

Bond Case Briefs

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SEC Charges Municipal Advisor with Failing to Register with the Commission.

November 26, 2024 - The Securities and Exchange Commission today announced settled charges against Level Field Charter Partners, LLC (“Level Field”) and one its partners, David Endom (“Endom”), for failing to register as a municipal advisor and for failing to disclose material facts about the firm’s registration status to their charter school clients.

The SEC’s order finds that from April 2019 through December 2022, Level Field and Endom provided municipal advisory services to four charter schools in connection with six bond offerings. Those services included advice on the structure, timing, and terms of the offerings, coordinating the credit rating process, providing information on debt financing structuring options, including the sale of municipal securities, assisting in the selection of other parties to the bond financings, including underwriters, bond counsel, and municipal advisors, advising on current interest rates, participating in the bond pricing process, and making substantive edits to key transaction documents. Level Field and Endom did not disclose to their clients that the firm was not a registered municipal advisor.

The order charges Level Field with a willful violation of Section 15B(a)(1)(B) of the Securities Exchange Act of 1934 (“Exchange Act”), and charges Endom with causing Level Field’s violation. The order also charges Level Field and Endom with willful violations of MSRB Rule G-17 and Exchange Act Section 15B(c)(1). Without admitting or denying the findings in the order, Level Field and Endom agreed to be censured and to cease-and-desist orders. Level Field also agreed to pay a civil penalty of \$75,000, disgorgement of \$25,007.38, and prejudgment interest of \$2,798.94. Endom agreed to pay a civil penalty of \$40,000.

The SEC’s investigation was conducted by Cori Shepherd Whitten and Warren Greth, and supervised by Ivonia Slade and Rebecca Olsen, all of the Enforcement Division’s Public Finance Abuse Unit.