

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

StockKings Capital LLC (BD No. 164445)
and Gregory Antonius Lewis (CRD No.
2793976),

Respondents.

Disciplinary Proceeding
No. 2019060648701

Hearing Officer—MJD

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: March 11, 2022

INTRODUCTION

Disciplinary Proceeding No. 2019060648701 was filed on June 28, 2021, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA or Complainant). Respondents StockKings Capital LLC and Gregory Antonius Lewis submitted an Offer of Settlement (Offer) to Complainant dated March 3, 2022. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondents have consented, without admitting or denying the allegations of the Complaint (as amended by the Offer), and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of findings and violations consistent with the allegations of the Complaint (as amended by the Offer), and to the imposition of the sanctions set forth below, and fully

understand that this Order will become part of Respondents' permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

StockKings Capital LLC, BD No. 164445, has been a FINRA member firm since June 21, 2013. StockKings Capital (f/k/a Britannica Capital Partners LLC) maintains a main office in New York, New York and a branch office in St. Petersburg, Florida. It currently conducts a general securities business. The Firm currently has two registered representatives, including Lewis. StockKings Holdings (f/k/a Britannica Holdings, Inc.) is the majority owner of the Firm, owning 75 percent or more of the Firm.

StockKings Capital is, and at all times relevant to the Complaint was, a FINRA member and is subject to FINRA's jurisdiction under Article IV, Section 1 of FINRA's By- Laws.

Gregory Antonius Lewis, CRD No. 2793976, has served as the Firm's CEO since its inception. Lewis is also the majority owner and CEO of StockKings Holdings. In 1996, Lewis first became registered with FINRA as a General Securities Representative (GSR) through his association with a FINRA member firm. He maintained his registration as a GSR through his association with several other FINRA member firms between 2004 and 2011. In 2013, StockKings Capital became a FINRA member firm, and Lewis became registered as a GSR and a General Securities Principal through his association with the Firm.

Lewis is subject to FINRA's jurisdiction under Article V, Section 2 of FINRA's By- Laws.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

SUMMARY

Since 2013, Gregory Antonius Lewis has been the founder, majority owner, and Chief Executive Officer (CEO) of FINRA member StockKings Capital LLC (“StockKings Capital” or the “Firm”). From the time he formed StockKings Capital, Lewis has maintained financial and decision-making control over the Firm.

In 2015, Lewis began raising funds for a business that he told potential investors would aggregate and analyze investor portfolios on a financial technology platform. In a series of unregistered, private securities offerings from 2015 through 2019, Lewis raised more than \$2.7 million for this business. However, Lewis never launched this platform.

In connection with his solicitation efforts, from November 2016 to December 2018, Lewis and the Firm created and transmitted investment materials that made false, exaggerated, misleading, promissory, and unwarranted claims about StockKings Holdings, Inc. (“StockKings Holdings”), StockKings Capital, and StockKings.com—the platform they were purportedly developing. (StockKings Holdings and StockKings Capital are referred to collectively as “StockKings.”) In these documents, Lewis and StockKings: falsely claimed they had received a patent; overstated the progress StockKings had made toward bringing its platform to market; falsely claimed the StockKings.com platform was stalled due to a FINRA materiality consultation; and made baseless and unwarranted valuation claims and revenue projections. As a result, StockKings Capital and Lewis violated FINRA Rules 2210(d)(1) and 2010.

Separately, from January 2017 through September 2019, Lewis used over \$42,000 of StockKings Capital funds to pay for personal expenses. Lewis directed the Firm’s FINOP to misclassify those expenses as business expenses of the Firm. As a result, Lewis caused the Firm to maintain inaccurate books and records, which were in turn used to create FOCUS reports that

inaccurately understated Lewis's compensation and overstated the Firm's expenses. By causing StockKings Capital to maintain inaccurate books and records, Lewis violated FINRA Rules 4511 and 2010. By failing to maintain accurate books and records, StockKings Capital violated Section 17(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rules 17a-3 and 17a-5 thereunder, and it violated FINRA Rules 4511 and 2010.

Finally, StockKings Capital failed to make all of the required disclosures with respect to the intended use of proceeds, offering expenses, and the amount of selling compensation to be paid in its offering documents in 2015 and 2018 and, relatedly, failed to timely file offering documents with FINRA for two separate member private offerings in 2015 and 2018. As a result, StockKings Capital violated FINRA Rules 5122 and 2010.

FACTS

The 2015 Equity Offering

In 2015, the Firm's parent, StockKings Holdings, through Lewis, began raising funds for a business that he told potential investors would aggregate and analyze investor portfolios on an online financial technology platform called MyYTD.com. This platform purportedly would measure brokers' returns and differentiate top-performing brokers from unsuccessful ones. Lewis's business plan was to track and post the profits and losses of participating brokers quarterly and allow investors to change their brokers based on data the site provided.

Pursuant to a private placement memorandum (PPM) dated January 1, 2015, StockKings Holdings engaged in an unregistered, private offering of Class A common stock. According to the PPM, the proceeds from the offering would be used to expand the operations of the Firm, including through the creation of the MyYTD.com platform.

From February 2015 through September 2016, StockKings Holdings raised \$1,555,000 from four investors in the 2015 equity offering. StockKings Capital was required to file the PPM for its parent's offering (a control entity), with FINRA's Corporate Financing Department at or prior to the first time the document was provided to any prospective investor pursuant to FINRA Rule 5122. StockKings Capital did not file the PPM—dated January 1, 2015—with FINRA until April 28, 2017.

The PPM for the 2015 equity offering also lacked certain required disclosures. The PPM did not disclose the offering expenses and the amount of selling compensation to be paid.

By October 2016, Lewis had spent more than \$1.2 million of the funds raised in the 2015 equity offering. However, the MyYTD.com website never became operational.

The 2016 Equity Offering

In late 2016, following the name change from Britannica Capital Partners LLC to StockKings Capital, the Firm's parent, StockKings Holdings, made another equity offering.

Lewis also had a new business model. According to an investor presentation, the new business model included signing up subscribing investors for a \$99 annual fee. The subscribers would forward their portfolio information to StockKings.com, which would analyze and compare the portfolios of subscribers through a purportedly proprietary algorithm. The best performing portfolios would receive a contest prize or gift.

According to the same presentation, the business would initially generate revenue through the annual fee. Later, Lewis expected to sell customer data collected through the site for additional revenue.

On December 12, 2016, the Firm filed a PPM with FINRA for an offering of Class B common stock in StockKings Holdings.

Investors began purchasing stock in the 2016 equity offering in December 2016.

From December 2016 through July 2018, StockKings Holdings, primarily through Lewis, raised \$1,018,000 from 15 investors in the 2016 offering. Lewis invested \$13,000 in this offering.

From late 2016 through early 2018, Lewis took steps to launch the StockKings.com platform.

On February 27, 2018, via videoconference, Lewis presented a platform that he described as a “finished product” to at least seven current investors. Lewis showed a StockKings website, demonstrated how accounts could be linked, and described the algorithm for ranking portfolios. During the presentation, Lewis also told attendees that he needed more investor funds to launch the platform.

Specifically, Lewis explained that he wanted to beta test the platform with 25 to 50 portfolio owners but needed additional investor funds to finance the rewards pool. At Lewis’s invitation, his colleague further stressed during the presentation the importance of the development of a mobile app to expand the platform’s reach and encourage investors to sign up.

By approximately April 2018, however, StockKings Holdings lacked funds and it stopped paying most technical vendors and independent contractors.

No beta testing was ever conducted, and no mobile app was ever operational. No users were ever enrolled on the platform.

The 2018 Convertible Note Offering

In the fall of 2018, the StockKings.com platform was still not operational. By October 2018, Lewis, StockKings Holdings and StockKings Capital had bank accounts with negative balances.

StockKings Holdings held an unregistered, convertible note offering in October 2018. Five investors purchased convertible notes totaling \$146,600 between October 2018 and July 2019.

StockKings Capital did not create a PPM, term sheet, or other offering document describing the intended use of the offering proceeds, the offering expenses, or amount of selling compensation to be paid to StockKings or its associated persons for the 2018 convertible note offering.

On December 13, 2019, the Firm filed a subscription agreement and a sample of the convertible note with FINRA's Corporate Financing Department. Neither the subscription agreement nor the note disclosed the intended use of the offering proceeds, offering expenses, or the amount of selling compensation.

Customers began investing in the 2018 convertible note offering in October 2018.

The Firm's December 13, 2019 filing incorrectly stated that the offering commencement date was "10/17/2019."

The 2019 Equity Offering to PT

In August 2019, StockKings Holdings engaged in an unregistered, private offering of Series A Preferred Stock. This is a different series than the Class A Common Stock issued to the 2015 StockKings Holdings (then known as Britannica Holdings) equity offering investors and the Class B Common Stock issued to the 2016 StockKings Holdings equity offering investors.

On August 14, 2019, investor PT wired \$100,000 to StockKings Holdings. According to an undated Subscription Agreement, the \$100,000 was in exchange for 745,745 shares of Series A Preferred Stock of StockKings Holdings.

StockKings Capital and Lewis Made False, Exaggerated, Misleading, Promissory and Unwarranted Claims in Communications with the Public

In four communications with the public between November 2016 and December 2018, the Firm, by and through Lewis, made false, exaggerated, misleading, promissory, and unwarranted claims about StockKings.

As alleged below, Lewis made baseless and unwarranted valuation claims and revenue projections, he made misleading claims about the status of a patent and the overall progress made on the StockKings.com platform, and he falsely claimed that delays in the StockKings.com platform were attributable to a stalled FINRA membership application process.

(i) The November 2016 Investor Presentation

In December 2016, Lewis distributed an investor presentation, dated November 2016 (the “November 2016 Investor Presentation”), to at least three investors and 11 prospective investors.

In the November 2016 Investor Presentation, Lewis made valuation projections for StockKings. The presentation projected that StockKings would have a value of over \$385 million by its third year in operation without adequately explaining how StockKings would achieve that valuation, including significant assumptions about the operation of its platform, revenue, or subscribers inherent in the valuation model.

The November 2016 Investor Presentation also projected that StockKings would make annual revenue of over \$22 million by the third year of the platform’s operation, based on annual subscription fees received from more than 100,000 projected subscribers, but again failed to provide a basis for evaluating how speculative those projections were given that there was no operational platform and no subscribers at the time.

StockKings compared itself to Airbnb, an online marketplace for lodging, and Betterment, a well-known roboadvisor. The November 2016 Investor Presentation called Airbnb and Betterment, “similarly horizontal platforms,” but did not provide any explanation of the similarities or differences between these three companies.

The November 2016 Investor Presentation did not reasonably explain the risks of accurately valuing a company or projecting future revenue for a company with no existing platform or saleable product, no subscribers, and no operating income.

(ii) The December 2017 Confidential Information Memorandum

In December 2017, Lewis distributed a “Confidential Information Memorandum” to 16 existing and 11 potential investors (the “December 2017 Memorandum”).

The December 2017 Memorandum stated that StockKings Holdings “has received a utility patent for its proprietary portfolio ranking system.”

At the time, however, Lewis had only filed a patent application, which he later abandoned.

The December 2017 Memorandum also claimed that StockKings achieved, or would achieve, a milestone in 2017—namely, a “StockKings.com Beta Website Launch.”

No beta launch occurred in 2017 or at any time thereafter. Indeed, in 2017, the platform was not operational.

The December 2017 Memorandum failed to set forth the risk of the beta launch not occurring in 2017.

The December 2017 Memorandum also stated that StockKings expected to earn over \$2.3 million from 26,000 individual investors and 74 “enterprise subscribers” in 2018. The memorandum further projected that revenues from individual subscriptions and enterprise

subscriptions would grow to over \$10.5 million in 2019, \$24.3 million in 2020, \$40.7 million in 2021 and \$58 million in 2022.

The December 2017 Memorandum, like the November 2016 Investor Presentation, did not explain the basis for these projections, including significant assumptions about the operation of its platform, revenue, or subscribers inherent in the projections.

The December 2017 Memorandum further stated that the “current valuation” of StockKings.com was \$40 million, but did not provide any basis for that valuation.

The December 2017 Memorandum compared StockKings.com to successful, well-known roboadvisors such as Betterment and Wealthfront, without describing the similarities or differences between StockKings and those businesses.

The December 2017 Memorandum went on to suggest that if StockKings performed like an “average start-up,” the company could be acquired for over \$240 million.

At the time of the December 2017 Memorandum, StockKings did not explain how it was going to achieve these projections or valuation given that it did not have an operating platform and had no individual or enterprise subscribers.

(iii) Investor Communications in 2018

In late 2018, while StockKings was attempting to raise additional capital through the convertible note offering, Lewis and StockKings Capital sent an email to an early investor and, separately, an investor letter to at least 16 current and prospective investors, both falsely stating that its progress was stalled as a result of FINRA membership application processes.

Specifically, in a November 26, 2018 email to investor RA, Lewis explained that StockKings was ready to begin beta testing, but had put the testing on hold because the “company received a request from its regulators to file a materiality agreement regarding its

platform rollout plans.” The November 26th email further explained, “[t]he firm, with assistance of it’s [sic] legal counsel has been working with regulators to satisfy [the request for a materiality consultation] and anticipated a delay of up to 6 months or more for the regulators to complete their review.”

An investor letter dated December 3, 2018, that Lewis sent to 16 current and prospective investors conveyed a similar message. The December 3rd letter stated that StockKings had completed its platform build-out, but that FINRA had recently recommended that the company “delay[] our beta launch and do a Materiality filing.” The letter stated that Lewis “decided to work with regulators to” make a materiality filing, which was a “setback,” and “could take up to 6 month or possibly longer.” The letter went on to state that the company would “[c]ontinue to work with the regulators to launch [the] platform.”

Lewis knew that his representations about a materiality filing with FINRA were misleading and false at the time he made them in late 2018.

Lewis inaccurately indicated that FINRA suggested a materiality consultation in late 2018, when in fact, he had communications about such a filing with FINRA more than six months earlier. In May 2018, in his response to a FINRA exam report, Lewis stated that StockKings would make a filing with FINRA’s Membership Application Program Group “within this month because it is clear to me that Staff feels it is necessary.”

However, neither Lewis nor StockKings Capital requested a materiality consult or filed an application for continuing membership between May 2018 and the December 2018 investor letter. Lewis similarly did not make any such filing after the December 2018 investor letter.

Contrary to Lewis’s statements, FINRA never required Lewis or StockKings Capital to delay the platform development and make a materiality filing.

Lewis Falsely Classified His Personal Expenses as Business Expenses of the Firm

Lewis did not have a formal compensation agreement with StockKings Capital. However, Lewis had sole access to StockKings Capital's three bank accounts and held the debit cards linked to those accounts.

From January 2017 through September 2019, Lewis withdrew approximately \$42,000 from StockKings Capital's bank accounts to pay for personal purchases and as cash withdrawals. He then reported these personal expenditures to StockKings Capital's FINOP as business expenses and directed the FINOP to classify them as business expenses on the Firm's books and records.

Many of Lewis's personal purchases from the StockKings Capital accounts were allocated to "Office Expense" on the Firm's general ledger. These purchases, however, were unrelated to the Firm's business. Lewis did not maintain receipts to document the alleged business purposes of these expenses, nor did he provide receipts to the Firm's FINOP for these expenses. These expenses include:

- Fifty-four purchases at Duane Reade in New York from January 17, 2017 through January 29, 2019 for a total of \$983.12;
- Nine purchases at TJ Maxx in New York, NY recorded from January 30, 2017 through July 31, 2018 for \$776.14;
- Eleven purchases at No. 1 Farmer's Market in New York, NY from July 31, 2017 to August 6, 2018 for \$228.58;
- Three purchases for Device Tracker Plus totaling \$29.25 on May 7, June 6, and July 6, 2018;

- Two purchases at GNC in New York, NY recorded on June 15, 2018 and August 9, 2018 for \$9.20 and \$9.53;
- Debit-card purchases at Best Buy in New York, NY recorded on July 13 and July 30, 2018 for \$32.65 and \$32.65;
- Debit-card purchases at New Wendy Laundromat in New York, NY recorded on July 16, 2018 and August 13, 2018 for \$14.00 and \$130.00, respectively;
- One purchase at Eyebrow Designer in St. Petersburg, FL recorded on September 5, 2018 for \$23.00;
- One purchase at Findy Cigar Corp. in Tampa, FL recorded on September 12, 2018 for \$38.52; and
- One purchase at Zara in Miami Beach, FL on September 17, 2018 for \$115.23.

Many of Lewis's purchases from the StockKings Capital accounts were personal charges for food, alcohol, and other personal entertainment that were allocated as business expenses for "Meals and Entertainment" on the Firm's general ledger. These expenses include:

- Forty purchases at Publix grocery stores in Florida from December 1, 2017 to September 13, 2018 totaling \$2,545.50;
- Sixteen purchases from Pick A Bagel in New York, NY from May 8 to August 13, 2018 totaling \$222.35;
- Six purchases at 7-Eleven in St. Petersburg, FL from May 22, 2018 to September 18, 2018 totaling \$62.26;
- Twelve purchases from Golden Krust Caribbean Bakery in New York and Florida from June 4, 2018 to September 13, 2018 totaling \$186.62;

- Five purchases from Flippers Pizzeria in St. Petersburg, FL from June 5, 2018 to May 28, 2019 totaling \$172.99;
- Two debit-card purchases at Woody Liquors & Wines in New York recorded on June 20, 2018 and July 30, 2018 totaling \$28.28;
- A debit-card purchase at Playland amusement park in New York recorded on July 11, 2018 for \$60.00;
- Seven purchases from Chipotle Mexican Grill in New York and Florida from January 9, 2018 to September 4, 2018 totaling \$121.05; and
- A purchase at Mr. R Sports, a Miami Beach, Fla. sneaker store recorded on September 17, 2018 for \$85.58.

All of these personal expenses were improperly characterized as business expenses.

Lewis also made a purchase at Victoria's Secret in St. Petersburg, FL on September 5, 2018 for \$124.66, and a purchase at Tiffany Nail & Spa in St. Petersburg, FL on September 6, 2018 for \$78.00 from the StockKings Capital accounts, both which were allocated as "other business expenses" on the StockKings Capital general ledger.

All of these personal expenses were improperly characterized as business expenses.

Using his debit cards from the StockKings Capital accounts, Lewis made small purchases at grocery stores, and then requested hundreds of dollars of cash back, allocating those expenses on the StockKings Capital ledger as "Meals and Entertainment." Lewis made debit charges at Whole Foods for \$1,757.35; however, \$1,700 was due to cash back. Specifically:

- Lewis recorded three purchases from Whole Foods in New York, NY on June 29, 2018 for \$1.02, \$6.74, and \$3.30. After each purchase, Lewis received \$100 cash back each time for a total of \$300.

- Three days later on July 2, 2018, Lewis recorded purchases from Whole Foods in New York, NY for \$9.79, \$1.99, and \$2.40, and received \$100 cash back each time for a total of \$300.
- Lewis recorded four purchases from Whole Foods in Miami Beach, FL on September 28, 2018 for \$2.73, \$0.49, \$6.06, and \$0.49, and received \$100 cash back each time for a total of \$400.
- Three days later on October 1, 2018, Lewis recorded purchases from Whole Foods in Miami Beach, FL for \$10.49, \$0.49, \$1.95, \$0.39, and \$0.39, and received \$100 cash back for each time for a total of \$500.
- One day later on October 2, 2018, Lewis recorded two purchases from Whole Foods in Miami Beach, FL for \$3.95 and \$4.68, and received \$200 cash back.

In addition, between January 2017 and September 2019, Lewis withdrew money 107 times from the StockKings Capital accounts for a total of \$15,605.33. One hundred and six of those withdrawals were misclassified on the general ledgers as “Meals & Entertainment.”

Lewis reported each of the above alleged personal expenditures to the Firm’s FINOP as business expenses. In turn, the FINOP recorded Lewis’s “business expenditures” as such on the Firm’s general ledger. Lewis never provided the FINOP receipts for his expenses, and when asked about the expenses, he always told his subordinate that the charges were business related. The FINOP took Lewis’s responses at face value.

As a result, StockKings Capital’s 2017, 2018, and 2019 general ledgers were inaccurate. The Firm dramatically overstated StockKings Capital’s business expenses and understated the amount of distributions to Lewis. From January 2017 through September 2019, Lewis directed the Firm to pay more than \$42,000 directly from its bank accounts for his personal purchases and

cash withdrawals, and he directed the Firm to mischaracterize his personal expenses as business expenses. During the January 2017 through September 2019 time period, the firm therefore overstated its business expenses by 13.3%. Specifically, in 2018, StockKings Capital overstated its business expenses by 29.5%. In 2019, the Firm overstated its business expenses by 9.6%.

The FINOP used the Firm's 2017, 2018, and 2019 general ledgers to prepare the Firm's FOCUS reports. As a result of Lewis directing the FINOP to misclassify his personal expenses as business expenses, these FOCUS reports understated the amount of distributions to Lewis and overstated StockKings Capital's other expenses.

FIRST CAUSE OF ACTION

False and Misleading Communication in Marketing Material

(Violations of FINRA Rules 2210(d)(1) and 2010 as to StockKings and Lewis)

FINRA Rules 2210(d)(1)(A) and (B) govern the content standards of substantive communications with the public. The rules state that "communications must be based on principles of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating the facts in regard to any particular security or type of security, industry, or service." The rules prohibit "any false, exaggerated, unwarranted, promissory or misleading statement or claim in any communication."

A violation of Rule 2210 also violates FINRA Rule 2010, which states that "[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade."

During the period from November 2016 to December 2018, Lewis, on behalf of StockKings Capital, drafted and disseminated to StockKings investors and potential investors

communications that contained false, exaggerated, misleading, unwarranted, and promissory information and omitted material facts.

Lewis's email to investor RA on November 26, 2018 and his investor letter on December 3, 2018 constitute correspondence under Rule 2210 and violated Rule 2210(d)(1)(B).

Both communications falsely indicated that the progress of the StockKings.com launch was delayed because Lewis was working to make a materiality filing with FINRA. Lewis's statement in the November 26, 2018 email to investor RA that the "firm, with assistance of it's [sic] legal counsel has been working with regulators to satisfy [the request for a materiality consultation] and anticipated a delay of up to 6 months or more for the regulators to complete their review" was false.

Similarly, Lewis's statement in his December 3, 2018 letter to investors that StockKings had recently "decided to work with regulators to" make a materiality filing, which was a "setback," and "could take up to 6 month or possibly longer," was similarly false.

Both communications indicated that StockKings' platform development was delayed due to a required FINRA review process, which was false.

Additionally, the communications falsely suggested that the Firm was working with regulators to launch the StockKings.com platform.

Finally, the communications falsely suggested that his discussions with FINRA regarding a materiality filing were recent, when in fact he had communicated with FINRA about a filing at least six months before he made this statement to investors.

Separately, in December 2017, Lewis distributed a "Confidential Information Memorandum" to 27 existing or potential investors. The December 2017 Memorandum falsely

claimed that StockKings had received a utility patent. It did not have a utility patent at that time and has not received a utility patent since.

It also exaggerated the progress made to get the platform up and running, including claiming StockKings had achieved (or would achieve) the milestone of a beta launch in 2017, which never occurred.

The December 2017 Memorandum further included unwarranted revenue forecasts that failed to provide investors with a sound basis to evaluate the facts. Specifically, the December 2017 Memorandum claimed StockKings expected to earn over \$2.3 million from 26,000 individual investors and 74 “enterprise subscribers” in 2018, and further projected that revenues from individual subscriptions and enterprise subscriptions would grow to over \$10.5 million in 2019, \$24.3 million in 2020, \$40.7 million in 2021 and \$58 million in 2022.

At the time of the December 2017 Memorandum, however, StockKings had no working platform and no individual or enterprise subscribers. The December 2017 Memorandum did not explain the significant assumptions about the operation of its platform, revenue, or subscribers inherent in the projections.

The December 2017 memorandum further stated that the “current valuation” of StockKings.com was \$40 million, but did not explain significant assumptions that provided the basis for that valuation.

The December 2017 Memorandum went on to make the unwarranted suggestion that if StockKings performed like an “average start-up,” the company could be acquired for over \$240 million. The presentation did not provide a sound basis for evaluating this projection.

The December 2017 Memorandum failed to balance the discussion of the features and potential benefits of the StockKings Holdings offering with corresponding risks, including

explaining the risks of accurately valuing a company or projecting future revenue for a company with no operating income, no existing platform or saleable product, and no individual or enterprise subscribers.

Similarly, Lewis distributed the November 2016 Investor Presentation, which contained unwarranted projections that failed to provide investors with a sound basis to evaluate the facts.

Specifically, the November 2016 Investor Presentation claimed StockKings would make annual revenue of over \$22 million by the third year of the platform's operation based on annual subscription fees received from more than 100,000 projected subscribers.

Additionally, the presentation made a projection that the company would have a value of over \$385 million by its third year in operation without providing a sound basis to evaluate this projection and made an unwarranted comparison of StockKings to Airbnb and Betterment.

At the time, StockKings had no working platform, no subscribers and no operating income.

By virtue of the foregoing, Lewis and StockKings Capital violated FINRA Rules 2210(d)(1) and 2010.

SECOND CAUSE OF ACTION

Failure to Provide Written Disclosures in Private Placement Offering

(Violation of FINRA Rules 5122 and 2010 as to StockKings Capital)

FINRA Rule 5122(b)(1) requires that a member or associated person offering or selling a security in a Member Private Offering must provide each prospective investor a private placement memorandum, term sheet, or other offering document containing "disclosures addressing: (i) intended use of the offering proceeds; and (ii) offering expenses and the amount of selling compensation that will be paid to the member and its associated persons."

FINRA Rule 5122(b)(2) requires that the “member must file the private placement memorandum, term sheet or such other offering document with the Corporate Financing Department at or prior to the first time the document is provided to any prospective investor.”

FINRA Rule 5122(a) defines a “member private offering” as “a private placement of unregistered securities issued by a member or a control entity.”

A violation of FINRA Rule 5122 also violates FINRA Rule 2010.

StockKings Capital began to raise money in the 2015 equity offering in February 2015. The PPM provided to prospective investors for the 2015 equity offering failed to disclose the offering expenses and the amount of selling compensation to be paid. As a result, the firm failed to make required disclosures to prospective investors in the 2015 equity offering.

Further, the firm did not file the PPM for the 2015 equity offering with FINRA until April 2017. As a result, the firm failed to timely file with FINRA the required offering documents relating to the 2015 equity offering, and the documents it did file with FINRA did not make the required disclosures.

In the 2018 convertible note offering, StockKings Capital issued a subscription agreement and note to investors. Neither the subscription agreement nor note disclosed the intended use of the offering proceeds, the offering expenses, or amount of selling compensation to be paid. StockKings Capital also did not create a PPM, term sheet, or other offering document with these required disclosures. As a result, the firm failed to make required disclosures to prospective investors in the 2018 convertible note offering.

Customers began investing in the 2018 convertible note offering in October 2018.

StockKings Capital did not file any offering documents relating to the 2018 convertible note offering with FINRA until December 2019. The documents the firm filed with FINRA

relating to the 2018 convertible notes failed to disclose the offering expenses and the amount of selling compensation to be paid. As a result, the firm failed to timely file with FINRA the required offering documents relating to the 2018 convertible note offering, and the documents it did file with FINRA did not make the required disclosures.

By virtue of the foregoing, StockKings Capital violated FINRA Rules 5122 and 2010.

THIRD CAUSE OF ACTION

Inaccurate Books and Records and Focus Reports

(Violations of Section 17(a) of the Exchange Act and Rules 17a-3 and 17a-5 thereunder as to StockKings Capital, and Violations of FINRA Rules 4511 and 2010 as to StockKings Capital and Lewis)

Section 17(a)(1) of the Exchange Act requires firms to create and maintain records of business operations in conformity with underlying rules set forth by the Securities and Exchange Commission, including Rules 17a-3 and 17a-5.

Exchange Act Rule 17a-3(a)(2) requires member firms to make and keep ledgers or other records reflecting all assets and liabilities, income and expenses, and capital accounts.

Exchange Act Rule 17a-5(a)(2)(iii) requires non-carrying, non-clearing member firms such as StockKings Capital to file FOCUS reports containing Part IIA of Form X-17A-5 at least on a quarterly basis.

FINRA Rule 4511(a) requires members and associated persons to make and preserve books and records as required under FINRA rules, the Exchange Act, and the applicable Exchange Act rules.

Failing to make and preserve accurate books and records and failing to file accurate reports in accordance with the Exchange Act, and the applicable Exchange Act rules violates

Rule 2010 because it is conduct that is inconsistent with high standards of commercial honor and just and equitable principles of trade.

As alleged above, Lewis caused StockKings Capital to misclassify more than \$40,000 of his personal expenses as business expenses of the Firm on StockKings Capital's general ledger and in other of the Firm's books and records for the years 2017, 2018, and 2019.

Lewis directed the Firm's FINOP to classify his personal expenses as business expenses of the Firm in expense categories such as "Meals & Entertainment," "Travel," "Office Expense," and "Other expense" on StockKings Capital's general ledger for the years 2017, 2018, and 2019, causing StockKings Capital's books and records to be inaccurate by overstating its business expenses in those categories and by understating its distributions to Lewis.

By virtue of the foregoing, Lewis and StockKings Capital violated FINRA Rules 4511 and 2010.

By virtue of the foregoing, StockKings Capital violated Section 17(a) of the Exchange Act and Rules 17a-3 and 17a-5 thereunder.

Based on the foregoing, Respondent StockKings Capital violated FINRA Rules 2210(d)(1), 5122, 4511 and 2010 and Section 17(a) of the Exchange Act and Rules 17a-3 and 17a-5 thereunder. Based on the foregoing, Respondent Gregory Antonius Lewis violated FINRA Rules 2210(d)(1), 4511 and 2010.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondents from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondents be sanctioned as follows:

- a censure for StockKings Capital LLC;
- a seven-month suspension from association with any FINRA member in any capacity for Gregory Antonius Lewis;
- a joint and several fine of \$85,000 for StockKings Capital LLC and Gregory Antonius Lewis; and
- a fine of \$15,000 for StockKings Capital LLC.

Respondents agree to pay the monetary sanctions upon notice that this Offer has been accepted and that such payments are due and payable. Respondents have submitted an Election of Payment form showing the method by which they propose to pay the fine imposed.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

SO ORDERED.

FINRA

Signed on behalf of the
Director of ODA, by delegated authority

Michael P. Morrissey

Michael P. Morrissey
Principal Counsel
FINRA Department of Enforcement
581 Main Street, 7th Floor
Woodbridge, NJ 07095