 duty to provide full and fair disclosure of all material facts, and a duty to employ
25 reasonable care to avoid misleading their clients. Susoeff and Meritage Financial's
26 duty to disclose all material facts included a duty to tell clients about actual or
27 potential conflicts of interest that might incline Susoeff and Meritage Financial to
28 render investment advice that is not disinterested.

1 50. Susoeff and Meritage Financial owed their advisory clients a separate
2 duty of care. Their duty of care included a duty to provide investment advice that
3 was in the best interest of their client, including a duty to provide advice that was
4 suitable for their advisory clients. Susoeff and Meritage Financial's duty of care also
5 included a duty to seek best execution of their clients' securities transactions because
6 they were responsible for choosing the broker-dealer that would execute their clients'
7 trades.

8 51. Susoeff knew, or was reckless for not knowing, that he owed his clients
9 these fiduciary duties because they were acknowledged in the company's code of
10 ethics and its policies and procedures manual, which Susoeff was required to know
11 and examine as the chief compliance officer ("CCO") of Meritage Financial.

12 52. For instance, the policies and procedures manual made it clear that
13 Meritage Financial was a fiduciary to its advisory clients, and had a duty of undivided
14 loyalty to always act in utmost good faith, place its clients' interests first and
15 foremost, and to make full and fair disclosure of all material facts including
16 information as to any conflicts of interest. It also prohibited Meritage Financial and
17 Susoeff, as one of its investment adviser representatives, from carrying out any
18 device, scheme or artifice to defraud a client and from engaging in any transaction,
19 practice or course of business that would do so.

20 53. The policies and procedures manual further stated that, as the CCO, it
21 was Susoeff's responsibility to monitor how he performed his job duties and to
22 ensure they comported with his fiduciary obligations. This included making sure that
23 he placed the interests of his clients ahead of his own and conducted business in an
24 ethical fashion.

25 54. Similarly, the code of ethics made it clear that Susoeff and Meritage
26 Financial owed a fiduciary duty to their clients and must at all times place the interest
27 of their clients above their own. This meant that whenever any questions arose
28 concerning Susoeff's trading in securities it had to be resolved in favor of the interest

1 of his clients, even if that meant at the expense of Susoeff's interest.

2 **FIRST CLAIM FOR RELIEF**

3 **Fraud in Connection with the Purchase or Sale of Securities**

4 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c)**
5 **(against All Defendants)**

6 55. The SEC realleges and incorporates by reference paragraphs 1 through
7 54 above.

8 56. As alleged above, defendants Susoeff and Meritage Financial engaged in
9 a scheme to defraud their clients, and engaged in acts, practices or courses of business
10 that operated as a fraud upon their clients, by cherry-picking profitable trades to be
11 allocated to the favored accounts and unprofitable trades to the disfavored accounts.
12 The cherry-picking scheme was inherently deceptive and created the false appearance
13 that disfavored clients' first-day losses were attributable to market forces rather than
14 his fraudulent trade allocation practices.

15 57. By engaging in the conduct described above, defendants Susoeff and
16 Meritage Financial, and each of them, directly or indirectly, in connection with the
17 purchase or sale of a security, and by the use of means or instrumentalities of
18 interstate commerce, of the mails, or of the facilities of a national securities
19 exchange: (a) employed devices, schemes, or artifices to defraud; and (b) engaged in
20 acts, practices, or courses of business which operated or would operate as a fraud or
21 deceit upon other persons.

22 58. By engaging in the conduct described above, defendants Susoeff and
23 Meritage Financial violated, and unless restrained and enjoined will continue to
24 violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rules 10b-5(a)
25 and 10b-5(c) thereunder, 17 C.F.R. §§ 240.10b-5(a) & 240.10b-5(c).

SECOND CLAIM FOR RELIEF

Fraud in the Offer or Sale of Securities

Violations of Sections 17(a)(1) and (3) of the Securities Act

(against All Defendants)

59. The SEC realleges and incorporates by reference paragraphs 1 through 54 above.

60. As alleged above, defendants Susoeff and Meritage Financial engaged in a scheme to defraud their clients, and engaged in acts, practices or courses of business that operated as a fraud upon their clients, by cherry-picking profitable trades to be allocated to the favored accounts and unprofitable trades to the disfavored accounts. The cherry-picking scheme was inherently deceptive and created the false appearance that disfavored clients' first-day losses were attributable to market forces rather than his fraudulent trade allocation practices.

61. By engaging in the conduct described above, defendants Susoeff and Meritage Financial, and each of them, directly or indirectly, in the offer or sale of securities, and by the use of means or instruments of transportation or communication in interstate commerce or by use of the mails directly or indirectly: (a) employed devices, schemes, or artifices to defraud; and (b) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

62. By engaging in the conduct described above, defendants Susoeff and Meritage Financial violated, and unless restrained and enjoined will continue to violate, Sections 17(a)(1) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1) & 77q(a)(3).

THIRD CLAIM FOR RELIEF

Fraud by an Investment Adviser

Violations of Sections 206(1) and 206(2) of the Advisers Act

(against All Defendants)

63. The SEC realleges and incorporates by reference paragraphs 1 through 54 above.

64. As alleged above, defendants Susoeff and Meritage Financial were investment advisers and therefore owed a fiduciary duty to each of their clients. Susoeff and Meritage Financial each breached their fiduciary duty to their clients by carrying out the cherry-picking scheme, which was inherently deceptive and created the false appearance that disfavored clients' first-day losses were attributable to market forces rather than his fraudulent trade allocation practices.

65. By engaging in the conduct described above, Susoeff and Meritage Financial, and each of them, directly or indirectly, by use of the mails or means and instrumentalities of interstate commerce: (a) employed or are employing devices, schemes or artifices to defraud clients or prospective clients; and engaged in or are engaging in transactions, practices, or courses of business which operated as a fraud or deceit upon clients or prospective clients.

66. By engaging in the conduct described above, Susoeff and Meritage Financial have violated, and unless restrained and enjoined, are reasonably likely to continue to violate, Sections 206(1) and (2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) & 80b-6(2).

PRAYER FOR RELIEF

WHEREFORE, the SEC respectfully requests that the Court:

I.

Issue findings of fact and conclusions of law that defendants Susoeff and Meritage Financial committed the alleged violations.

II.

Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil Procedure, permanently enjoining Susoeff and Meritage Financial, and their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, and each of them, from violating Section 17(a) of the Securities Act [15 U.S.C. §77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Section 206 of the Advisers Act [15 U.S.C. § 80b-6].

III.

Order Defendants to disgorge all funds received from their illegal conduct, on a joint and several basis, together with prejudgment interest thereon pursuant to Securities Exchange Act of 1934, Section 21(d)(3), (d)(5) and (d)(7) [15 U.S.C. §§ 78u(d)(3), (d)(5) and (d)(7)].

IV.

Order Defendants to pay civil penalties under Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 209(e) of the Adviser Act [15 U.S.C. § 80b-9(e)].

V.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

VI.

Grant such other and further relief as this Court may determine to be just and necessary.

Dated: February 1, 2023

/s/ Gary Y. Leung
GARY Y. LEUNG
Attorney for Plaintiff
Securities and Exchange Commission

DOUGLAS M. MILLER (Cal. Bar No. 240398)
Email: millerdou@sec.gov
CHARLES E. CANTER (Cal. Bar No. 263197)
Email: cantero@sec.gov
KELLY C. BOWERS (Cal. Bar No. 164007)
Email: bowersk@sec.gov

Attorneys for Plaintiff
Securities and Exchange Commission
Katharine Zoladz, Regional Director
Brent W. Wilner, Associate Director
Douglas M. Miller, Regional Trial Counsel
444 S. Flower Street, Suite 900
Los Angeles, California 90071
Telephone: (323) 965-3998
Facsimile: (213) 443-1904

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

vs.

**STEVEN J. SUSOEFF and STEVE
SUSOEFF, LLC (dba Meritage
Financial Group),**

Defendants.

Case No. 2:23-cv-00173-JCM-EJY

CONSENT OF STEVEN J. SUSOEFF

EXHIBIT B

Case No. 2:23-cv-00173-JCM-EJY

1 1. Defendant Steven J. Susoeff ("Defendant") acknowledges having been
2 served with the complaint in this action, enters a general appearance, and admits the
3 Court's jurisdiction over Defendant and over the subject matter of this action.

4 2. Without admitting or denying the allegations of the complaint (except as
5 provided herein in paragraph 12 and except as to personal and subject matter
6 jurisdiction, which Defendant admits), Defendant hereby consents to the entry of the
7 final Judgment in the form attached hereto (the "Final Judgment") and incorporated
8 by reference herein, which, among other things:

- 9 a. permanently restrains and enjoins Defendant from violation of
10 Sections 17(a)(1) and 17(a)(3) of the Securities Act of 1933
11 ("Securities Act"), 15 U.S.C. §§ 77q(a)(1), (a)(3), Section 10(b) of
12 the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C.
13 § 78j(b), and Rules 10b-5(a) and 10b-5(c) thereunder, 17 C.F.R.
14 §§ 240.10b-5(a), (c), and Sections 206(1) and 206(2) of the
15 Investment Advisers Act ("Advisers Act"), 15 U.S.C. §§ 80b-6(1),
16 (2);
17 b. orders Defendant to pay disgorgement in the amount of \$54,232, plus
18 prejudgment interest thereon in the amount of \$11,695; and
19 c. orders Defendant to pay a civil penalty in the amount of \$144,566
20 under Securities Act Section 20(d), 15 U.S.C. § 77t(d), Exchange Act
21 Section 21(d)(3), 15 U.S.C. § 78u(d)(3), and Advisers Act Section
22 209(e), 15 U.S.C. § 80b-9(e).

23 3. Defendant acknowledges that the civil penalty paid pursuant to the Final
24 Judgment may be distributed pursuant to the Fair Fund provisions of Section 308(a)
25 of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund
26 distribution is made, the civil penalty shall be treated as a penalty paid to the
27 government for all purposes, including all tax purposes. To preserve the deterrent
28 effect of the civil penalty, Defendant agrees that he shall not, after offset or reduction

1 of any award of compensatory damages in any Related Investor Action based on
2 Defendant's payment of disgorgement in this action, argue that he is entitled to, nor
3 shall he further benefit by, offset or reduction of such compensatory damages award
4 by the amount of any part of Defendant's payment of a civil penalty in this action
5 ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty
6 Offset, Defendant agrees that he shall, within 30 days after entry of a final order
7 granting the Penalty Offset, notify the Commission's counsel in this action and pay
8 the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as
9 the Commission directs. Such a payment shall not be deemed an additional civil
10 penalty and shall not be deemed to change the amount of the civil penalty imposed in
11 this action. For purposes of this paragraph, a "Related Investor Action" means a
12 private damages action brought against Defendant by or on behalf of one or more
13 investors based on substantially the same facts as alleged in the Complaint in this
14 action.

15 4. Defendant agrees that he shall not seek or accept, directly or indirectly,
16 reimbursement or indemnification from any source, including but not limited to
17 payment made pursuant to any insurance policy, with regard to any civil penalty
18 amounts that Defendant pays pursuant to the Final Judgment, regardless of whether
19 such penalty amounts or any part thereof are added to a distribution fund or otherwise
20 used for the benefit of investors. Defendant further agrees that he shall not claim,
21 assert, or apply for a tax deduction or tax credit with regard to any federal, state, or
22 local tax for any penalty amounts that Defendant pays pursuant to the Final
23 Judgment, regardless of whether such penalty amounts or any part thereof are added
24 to a distribution fund or otherwise used for the benefit of investors.

25 5. Defendant waives the entry of findings of fact and conclusions of law
26 pursuant to Rule 52 of the Federal Rules of Civil Procedure.

27 6. Defendant waives the right, if any, to a jury trial and to appeal from the
28 entry of the Final Judgment.

1 7. Defendant enters into this Consent voluntarily and represents that no
2 threats, offers, promises, or inducements of any kind have been made by the
3 Commission or any member, officer, employee, agent, or representative of the
4 Commission to induce Defendant to enter into this Consent.

5 8. Defendant agrees that this Consent shall be incorporated into the Final
6 Judgment with the same force and effect as if fully set forth therein.

7 9. Defendant will not oppose the enforcement of the Final Judgment on the
8 ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of
9 Civil Procedure, and hereby waives any objection based thereon.

10 10. Defendant waives service of the Final Judgment and agrees that entry of
11 the Final Judgment by the Court and filing with the Clerk of the Court will constitute
12 notice to Defendant of its terms and conditions. Defendant further agrees to provide
13 counsel for the Commission, within thirty days after the Final Judgment is filed with
14 the Clerk of the Court, with an affidavit or declaration stating that Defendant has
15 received and read a copy of the Final Judgment.

16 11. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims
17 asserted against Defendant in this civil proceeding. Defendant acknowledges that no
18 promise or representation has been made by the Commission or any member, officer,
19 employee, agent, or representative of the Commission with regard to any criminal
20 liability that may have arisen or may arise from the facts underlying this action or
21 immunity from any such criminal liability. Defendant waives any claim of Double
22 Jeopardy based upon the settlement of this proceeding, including the imposition of
23 any remedy or civil penalty herein. Defendant further acknowledges that the Court's
24 entry of a permanent injunction may have collateral consequences under federal or
25 state law and the rules and regulations of self-regulatory organizations, licensing
26 boards, and other regulatory organizations. Such collateral consequences include, but
27 are not limited to, a statutory disqualification with respect to membership or
28 participation in, or association with a member of, a self-regulatory organization. This

1 statutory disqualification has consequences that are separate from any sanction
2 imposed in an administrative proceeding. In addition, in any disciplinary proceeding
3 before the Commission based on the entry of the injunction in this action, Defendant
4 understands that he shall not be permitted to contest the factual allegations of the
5 complaint in this action.

6 12. Defendant understands and agrees to comply with the terms of 17 C.F.R.
7 § 202.5(e), which provides in part that it is the Commission's policy "not to permit a
8 defendant or respondent to consent to a judgment or order that imposes a sanction
9 while denying the allegations in the complaint or order for proceedings," and "a
10 refusal to admit the allegations is equivalent to a denial, unless the defendant or
11 respondent states that he neither admits nor denies the allegations." As part of
12 Defendant's agreement to comply with the terms of Section 202.5(e), Defendant: (i)
13 will not take any action or make or permit to be made any public statement denying,
14 directly or indirectly, any allegation in the complaint or creating the impression that
15 the complaint is without factual basis; (ii) will not make or permit to be made any
16 public statement to the effect that Defendant does not admit the allegations of the
17 complaint, or that this Consent contains no admission of the allegations, without also
18 stating that Defendant does not deny the allegations; (iii) upon the filing of this
19 Consent, Defendant hereby withdraws any papers filed in this action to the extent that
20 they deny any allegation in the complaint; and (iv) stipulates solely for purposes of
21 exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C.
22 § 523, that the allegations in the complaint are true, and further, that any debt for
23 disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant
24 under the Final Judgment or any other judgment, order, consent order, decree or
25 settlement agreement entered in connection with this proceeding, is a debt for the
26 violation by Defendant of the federal securities laws or any regulation or order issued
27 under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C.
28 § 523(a)(19). If Defendant breaches this agreement, the Commission may petition the

1 Court to vacate the Final Judgment and restore this action to its active docket.
2 Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right
3 to take legal or factual positions in litigation or other legal proceedings in which the
4 Commission is not a party.

5 13. Defendant hereby waives any rights under the Equal Access to Justice
6 Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other
7 provision of law to seek from the United States, or any agency, or any official of the
8 United States acting in his or her official capacity, directly or indirectly,
9 reimbursement of attorney's fees or other fees, expenses, or costs expended by
10 Defendant to defend against this action. For these purposes, Defendant agrees that
11 Defendant is not the prevailing party in this action since the parties have reached a
12 good faith settlement.

13 14. Defendant agrees to waive all objections, including but not limited to,
14 constitutional, timeliness, and procedural objections, to the administrative proceeding
15 that will be instituted when the judgment is entered.

16 15. Defendant agrees that the Commission may present the Final Judgment
17 to the Court for signature and entry without further notice.

18 16. Defendant agrees that this Court shall retain jurisdiction over this matter
19 for the purpose of enforcing the terms of the Final Judgment.

20
21 Dated: October 18, 2024


Steven J. Susoeff

22
23 On October 18, 2024, Steven J. Susoeff, a person known to me,
24 personally appeared before me and acknowledged executing the foregoing Consent.




Notary Public
Commission expires: Jan. 7, 2026

1
2 Approved as to form:

3
4 /s/ Kimberly P. Stein

5 KIMBERLY P. STEIN (Nev. Bar No. 8675)
6 3275 South Jones Blvd., Suite 105
7 Las Vegas, Nevada 89146

8 Attorney for Defendant Steven J. Susoeff
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PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION,
444 S. Flower Street, Suite 900, Los Angeles, California 90071
Telephone No. (323) 965-3998; Facsimile No. (213) 443-1904.

On December 20, 2024, I caused to be served the document entitled **CONSENT OF STEVEN J. SUSOEFF** on all the parties to this action addressed as stated on the attached service list:

☐ **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

☐ **PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

☐ **EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

☐ **HAND DELIVERY:** I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

☐ **UNITED PARCEL SERVICE:** By placing in sealed envelope(s) designated by United Parcel Service ("UPS") with delivery fees paid or provided for, which I deposited in a facility regularly maintained by UPS or delivered to a UPS courier, at Los Angeles, California.

☐ **ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

☒ **E-FILING:** By causing the document to be electronically filed via the Court's CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

☐ **FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

I declare under penalty of perjury that the foregoing is true and correct.

Date: December 20, 2024

/s/ Charles E. Canter

Charles E. Canter

SEC v. Steven J. Susoeff, et al
United States District Court—Nevada
Case No. 2:23-cv-00173-JCM-EJY

SERVICE LIST

Kimberly P. Stein, Esq.
kps@fdlawlv.com
FLANGAS LAW GROUP
3275 South Jones Blvd., Suite 105
Las Vegas, Nevada 89146
Phone: (702) 971-2258
Attorney for Defendants Steven J. Susoeff and Steve Susoeff, LLC

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

vs.

**STEVEN J. SUSOEFF and STEVE
SUSOEFF, LLC (dba Meritage
Financial Group),**

Defendants.

Case No. 2:23-cv-00173-JCM-EJY

**FINAL JUDGMENT AS TO STEVEN
J. SUSOEFF**

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant Steven J. Susoeff having entered a general appearance; consented to the
3 Court's jurisdiction over Defendant and the subject matter of this action; consented to
4 entry of this Final Judgment without admitting or denying the allegations of the
5 Complaint (except as to jurisdiction and except as otherwise provided herein in
6 paragraph V); waived findings of fact and conclusions of law; and **waived** any right
7 to appeal from this Final Judgment:

8 I.

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
10 permanently restrained and enjoined from violating Sections 17(a)(1) and 17(a)(3) of
11 the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. §§ 77q(a), in the offer or
12 sale of any security by the use of any means or instruments of transportation or
13 communication in interstate commerce or by use of the mails, directly or indirectly:

14 (i) to employ any device, scheme, or artifice to defraud; or
15 (ii) to engage in any transaction, practice, or course of business which
16 operates or would operate as a fraud or deceit upon the purchaser
17 by, directly or indirectly, (1) creating a false appearance or otherwise deceiving any
18 person, or (1) disseminating false or misleading documents, materials, or information
19 or making, either orally or in writing, any false or misleading statement in any
20 communication with any investor or prospective investor, about:

21 (A) any investment strategy or investment in securities,

22 (B) the prospects for success of any product or company,

23 (C) the use of investor funds,

24 (D) compensation to any person,

25 (E) Defendant's qualifications to advise investors; or

26 (F) the allocation of securities trades among investors or clients.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
28 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also

1 binds the following who receive actual notice of this Final Judgment by personal
2 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
3 attorneys; and (b) other persons in active concert or participation with Defendant or
4 with anyone described in (a).

5 II.

6 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
7 permanently restrained and enjoined from violating, directly or indirectly, Section
8 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C.
9 § 78j(b), and Rules 10b-5(a) and 10b-5(c) promulgated thereunder, 17 C.F.R.
10 §§ 240.10b-5(a), (c), by using any means or instrumentality of interstate commerce,
11 or of the mails, or of any facility of any national securities exchange, in connection
12 with the purchase or sale of any security:

13 (i) to employ any device, scheme, or artifice to defraud; or
14 (ii) to engage in any act, practice, or course of business which operates or
15 would operate as a fraud or deceit upon any person
16 by, directly or indirectly, (1) creating a false appearance or otherwise deceiving any
17 person, or (1) disseminating false or misleading documents, materials, or information
18 or making, either orally or in writing, any false or misleading statement in any
19 communication with any investor or prospective investor, about:

- 20 (A) any investment strategy or investment in securities,
21 (B) the prospects for success of any product or company,
22 (C) the use of investor funds,
23 (D) compensation to any person,
24 (E) Defendant's qualifications to advise investors; or
25 (F) the allocation of securities trades among investors or clients.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
27 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
28 binds the following who receive actual notice of this Final Judgment by personal

1 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
 2 attorneys; and (b) other persons in active concert or participation with Defendant or
 3 with anyone described in (a).

4 III.

5 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
 6 Defendant is permanently restrained and enjoined from violating Section 206(1) and
 7 Section 206(2) of the Investment Advisers Act of 1940 ("Advisers Act"), 15 U.S.C.
 8 §§ 80b-6(1), (2), as an investment adviser by use of the mails or any means or
 9 instrumentality of interstate commerce, directly or indirectly:

10 (i) to employ any device, scheme, or artifice to defraud any client or
 11 prospective client; or
 12 (ii) to engage in any transaction, practice, or course of business which
 13 operates as a fraud or deceit upon any client or prospective client
 14 by, directly or indirectly, (1) creating a false appearance or otherwise deceiving any
 15 person, or (I) disseminating false or misleading documents, materials, or information
 16 or making, either orally or in writing, any false or misleading statement in any
 17 communication with any investor or prospective investor, about:

- 18 (A) any investment strategy or investment in securities,
- 19 (B) the prospects for success of any product or company,
- 20 (C) the use of investor funds,
- 21 (D) compensation to any person,
- 22 (E) Defendant's qualifications to advise investors; or
- 23 (F) the allocation of securities trades among investors or clients.

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
 25 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
 26 binds the following who receive actual notice of this Judgment by personal service or
 27 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and
 28 (b) other persons in active concert or participation with Defendant or with anyone

described in (a).

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$54,232, representing net profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$11,695, and a civil penalty in the amount of \$144,566 in accordance with Securities Act Section 20(d), 15 U.S.C. § 77t(d), Exchange Act Section 21(d)(3), 15 U.S.C. § 78u(d)(3), and Advisers Act Section 209(e), 15 U.S.C. § 80b-9(e). Defendant shall satisfy this obligation by paying \$210,493 to the Securities and Exchange Commission within 30 days after entry of this Final Judgment.

Defendant may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center

Accounts Receivable Branch

6500 South MacArthur Boulevard

Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Steven J. Susoeff as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and

1 interest in such funds and no part of the funds shall be returned to Defendant.

2 The Commission may enforce the Court's judgment for disgorgement and
3 prejudgment interest by using all collection procedures authorized by law, including,
4 but not limited to, moving for civil contempt at any time after 30 days following entry
5 of this Final Judgment.

6 The Commission may enforce the Court's judgment for penalties by the use of
7 all collection procedures authorized by law, including the Federal Debt Collection
8 Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the
9 violation of any Court orders issued in this action. Defendant shall pay post judgment
10 interest on any amounts due after 30 days of the entry of this Final Judgment pursuant
11 to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any interest
12 and income earned thereon (collectively, the "Fund"), pending further order of the
13 Court.

14 The Commission may propose a plan to distribute the Fund subject to the
15 Court's approval. Such a plan may provide that the Fund shall be distributed pursuant
16 to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The
17 Court shall retain jurisdiction over the administration of any distribution of the Fund
18 and the Fund may only be disbursed pursuant to an Order of the Court.

19 Regardless of whether any such Fair Fund distribution is made, amounts
20 ordered to be paid as civil penalties pursuant to this Judgment shall be treated as
21 penalties paid to the government for all purposes, including all tax purposes. To
22 preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or
23 reduction of any award of compensatory damages in any Related Investor Action
24 based on Defendant's payment of disgorgement in this action, argue that he is entitled
25 to, nor shall he further benefit by, offset or reduction of such compensatory damages
26 award by the amount of any part of Defendant's payment of a civil penalty in this
27 action ("Penalty Offset"). If the court in any Related Investor Action grants such a
28 Penalty Offset, Defendant shall, within 30 days after entry of a final order granting

1 the Penalty Offset, notify the Commission's counsel in this action and pay the amount
2 of the Penalty Offset to the United States Treasury or to a Fair Fund, as the
3 Commission directs. Such a payment shall not be deemed an additional civil penalty
4 and shall not be deemed to change the amount of the civil penalty imposed in this
5 Judgment. For purposes of this paragraph, a "Related Investor Action" means a
6 private damages action brought against Defendant by or on behalf of one or more
7 investors based on substantially the same facts as alleged in the Complaint in this
8 action.

9 V.

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
11 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
12 11 U.S.C. § 523, the allegations in the complaint are true and admitted by Defendant,
13 and further, any debt for disgorgement, prejudgment interest, civil penalty or other
14 amounts due by Defendant under this Final Judgment or any other judgment, order,
15 consent order, decree or settlement agreement entered in connection with this
16 proceeding, is a debt for the violation by Defendant of the federal securities laws or
17 any regulation or order issued under such laws, as set forth in Section 523(a)(19) of
18 the Bankruptcy Code, 11 U.S.C. §523 (a)(19).

19 VI.

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
21 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
22 Final Judgment.

23 Dated: December 23, 2024

24 
25 (United States District Judge
26
27
28

PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION,
444 S. Flower Street, Suite 900, Los Angeles, California 90071
Telephone No. (323) 965-3998; Facsimile No. (213) 443-1904.

On December 20, 2024, I caused to be served the document entitled **FINAL JUDGMENT AS TO STEVEN J. SUSOEFF** on all the parties to this action addressed as stated on the attached service list:

☐ **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

☐ **PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

☐ **EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

☐ **HAND DELIVERY:** I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

☐ **UNITED PARCEL SERVICE:** By placing in sealed envelope(s) designated by United Parcel Service ("UPS") with delivery fees paid or provided for, which I deposited in a facility regularly maintained by UPS or delivered to a UPS courier, at Los Angeles, California.

☐ **ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

☒ **E-FILING:** By causing the document to be electronically filed via the Court's CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

☐ **FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

I declare under penalty of perjury that the foregoing is true and correct.

Date: December 20, 2024

/s/ Charles E. Canter

Charles E. Canter

SEC v. Steven J. Susoeff, et al.
United States District Court—Nevada
Case No. 2:23-cv-00173-JCM-EJY

SERVICE LIST

Kimberly P. Stein, Esq.
kps@fdlawlv.com
FLANGAS LAW GROUP
3275 South Jones Blvd., Suite 105
Las Vegas, Nevada 89146
Phone: (702) 971-2258
Attorney for Defendants Steven J. Susoeff and Steve Susoeff, LLC

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6806 / December 30, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22385

In the Matter of

**STEVEN J.
SUSOEFF,**

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") against Steven J. Susoeff ("Susoeff" 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 and the findings contained in paragraphs 1 and 2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

EXHIBIT C

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Susoeff was the sole owner, officer, and control person of Steve Susoeff, LLC dba Meritage Financial Group ("Meritage Financial"), a state-registered investment adviser registered with the states of Nevada and California. Susoeff is 57 years old and a resident of Henderson, Nevada.

2. On December 23, 2024, a final judgment was entered by consent against Susoeff, permanently enjoining him from future violations of Sections 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, as set forth in the judgment entered in the civil action entitled Securities and Exchange Commission v. Steven J. Susoeff, et al., Civil Action Number 2:23-cv-00173-JCM-EJY, in the United States District Court for the District of Nevada.

3. The Commission's complaint alleged that between January 2021 and July 2021, Susoeff and Meritage Financial engaged in a fraudulent cherry-picking scheme in breach of their fiduciary duties to their clients. The Commission's complaint alleged that Susoeff used Meritage Financial's omnibus trading account to disproportionately allocate a number of favorable trades (*i.e.*, trades that had a positive first day return) to three accounts held by his friend, his girlfriend, and himself (the "Favored Accounts"), while disproportionately allocating a number of unfavorable trades (*i.e.*, trades that had negative first day returns) to the accounts his other clients (the "Disfavored Accounts"). The Complaint alleged that as a result, for the time period at issue, the Favored Accounts enjoyed first day positive returns, while the Disfavored Accounts suffered negative first day returns.

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, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Susoeff 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 with the right to apply for reentry after five years to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any application for reentry 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.

By the Commission.

Vanessa A. Countryman
Secretary