

**UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934
Release No. 34-100725 / August 13, 2024**

**ORDER EXTENDING THE EFFECTIVE DATE OF THE FORM BDW OF
MONMOUTH CAPITAL MANAGEMENT LLC**

Monmouth Capital Management LLC (“Monmouth” or the “firm”) is a registered broker-dealer and is a member of the Securities Investor Protection Corporation (“SIPC”). However, on June 15, 2023, Monmouth filed a Form BDW (Uniform Request for Broker-Dealer Withdrawal) with the Commission seeking to withdraw its registration as a broker or dealer.¹ Pursuant to Rule 15b6-1 of the Securities Exchange Act of 1934 (the “Exchange Act”),² a notice of withdrawal from registration filed by a broker-dealer on Form BDW shall become effective on the 60th day after filing with the Commission, or within such longer period of time that the Commission by order may determine as necessary or appropriate in the public interest or for the protection of investors.³ Under the Securities Investor Protection Act of 1970 (“SIPA”),⁴ SIPC’s authority to initiate a SIPA proceeding to protect the customers of a broker-dealer is limited to broker-dealers that are members of SIPC or were members of SIPC within 180 days of the initiation of the liquidation proceeding.⁵ A broker-dealer ceases to be a member of SIPC when its registration as a broker-dealer is terminated (*i.e.*, on the effective date of its Form BDW).⁶ On August 11, 2023, the Commission found it necessary or appropriate in the public interest and for the protection of investors to extend the time before which Monmouth’s Form BDW became effective by one year, and consequently delayed the effectiveness of the firm’s withdrawal from registration as a broker-dealer to August 14, 2024.⁷

At the time the Commission initially extended the effectiveness of Monmouth’s Form BDW, the Commission was analyzing the facts underlying the expulsion of Monmouth by the Financial Industry Regulatory Authority, Inc. (“FINRA”)⁸ and indicated that it would consider any additional information it may discover to determine whether there is a basis to make a referral of Monmouth to SIPC, which could provide the basis for SIPC to initiate a liquidation

¹ 17 CFR § 249.501a.

² 17 CFR § 240.15b6-1.

³ 17 CFR § 240.15b6-1(b).

⁴ 15 U.S.C. § 78aa *et seq.*

⁵ *See* 15 U.S.C. § 78eee(a)(3).

⁶ *See* 15 U.S.C. § 78ccc(a)(2)(A).

⁷ *See* Order Extending the Effective Date of the Form BDW of Monmouth Capital Management LLC, Securities Exchange Act Release No. 98117 (August 11, 2023).

⁸ *See* FINRA, FINRA Expels Monmouth Capital Management (July 7, 2023), available at <https://www.finra.org/media-center/newsreleases/2023/finra-expels-monmouth-capital-management>.

proceeding of Monmouth under SIPA to protect customers of Monmouth to the extent permitted under SIPA.⁹

A further extension of the effective date is necessary to provide Commission staff with additional time to prepare a referral to SIPC under section 5(a) of SIPA and for SIPC to respond to any such referral.¹⁰ The Commission also may need time to evaluate SIPC's decision and take any appropriate actions.¹¹ Therefore, the Commission finds that it is necessary or appropriate in the public interest and for the protection of investors to extend the time before which Monmouth's Form BDW becomes effective (currently August 14, 2024) by one year, and consequently delay the effectiveness of the firm's withdrawal from registration as a broker-dealer to August 14, 2025.¹²

Accordingly,

IT IS ORDERED, pursuant to Rule 15b6-1(b) of the Exchange Act, that the effective date of Monmouth's Form BDW hereby is extended to August 14, 2025.

By the Commission.

J. Matthew DeLesDernier,
Deputy Secretary

⁹ See 15 U.S.C. § 78eee(a)(1) (providing that if the Commission or any self-regulatory organization is aware of facts which lead it to believe that any broker-dealer subject to its regulation is in or is approaching financial difficulty, it shall immediately notify SIPC, and, if such notification is by a self-regulatory organization, the Commission). The protections under SIPA include the ability to advance up to \$500,000 (of which up to \$250,000 can be used to satisfy the cash portion of a claim) to a customer of a failed broker-dealer to satisfy the customer's claim against the failed broker-dealer for securities and cash if the customer's claim is the type of claim that is covered by SIPA. See 15 U.S.C. § 78fff-3.

¹⁰ Absent another extension of the effectiveness of the Form BDW, SIPC would lose its authority to initiate a liquidation by February 10, 2025 (180 days after August 14, 2024 (i.e., the effective date of Monmouth's Form BDW).

¹¹ *SIPC v. Barbour*, 421 U.S. 412 (1975).

¹² *Id.* As a result of this order, SIPC's authority to initiate a SIPA proceeding of Monmouth will terminate 180 days after the effective date of the firm's Form BDW, Tuesday, February 10, 2026. SIPC's authority to initiate a SIPA proceeding is limited to broker-dealers that are members of SIPC or were members of SIPC within 180 days of the initiation of the liquidation proceeding. See 15 U.S.C. § 78eee(a)(3). A broker-dealer ceases to be a member of SIPC when its registration as a broker-dealer is terminated (i.e., on the effective date of its Form BDW). See 15 U.S.C. § 78ccc(a)(2)(A).