STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
SECURITIES DIVISION
1511 PONTIAC AVENUE, BUILDING 69
CRANSTON, RHODE ISLAND 02920

IN THE MATTER OF:

MORGAN STANLEY SMITH BARNEY LLC

CONSENT AGREEMENT

I. INTRODUCTION

This Consent Agreement ("Agreement") is entered into by the Rhode Island Department of Business Regulation Division of Securities (the "Department") and Morgan Stanley Smith Barney LLC ("Morgan Stanley") (collectively, the "Parties") with respect to Rhode Island-based conduct of Morgan Stanley Financial Advisors comparable to that described in the Consent Order entered into between Morgan Stanley and the Massachusetts Securities Division on April 7, 2017 (Docket No. E-2016-0055). The Parties have determined to resolve this matter, after a preliminary regulatory investigation conducted by the Department, but without the commencement of administrative proceedings.

Morgan Stanley neither admits nor denies the Statement of Facts set forth in Section V and the Violation of Law set forth in Section VI, herein. The Parties agree to the execution of this Agreement for the purpose of concluding the Department's preliminary regulatory inquiry.

II. JURISDICTION AND AUTHORITY

1. The Securities Division is a Division within the Rhode Island Department of Business Regulation with jurisdiction over matters relating to securities as provided for by Rhode Island Uniform Securities Act of 1990, (the "RIUSA", the "Act"). The Act authorizes the Division to regulate: 1) the offers and/or sales of securities; 2) those persons offering and/or selling securities

within the State; and 3) those persons transacting business as sales representatives within the State.

2. This Consent Agreement is entered into pursuant to the authority conferred upon the Department in the R.I. GEN. LAWS §§7-11-212, 7-11-602, 7-11-710 and 42-14-1 *et seq.* wherein the Department has the authority to impose sanctions to enforce the provisions of the Act and all regulations and rules promulgated thereunder.

III. RELEVANT TIME PERIOD

3. Except as otherwise expressly stated, the conduct described herein occurred during the approximate time period of September 1, 2013 and April 30, 2015 (the "Relevant Time Period").

IV. MORGAN STANLEY

4. Morgan Stanley Smith Barney LLC (hereinafter "Morgan Stanley") is a Delaware limited liability company with a principal place of business located at 2000 Westchester Avenue, Purchase, New York 10577-2530. According to the Delaware Department of Corporations, Morgan Stanley first incorporated on February 2, 2009. Morgan Stanley has a Financial Industry Regulatory Authority Central Registration Depository number of 149777. Morgan Stanley has been registered as a broker-dealer in the State of Rhode Island since May 22, 2009.

V. STATEMENT OF FACTS

A. Morgan Stanley Encouraged Cross-Selling Banking & Lending Products

5. In the wake of the 2008 Financial Crisis, Morgan Stanley placed a greater emphasis on its wealth management business.

6. Morgan Stanley enters into arrangements with Morgan Stanley Private Bank, National Association ("MSPB") to assist in offering certain banking and lending related products and services.

7. MSPB lends money to Morgan Stanley's brokerage and advisory clients.

8. Morgan Stanley's business model encouraged the sale of MSPB products and services to Morgan Stanley customers, including Rhode Island residents.

9. Morgan Stanley placed particular emphasis on securities-based lending, including a form of securities-based loan known as a Portfolio Loan Account ("PLA").

10. PLAs allow Morgan Stanley customers to borrow money against the value of the securities in their investment accounts, with the customer's securities serving as collateral for the loan.

11. Morgan Stanley's focus on banking and lending paid dividends – in 2014, Morgan Stanley drove new production records in securities-based lending.

a. Morgan Stanley Promoted Banking & Lending Products to Clients

12. Morgan Stanley Financial Advisors ("Financial Advisors" or "FAs") are responsible for managing Morgan Stanley client relationships.

13. Morgan Stanley hired Private Bankers to work with Financial Advisors to introduce, among other things, securities-based lending capability to clients.

14. In an effort to boost lending production, Morgan Stanley Private Bankers aimed to introduce securities-based lending to the client base of assigned Financial Advisors.

15. Morgan Stanley sales assistants inserted securities-based lending materials with account opening paperwork to ensure the introduction of securities-based lending capability and prompt client response during new account openings.

16. Morgan Stanley marketed PLAs to its clients as a way to "Unlock the Value of Your Portfolio."

17. Morgan Stanley's internal-use materials recommended that Financial Advisors look for specific triggers as catalysts to offer clients securities-based lending products.

18. Morgan Stanley internal-use materials suggested that Financial Advisors encourage their clients to open a line of credit that would permit a client to borrow money in the future even if the client had no current intent to draw on the line of credit. There was no charge for opening a line of credit.

19. One internal document used by MetroWest Private Bankers illustrates that 25% of Morgan Stanley clients utilized their securities-based loan within a month of its opening, while 37% of Morgan Stanley clients utilized their securities-based loan within eighteen months of its opening.

20. Internal-use materials highlighted the benefits of securities-based lending.

b. Morgan Stanley Incentivized Financial Advisors to Introduce Banking Products to Clients

21. Morgan Stanley changed its Financial Advisor Compensation Plan to promote the sale of lending products and services, including securities-based lending products.

22. According to the Banking & Lending Award Grid of Morgan Stanley's 2014 Financial Advisor Compensation Plan, Financial Advisors could receive a net award between 35 and 50 basis points of their banking and lending growth if they reached certain thresholds.

23. At all times during the Relevant Time Period, Morgan Stanley sales assistants received $50 for each processed PLA application.

24. The MetroWest Complex Manager (the "Complex Manager") received twenty-five basis points on the profitability of the overall business in MetroWest on a quarterly basis.

B. MetroWest Created an Incentive Program Relating to Securities-Based Loans

a. Structure of Incentive Program

25. To incentivize Financial Advisors to offer securities-based lending products to clients, the Complex Manager developed an Incentive Program (referred to internally as a Business

Development Pilot Program) for thirty MetroWest Financial Advisors in late 2013 (the "Incentive Program").

26. The Financial Advisors participating in the Incentive Program were located at five Morgan Stanley branch offices, one of which was located in Rhode Island.

27. During the 2014 iteration of the Incentive Program, ten of thirty participating Financial Advisors, and one of three participating Private Bankers, were based in Rhode Island.

28. Approximately 18% of the loan accounts opened by Financial Advisors participating in the Incentive Program were opened by Rhode Island residents. Approximately 14% of the loan accounts opened and eventually drawn upon were opened by Rhode Island residents.

29. The Complex Manager supervised all of the Morgan Stanley branches and employees involved in the Incentive Program.

30. The Associate MetroWest Manager and three MetroWest Private Bankers assisted in the development and implementation of the Incentive Program.

31. The Complex Manager, with the assistance of MetroWest Private Bankers, implemented the Incentive Program in the first quarter of 2014.

32. The Incentive Program covered banking and lending products, including PLAs, mortgages, and tailored loans.

33. The Incentive Program set sales goals and established an incentive structure that promoted the opening of MSPB accounts to Morgan Stanley customers by Financial Advisors and Private Bankers.

34. The Incentive Program gave additional business development allowances ("BDAs") to participating Financial Advisors for meeting preset banking and lending production thresholds.

35. As part of Morgan Stanley's Financial Advisor Compensation Plan, Financial Advisors received BDAs at the beginning of each year for business development purposes.

36. BDA allocations are generally based on a Financial Advisor's gross revenue from the prior year.

37. According to Morgan Stanley's 2014 Financial Advisor Compensation Plan, Financial Advisors earned between $250 and $25,000 in BDAs depending on their gross revenue from the prior year. Morgan Stanley's BDA funds are available "for business development purposes such as client entertainment, seminars, and/or marketing materials."

38. Financial Advisors participating in the Incentive Program would earn $1,000 in additional BDA if they initiated ten lending relationships during 2014, $3,000 if they initiated twenty lending relationships in this period, and $5,000 if they initiated thirty or more lending relationships in this period.

39. If awarded, the $5,000 available under the Incentive Program would represent a meaningful increase in the BDA allocated to each Financial Advisor as part of Morgan Stanley's 2014 Financial Advisor Compensation Plan.

40. For example, a Morgan Stanley Financial Advisor whose gross revenue for the prior year falls between $2,500,000 and $5,000,000 earns $15,000 in BDAs; the $5,000 available under the Incentive Program would lead to an increase of over 33% in BDA available for use by the Financial Advisor in the relevant year.

41. On February 25, 2014, MetroWest held a kick-off webinar for the Incentive Program ("Incentive Program Kick-Off") and congratulated participating Financial Advisors via e-mail on being selected for the Incentive Program.

42. The Incentive Program Kick-Off informed participating Financial Advisors of the resources available to them during the Incentive Program, including, "Access to resources for planning/funding client events," "Access to specialized training and resources," "Dedicated access" to Private Banking Advisory Associates and "Priority Access" to Private Bankers, and "BDA incentive[.]"

43. As part of the Incentive Program Kick-Off, MetroWest Private Bankers requested that Financial Advisors draft a list of their clients to be contacted about securities-based loans.

b. Morgan Stanley Management had Knowledge of the Incentive Program

44. The Regional Director for Morgan Stanley's New England Region (the "Regional Director") had an opportunity to learn of the Incentive Program as early as January 28, 2014, when the New England Business Development Officer mentioned certain aspects of the Incentive Program in an e-mail.

45. The Regional Director, in response to this email, stated "Nice recap. How do you recommend we reiterate/reinforce?"

46. Additional internal e-mails stated that the Regional Director knew of and approved the Incentive Program.

47. In a March 27, 2014 e-mail, one Metro-West Private Banker stated, "B&L [banking and lending] for BDA Incentive: Created in conjunction with [Complex Manager] and [Business Development Manager]. Each banker identified 3 high opportunity FAs. To incent FAs to do the business [Complex Manager] has agreed to give them additional BDA for hitting unit goals. [Regional Director] ok'd during our [Quarterly Business Review.]" The Regional Director was not copied on this e-mail.

c. The Incentive Program Created Financial Advisor Incentives

48. The Complex Manager built the Incentive Program on financial incentives.

49. The Complex Manager utilized BDA as an incentive to ensure the success of the Incentive Program

50. Some Participating Financial Advisors were excited about and responded to the BDA incentive offered under the Incentive Program.

51. In a February 25, 2014 e-mail sent immediately following the Incentive Program Kick-Off, one Financial Advisor asked, "Does the bonus stop at 30 PLA's? What if we do 60?? Does that double the bonus to our team??? You know how we are about BDA money!!!"

52. In a January 30, 2014 e-mail, one MetroWest Private Banker, while referring to the additional BDA as a "bonus," stated, "Let's do our best to max this out. I want to make a big splash here to encourage [Complex Manager] to continue these initiatives."

53. Sales assistants within MetroWest also benefited from the banking and lending business generated by the Incentive Program.

54. In March 2014, a MetroWest Private Banker informed Incentive Program participants that sales assistants could earn unlimited compensation for PLAs.

55. During the Incentive Program, a total of $4,645 in supplemental BDA was used by Rhode Island-based Financial Advisors in the Incentive Program. A large percentage was used to entertain clients, including such items as client meals, drinks, and gifts.

56. Morgan Stanley disclosed that Financial Advisors received compensation in connection with portfolio loan accounts and that the amount they earned fluctuated with the applicable interest rate and outstanding balance. Morgan Stanley's position is that BDA was not compensation to Financial Advisors and therefore the Incentive Program need not be disclosed to clients.

d. Morgan Stanley Encouraged Financial Advisors to Cross-Sell Bank Products and Tracked Results

57. In addition to the BDA incentive, the Complex Manager and MetroWest monitored and tracked the banking and lending business of participating Financial Advisors and Private Bankers.

58. MetroWest Private Bankers reviewed their assigned Financial Advisors' books of business in order to identify high opportunity clients for securities-based loans.

59. The Complex Manager received updates from MetroWest Private Bankers on the banking and lending business generated under the Incentive Program.

60. The Complex Manager also tracked the production of MetroWest Private Bankers under the Incentive Program.

61. Under the Incentive Program, MetroWest Private Bankers were similarly focused on their banking and lending numbers.

62. Of the total qualifying accounts opened during the Incentive Program's 2014-2015 operation, seventeen and three-tenths of a percent (17.3%) were opened by Rhode Island residents. Of the total FAs participating in the Incentive Program, twelve were located in Rhode Island. A thirteenth FA, not based in Rhode Island, opened an account for a Rhode Island resident.

63. Financial Advisors participating in the Incentive Program increased the number of banking and lending accounts they opened for Rhode Island residents from 2013 to 2014.

64. In response to a September 30, 2014 update from the Complex Manager regarding the Incentive Program, the Regional Director stated, "Impressive [.]"

65. The 2014 iteration of the Incentive Program generated new loan balances:

Account Balances	2014	2015	2016
Accounts opened in 2014 by FAs working in Rhode Island	$5,198,268.48	$2,938,349.34	$3,605,915.26
Accounts opened in 2014 by Rhode Island residents	$809,371.24	$904,051.70	$756,569.40

C. Morgan Stanley Did Not Monitor, Prevent, and/or Terminate the Incentive Program in a Timely Manner

a. Morgan Stanley's Policy on Sales Contests

66. Morgan Stanley has an internal policy titled "Prohibition Against Sales Contests," ("Policy") which was in effect during the entirety of the Incentive Program.

67. The Policy "completely prohibits participation in sales contests, unless the contest under consideration is a national sales contest."

68. The Incentive Program was a Complex-sponsored program, not a nationally sponsored program.

69. In a March 12, 2014 email to participating Financial Advisors, one MetroWest Private Banker, while referring to the BDA incentive as an "$1k award," stated, "This is a complex vs a firm initiative so we're defining the rules as we go along here…".

70. The Policy states, "National sales contests may be eligible for a **limited** exemption with prior written approval by the Head of U.S. Wealth Management [.]" (Emphasis in original.)

71. The Incentive Program received no prior written approval.

72. The Policy defines a "sales contest" as "an arrangement that offers associated persons or their supervisors additional compensation in the form of bonus payments, incentives, or non-cash compensation to promote the sale or achievement of a specified level of sales over a specified period of time."

73. The Incentive Program offered BDAs, preconditioned on the establishment of specified numbers of new portfolio loan accounts or other credit lines over the course of 2014.

74. The Policy does not permit "product-specific sales contest[s]," which "refers to sales contests designed to promote the sale of specific categories of products[.]"

75. The Incentive Program was specific to banking and lending products, and promoted PLAs in particular.

76. The Policy further prohibits sales contests "having an impact on an FA's independent judgment in providing financial services and advice to his or her clients or could give rise to, or create an appearance of, a conflict of interest with clients."

77. Under the Incentive Program, Financial Advisors could receive a meaningful increase in BDA funds.

b. <u>Compliance and Risk Discovered the Incentive Program</u>

78. The Incentive Program ran undetected by Compliance and Risk in MetroWest for nearly the full calendar year of 2014.

79. On December 3, 2014, one MetroWest Private Banker touted the success of the Incentive Program in an e-mail to other private bankers within New England, stating, "YTD we've paid out $15,000 in extra BDA incentive, but will probably end the year at about $23,000 paid out. So, **in theory**, the one-time $23k BDA investment should produce $515k in annual revenue." (Emphasis in original.)

80. The December 3, 2014 e-mail prompted one or more private bankers, including some within New England, to consider implementing similar programs within their Complexes.

81. Based on this December 3, 2014 e-mail, a Greater Pittsburgh Private Banker ("Pittsburgh PB") sought the approval of his Senior Complex Risk Officer ("SCRO") prior to implementing a similar incentive program.

82. Pittsburgh PB's December 14, 2014 e-mail to SCRO reads, in relevant part, "Hi [SCRO] – Remember about a year and a half ago we ran a campaign in the complex where each new PLA opened translated to $50 in BDA ? I think it was during the summer of 2013 for two months? We are about to run something similar with the following criteria: $500 in BDA for 10 new PLA's (per team or person) [,] $1,500 in BDA for 20 new PLA's (per team or person) [.] From a risk perspective, is there any reason that we couldn't do this or any concerns you can think of?"

83. The next morning, SCRO began the process of consulting with individuals in Compliance and Risk, including the Associate Regional Risk Officer for New England ("ARRO"), and an Associate Business Service Manager, who stated, "This does not sound right to me. Seems like a sales contest. Would need to run by Compliance."

84. SCRO then followed up with Pittsburgh CM, stating, "No, [Pittsburgh PB]. We can't do that. That would be considered a sales contest."

85. After receiving some pushback, SCRO followed up with Pittsburgh PB again, stating, "[Pittsburgh PB], I can't support this. I agree with you that it looks like it worked beautifully for Metro West, but at the same time, it resembles too closely to a sales contest (I fail to see how it doesn't meet the description of a sales contest) [.]"

86. The New England Regional Compliance Officer ("RCO") relayed the same message via e-mail on December 15, 2014 and also received some pushback, "I called and said no – it is a contest but they are saying others are doing it and it is not a contest b/c everyone is a winner."

87. After reviewing the situation, RCO informed SCRO and ARRO of the Compliance opinion in a December 15, 2014 e-mail, which reads, in relevant part, "I also reviewed this with other folks who agreed [ ] – this would be a sales contest and should not be allowed unless done nationally. [ARRO] – I would advise all to have conversations with their branches, letting them know these types of contest (incentives) should not be happening."

88. After receiving the Compliance determination, ARRO followed up with her boss, the New England Regional Risk Officer ("RRO"), via e-mail on December 15, 2014.

89. ARRO's December 15, 2014 e-mail to RRO included a draft e-mail to inform those Complexes interested in implementing similar programs that such incentive programs, unless nationally approved, are not permitted at Morgan Stanley: "Good Afternoon – With banking and lending being a major focus of the firm, we understand that you and your teams are trying to be creative in gaining participation in the different programs. Recently, we've learned of a few complexes who are offering extra BDA incentives upon FA's opening a certain number of PLAs. After a review with our friends in Compliance, this is unfortunately viewed as a contest and is not permitted."

c. Morgan Stanley Did Not Terminate the Incentive Program Immediately

90. ARRO's draft e-mail was never sent, however, because, the RRO and ARRO decided to deliver the message verbally.

91. RRO took no steps to terminate the Incentive Program immediately. Rather, RRO recalled waiting approximately four weeks before discussing the Incentive Program with the Regional Director.

92. During this time, MetroWest had initiated a similar incentive program, which was to run for the calendar year of 2015.

93. The Complex Manager recalled that the Regional Director instructed him to terminate the Incentive Program for the first time in April 2015 and that he promptly did so.

94. In any event, the Incentive Program continued in MetroWest until at least the second quarter of 2015, at least four months after it was deemed impermissible under Morgan Stanley policy by Compliance and Risk.

VI. VIOLATION OF LAW

Violation of R.I. GEN. LAWS § 7-11-212(b)(11)

95. Section 7-11-602 of the Act provides, in pertinent part:

> (b) If the director reasonably believes, whether or not based on an investigation conducted under § 7-11-601, that a person has violated this chapter or a rule or order of the director under this chapter, the director may, in addition to any specific power granted under this chapter, after notice and hearing in an administrative proceeding unless the right to notice and hearing is waived by the person against whom the sanction is imposed:
>
> . . .
>
> (4) Issue an order against an applicant, licensed person, or other person who violates this chapter or a rule or order of the director under this chapter, imposing a civil penalty up to a maximum of ten thousand dollars ($10,000) for a single violation.

R.I. GEN. LAWS § 7-11-602(b)(4).

96. Section 7-11-212 of the Act provides, in pertinent part:

> (a) The director may by order:
>
> (1) Deny, suspend, or revoke a license;
>
> (2) Limit the securities activities that an applicant or licensed person may perform in this state;
>
> (3) Bar a broker dealer or investment adviser from conducting any securities activities in this state;
>
> (4) Bar an applicant or licensed person from association with a licensed broker dealer or investment adviser; or
>
> (5) Bar from employment with a licensed broker dealer or investment adviser a person who is a partner, officer, director, or a person occupying a similar status or performing a similar function for an applicant or licensed person.

(b) These actions may be taken only if the director finds that the order is in the public interest and that the applicant or licensed person or, in the case of a broker dealer or investment adviser, a partner, officer, or director, a person occupying a similar status or performing similar functions, or a person directly or indirectly controlling the broker dealer or investment adviser who has done any of the following:

> . . .
>
> (11) Has failed reasonably to supervise a sales representative, investment adviser representative, or an employee[.]

7 R.I. GEN. LAWS § 7-11-212(b)(11).

97. The conduct of Morgan Stanley, as described above, constitutes a violation of R.I. GEN. LAWS § 7-11-212(b)(11).

VII. AGREEMENT

Based on the foregoing and pursuant to R.I. Gen. Laws §§ 7-11-212 and 42-35-9(d), the following agreed-upon conditions are in the public interest, appropriate for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of RIUSA.

THEREFORE, based on the foregoing, Morgan Stanley and the Department have decided to resolve this matter without administrative proceedings and hereby agree to the following resolution:

A. This Agreement concludes the preliminary investigative inquiry by the Department and any other action that the Department could commence against Morgan Stanley under the RIUSA on behalf of the State of Rhode Island arising from or relating to the subject of the inquiry, provided, however, that excluded from and not covered by the paragraph are any claims by the Department arising from or relating to enforcement of the Agreement provisions contained herein; and

B. Morgan Stanley shall, within ten (10) business days of the execution of the Agreement, pay an administrative penalty in the amount of one hundred and seventy-five

thousand dollars ($175,000) made payable to the General Treasurer, State of Rhode Island; and

C. For good cause shown, the Department may agree to extend the deadline set forth above; and

D. Morgan Stanley shall not seek or accept, directly or indirectly, reimbursement or indemnification, including, but not limited to, any payments made pursuant to any insurance policy, with regard to any amounts that Morgan Stanley shall pay pursuant to this Agreement; and

E. Morgan Stanley shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal, or local tax for any amounts that Morgan Stanley shall pay pursuant to this Agreement; and

F. Nothing herein is intended to or shall be construed to replace, supersede or override, with respect to Morgan Stanley, federal securities laws, rules and regulations of the rules of any self-regulatory organization; and

G. Upon the execution of this Agreement, if Morgan Stanley fails to comply with any of the terms set forth herein, the Department may take any and all appropriate action, including but not limited to moving to vacate this Consent Agreement in an administrative or civil proceeding and re-instituting the investigation associated with the matter described herein.

VIII. DISQUALIFICATIONS

This Agreement waives any disqualification in the Rhode Island laws, or rules or regulations thereunder, including any disqualifications from relying upon the registration exemptions or safe harbor provisions to which Morgan Stanley or any of its affiliates may be subject. This Agreement is not intended to be a final order based upon violations of the Act that

prohibit fraudulent, manipulative, or deceptive conduct. In addition, this Agreement is not intended to form the basis of any disqualifications under Section 3(a)(39) of the Securities Exchange Act of 1934, Rule 506 of Regulation D under the Securities Act of 1933, Section 204(a)(2) of the Uniform Securities Act of 1956, or Section 412(d) of the Uniform Securities Act of 2002.

Except in an action by the Department to enforce the obligations of this Agreement, any acts performed or documents executed in further of this Agreement: (a) may not be deemed or used as an admission of, or evidence of, the validity of any alleged wrongdoing, liability, or lack of any wrongdoing or liability; or (b) may not be deemed or used as an admission of, or evidence of, any such alleged fault or omission of Morgan Stanley in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or other tribunal.

IX. WAIVER

Morgan Stanley hereby acknowledges its right to notice, hearing and appeal with respect to the matter set forth herein and memorialized by this Consent Agreement, and has waived the same.

X. AUTHORITY

Morgan Stanley hereby admits the jurisdiction of the Department, states that it has the power and authority to execute this Consent Agreement, that Morgan Stanley has had an opportunity to consult legal counsel regarding the terms and conditions of this Consent Agreement, that no promise of any kind or nature whatsoever that is not reflected in this Consent Agreement was made to it to induce it to enter into this Consent Agreement, and that it has entered into this Consent Agreement voluntarily.

Any dispute related to this Consent Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Rhode Island without regard to any choice of law principles.

Dated as of the 29th day of August, 2018.

By: ______________________
Signature
Matthew Gendron, Legal Counsel
Securities Division
Department of Business Regulation
1511 Pontiac Avenue, Building 69-2
Cranston, Rhode Island 02920

By: ______________________
Signature
Harry Walters
Managing Director
Morgan Stanley Smith Barney LLC

State of New York)
)
County of New York)

SUBSCRIBED AND SWORN TO before me this 28th day of August, 2018, by Harry Walters.

____
Signature
Notary Public
My Commission Expires 10/5/20

GEORGE C. COSGROVE
Notary Public, State of New York
No. 01CO6190033
Qualified in New York County
Commission Expires ~~July 7, 2012~~ October 5, 2020