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# Three Investment Adviser Representatives Settle SEC Charges for Acting as Unregistered Brokers

## Advisory firm VCP Financial separately settles charges for requiring retail clients to improperly execute liability disclaimers

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Washington D.C., Jan. 14, 2025 — The Securities and Exchange Commission today announced settled charges against investment adviser representatives Tamir Shabat, Danny Z. Spiegel, and Joseph J. Orlando, Jr. for acting as unregistered brokers in selling membership interests in LLCs that purported to invest in shares of pre-IPO companies. The SEC also announced settled charges against VCP Financial LLC stemming from its use of impermissible liability disclaimers in a letter it required retail clients to execute when investing in private funds managed by an affiliated entity.

According to the SEC’s orders, between June 2019 and March 2020, Shabat, Spiegel, and Orlando each solicited investors for StraightPath Venture Partners, LLC, an entity that offered investments in LLCs that purported to invest in shares of pre-IPO companies and [that was previously charged by the SEC](#). The SEC’s orders find that Shabat and Spiegel were principals of VCP Financial and its predecessor entity LPS Financial and that Shabat and Spiegel formed an entity in 2019 for the purpose of entering into agreements with StraightPath, which entitled them to payments in connection with any investors they successfully solicited to make investments in the StraightPath Funds. The SEC’s orders further find that Spiegel and Shabat operated a sales force of individuals not registered as brokers, including Orlando, an investment adviser representative with VCP Financial, to assist in these efforts. The SEC’s orders against Shabat, Spiegel, and Orlando state that each of them provided investors with marketing materials, advised investors on the supposed merits of the investments, and received transaction-based compensation, all hallmarks of broker activity, despite not being registered as brokers.

According to the SEC’s order against VCP Financial, between March 2021 and October 2024, the firm improperly managed its conflict of interest when recommending investments offered by private funds managed by an affiliated entity under common ownership and control. Specifically, VCP Financial required its clients to acknowledge that the firm was disclaiming its role in their investment decisions to invest in those funds and that the firm was not acting as their investment adviser in connection with their investment in those funds. These statements contradicted VCP Financial’s brochure regarding conflict-of-interest management and further could have led a client to believe incorrectly that the client had waived a nonwaivable cause of action against VCP Financial that was provided by state or federal law.

“This case highlights yet another way the StraightPath Funds were marketed and reflects that being associated with a registered investment adviser does not give one license to also act as a broker without complying with broker registration requirements,” said Sheldon L. Pollock, Associate Regional Director in the New York Regional Office. “This case is also an important reminder that investment advisers must carefully evaluate their use of liability disclaimer language. The fiduciary duties VCP Financial owed their clients could not be disclaimed under these circumstances, particularly when clients were being onboarded for that specific investment.”

The SEC’s orders find that Shabat, Spiegel, and Orlando each violated Section 15(a) of the Exchange Act. Without admitting or denying the SEC’s findings, Shabat agreed to an order requiring him to pay disgorgement and prejudgment interest of \$180,559 and a civil penalty of \$40,000, Spiegel agreed to an order requiring him to pay disgorgement and prejudgment interest of \$175,873 and a civil penalty of \$40,000, and Orlando agreed to an order requiring him to pay disgorgement and prejudgment interest of \$83,255 and a civil penalty of \$20,000. Shabat, Spiegel, and Orlando also agreed to six-month industry and penny stock suspensions. The orders provide that the nearly \$540,000 in disgorgement, prejudgment interest, and civil penalties will be transferred to the court-appointed receiver in SEC v. StraightPath Venture Partners, LLC, et al., 22-cv-3897 (S.D.N.Y. 2022) for distribution to harmed investors.

The SEC’s order against VCP Financial finds that the firm violated Section 206(2) of the Advisers Act. Without admitting or denying the SEC’s findings, VCP consented to an order requiring it to pay a civil penalty of \$100,000 and a censure.

The SEC’s investigation was conducted by Megan R. Genet, Tian Wen, Patricia Schrage, Douglas Smith, Sushila P. Rao, Alistaire Bambach, and Steven G. Rawlings in the New York Regional Office. The investigation was supervised by Sheldon L. Pollock. The SEC appreciates the assistance of Jennifer Klein, Joy Best, Tulay Kara, and Rachel Lavery of the Division of Examination in the New York Regional Office.

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Last Reviewed or Updated: Jan. 14, 2025

### RESOURCES

- [SEC Order - VCP Financial LLC](#)
- [SEC Order - Tamir Shabat](#)
- [SEC Order - Danny Z. Spiegel](#)
- [SEC Order - Joseph J. Orlando Jr.](#)

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