

**COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE, ROOM 1701
BOSTON, MASSACHUSETTS 02108**

)	
IN THE MATTER OF:)	
)	
JOHN W. SULLIVAN,)	
JAVELIN SECURITIES, LLC, and)	
OZONE CAPITAL MARKETS, LLC)	
)	Docket No. E-2025-0575
RESPONDENTS.)	
)	

CONSENT ORDER

I. PRELIMINARY STATEMENT

This Consent Order (the “Order”) is entered into by the Securities Division of the Office of the Secretary of the Commonwealth of Massachusetts (the “Division”) and John W. Sullivan (“Sullivan”), Javelin Securities, LLC (“Javelin Securities”), and Ozone Capital Markets, LLC (“OZCM”) (collectively, Sullivan, Javelin Securities, and OZCM, “Respondents”) with respect to the above-captioned investigation by the Enforcement Section of the Division into whether Respondents’ acts and practices constituted violations of the Massachusetts Uniform Securities Act, Mass. Gen. Laws c. 110A (the “Act”), and the regulations promulgated thereunder at 950 CMR 10.00-14.413 (the “Regulations”). The Division concluded that Respondents engaged in acts and practices in violation of Section 204 of the Act whereby Respondents (1) failed to make proper disclosures in connection with certain marketing efforts; (2) employed and failed to adequately supervise an

individual barred from the securities industry; and (3) failed to maintain proper books and records.

On August 22, 2025, Respondents submitted an Offer of Settlement (the “Offer”) to the Division. Respondents admit the Statement of Facts set forth in Section VI below and neither admit nor deny the Violations of Law set forth in Section VII below, and consent to the entry of this Order by the Division, consistent with the language and terms of the Offer, settling the above-captioned investigation, E-2025-0575, with prejudice. Pursuant to Mass. Gen. Laws c. 110A, § 412(b), this Order “is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of [the Act].”

II. JURISDICTION AND AUTHORITY

1. The Division has jurisdiction over matters related to securities pursuant to the Act and Regulations.
2. The Offer was made and this Order is entered in accordance with the Act and Section 10.10 of the Regulations.

III. RELEVANT TIME PERIOD

3. Except as otherwise expressly stated, the acts and practices described herein occurred during the approximate time period of January 1, 2021 to January 31, 2024 (the “Relevant Time Period”).

IV. RESPONDENTS

4. Javelin Securities, LLC (“Javelin Securities”) is a limited liability company organized under the laws of Delaware on August 22, 2000. Javelin Securities has a Financial Industry Regulatory Authority (“FINRA”) Central Registration Depository

(“CRD”) number of 107473. Javelin Securities has a principal place of business located in Massachusetts. Javelin Securities became registered as a broker-dealer in Massachusetts on June 15, 2020.

5. John W. Sullivan (“Sullivan”) is an individual residing in Massachusetts. Sullivan has a FINRA CRD number of 2417280. Sullivan was registered with multiple firms as a broker-dealer agent in Massachusetts from 2000 to 2013. Sullivan was registered with Javelin Securities as a broker-dealer agent in Massachusetts from June 15, 2020, until January 31, 2024. Sullivan is the sole owner of JWS Properties, LLC. Sullivan controls JWS Properties LLC, Ozone Capital Markets, LLC, and Javelin Securities.

6. Ozone Capital Markets, LLC (“OZCM”) is a limited liability company organized under the laws of Delaware on June 14, 2020. OZCM has a principal place of business located in Massachusetts. Since September 2019, OZCM owned 100% of Javelin Securities.

V. RELATED PARTIES

7. JWS Properties, LLC (“JWS”) is a limited liability company organized under the laws of Massachusetts on February 27, 2017. JWS owns 50% of OZCM.

8. Related LLC (“Related LLC”) is a limited liability company organized under the laws of Delaware on November 4, 2019. Related LLC owns 50% of OZCM.

9. Registered Person (“Registered Person”) is an individual residing in Connecticut. Registered Person was registered with multiple firms as a broker-dealer agent in Massachusetts at various times between 1996 and 2004. Registered Person was registered with Javelin Securities as a broker-dealer agent in Massachusetts from March 21, 2023 until January 31, 2024.

VI. STATEMENT OF FACTS

A. OZCM and Javelin Securities Engaged Investors in Certain Tax Advantaged Securities Transactions

10. Javelin Securities is an introducing securities broker-dealer. Javelin Securities was a FINRA member firm throughout the entirety of the Relevant Time Period. Javelin Securities withdrew its registration with FINRA, effective April 1, 2024.

11. On May 8, 2014, Sullivan became Javelin Securities' designated principal. During the Relevant Time Period, he was also its chief compliance officer.

12. Javelin Securities is wholly-owned by OZCM. Sullivan owns 50% of OZCM through JWS. Registered Person owns the remaining 50% through Related LLC.

13. Sometime in 2019, Javelin Securities' business model started to focus on private placements that could take advantage of certain incentives provided under the 2017 Tax Cuts and Jobs Act.

14. The 2017 Tax Cuts and Jobs Act established a program which aimed to increase long-term private investment in certain economically-distressed areas referred to as opportunity zones ("Opportunity Zones").

15. Since 2019, Javelin Securities' sole source of revenue has been commissions earned on the sale of private placements.

16. In June 2020, Respondents began using a website managed by OZCM to inform investors about the Opportunity Zone program and the tax advantages of investing in Opportunity Zone projects.

**B. Respondents Used OZCM to Market Javelin Securities' Deals
Without Adequate Disclosures**

17. During the Relevant Time Period, OZCM's website (*OzoneCapMarkets.com*) listed information concerning private placement and Opportunity Zone deals, including initially certain deals with no relationship to Javelin and then later deals connected to Javelin.
18. The website characterized OZCM as "an independent consulting firm helping individuals identify and connect with Qualified Opportunity Zone (QOZ) projects."
19. The website also described OZCM as providing "unbiased project listings."
20. On the OZCM website, visitors could submit a contact form to request further information and be contacted by a representative.
21. The OZCM website failed to adequately disclose the relationship between Javelin Securities and OZCM or that Javelin Securities would receive commissions on certain deals listed on the OZCM website.

**C. Respondents Permitted an Individual Barred from the Securities
Industry to be Involved with its Securities Business**

*1. Consultant is Convicted and Sentenced for Federal Securities
Fraud*

22. In 2018, following a jury trial in the United States District Court for the District of Massachusetts, Consultant was convicted of (1) Conspiracy to Commit Offenses Against the United States; (2) Securities Fraud; and (3) Wire Fraud and sentenced to eighteen (18) months in prison, to be followed by two years of supervised release.
23. The special conditions of Consultant's supervised release prohibited him from engaging in any business that would allow him to act as a financial broker or trader or "otherwise place an employer and/or client at risk" based on his offenses.

24. In 2020, the United States Court of Appeals for the First Circuit affirmed Consultant's convictions.

25. Consultant was subsequently ordered to begin serving the incarceration portion of his sentence.

26. After being incarcerated for approximately six (6) months, in early 2021, Consultant was released to home confinement due to the COVID-19 pandemic.

27. In early 2021, Consultant was barred from associating with any broker-dealer by the United States Securities and Exchange Commission.

2. Consultant's Role at Javelin Securities

28. In the Spring of 2021, Consultant began working with OZCM to provide consulting services and then later started to provide services to Javelin Securities with his responsibilities gradually increasing over time.

29. On September 21, 2021, Consultant entered into a consulting agreement with Javelin Securities according to which he was to provide "IT and other services."

30. Consultant's role was not limited to IT services and Consultant soon became involved in the day-to-day operations of Javelin Securities, working closely with Sullivan to manage deals, coordinate with registered representatives, and engage with management at different issuers.

31. Consultant became the highest-paid individual affiliated with Javelin Securities.

D. Javelin Securities Failed to Establish and Maintain Supervisory Systems Reasonably Designed to Achieve Compliance with Applicable Securities Laws, Regulations, and FINRA Rules

1. Javelin Securities Failed to Properly Supervise the Activities of an Individual Barred from the Securities Industry

32. Respondents were aware of Consultant's conviction for crimes related to securities fraud at the time he began providing services to OZCM and later Javelin Securities.

33. Respondents failed to take meaningful steps to determine whether Consultant's growing duties and responsibilities were appropriate or establish policies related to the supervision of Consultant.

34. Respondents provided Consultant with nearly unrestricted access to Javelin Securities' information systems, including investors' personal identifiable information.

35. Respondents failed to implement a reasonable system to limit or monitor Consultant's activities in connection with services he provided to Javelin Securities.

2. Javelin Securities Failed to Ensure an Agent Was Properly Registered

36. A Javelin Securities registered representative on three separate occasions conducted securities transactions with a single Massachusetts investor ("Investor A") without being registered as a broker-dealer agent in Massachusetts.

37. Javelin Securities earned approximately \$73,500 in commissions on these transactions.

38. Javelin Securities' written supervisory procedures required that each new customer relationship be evaluated to ensure the representative involved in the transaction was properly registered.

39. Javelin Securities failed to adequately perform these evaluations in connection with Investor A.

3. Respondents Failed to Maintain Accurate Books and Records and Properly Surveil Communications

40. During the Relevant Time Period, Javelin Securities did not adequately monitor its registered representatives conducting business through text messages on personal devices.

41. Registered representatives and other individuals working on behalf of Javelin Securities exchanged frequent text messages concerning the business of Javelin Securities using personal devices.

42. Javelin Securities' written supervisory procedures did not contain procedures related to the use or retention of text messages on personal devices.

43. Respondents did not maintain adequate systems to archive or monitor text messages.

44. When certain communications were requested by the Division, Respondents were unable to produce complete records due to their failure to adequately archive business-related text messages.

VII. VIOLATIONS OF LAW

Count I – Violations of Mass. Gen. Laws c. 110A, § 204(a)(2)(G)

45. Section 204 of the Act provides:

The [S]ecretary may by order impose an administrative fine or censure or deny, suspend, or revoke any registration or take any other appropriate action if he finds (1) that the order is in the public interest and (2) that the . . . registrant . . . :—

. . . .

(G) has engaged in any unethical or dishonest conduct or practices in the securities . . . business

Mass. Gen. Laws c. 110A, § 204(a)(2)(G).

46. Respondents' acts and practices, as described above, constitute multiple violations of Section 204(a)(2)(G) of the Act.

Count II – Violations of Mass. Gen. Laws c. 110A, § 204(a)(2)(J)

47. Section 204 of the Act provides:

The [S]ecretary may by order deny, suspend, or revoke any registration if he finds (1) that the order is in the public interest and (2) that the . . . registrant

. . . .

(J) has failed reasonably to supervise agents, investment adviser representatives or other employees to assure compliance with [the Act]

Mass. Gen. Laws c. 110A, § 204(a)(2)(J).

48. Respondents' acts and practices, as described above, constitute multiple violations of Section 204(a)(2)(J) of the Act.

VIII. STATUTORY BASIS FOR RELIEF

Section 407A of the Act provides:

If the [S]ecretary determines, after notice and opportunity for hearing, that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of [the Act] or any rule or order issued thereunder, he may order such person to cease and desist from such unlawful act or practice and may take such affirmative action, including the imposition of an administrative fine, the issuance of an order for an accounting, disgorgement or rescission or any other such relief as in his judgment may be necessary to carry out the purposes of [the Act].

Mass. Gen. Laws c. 110A, § 407A(a).

IX. ORDER

IT IS HEREBY ORDERED:

- A. Respondents are censured by the Division;
- B. Respondents shall permanently cease and desist from further acts and practices in violation of the Act and Regulations;
- C. Respondent John W. Sullivan shall not, for a period no less than one (1) year after the entry this Order, seek registration in Massachusetts as a(n) broker-dealer, broker dealer agent, investment adviser, investment advisor representative, and shall not associate with, or act as a(n) broker-dealer, broker dealer agent, investment adviser, investment advisor representative, Securities and Exchange Commission-registered investment adviser, an investment adviser exempted from registration, a person relying on an exclusion from the definition of investment adviser in any capacity, issuer, issuer agent, or as a partner, officer, director, or control person of any of the foregoing;
- D. Respondent Javelin Securities shall be permanently barred from offering or selling securities from or within Massachusetts;
- E. Respondents shall pay an administrative fine in the amount of two-hundred thousand dollars (\$200,000.00 USD), for which they shall be jointly and severally liable, to the Commonwealth of Massachusetts. The fine shall be paid in two payments as follows: the first payment in the amount of one hundred thousand dollars (\$100,000.00 USD) shall be paid within fourteen (14) days of the entry this Order, and the second payment in the amount of one hundred thousand dollars (\$100,000.00 USD) shall be paid within one hundred eighty (180) days of the entry of this Order. Each payment shall be: (1) made by United States postal money order, certified check, bank cashier's check, bank money order,

or wire transfer; (2) made payable to the Commonwealth of Massachusetts; (3) either hand-delivered or mailed to One Ashburton Place, Room 1701, Boston, Massachusetts 02108, or wired per Division instructions; and (4) submitted under cover letter or other documentation that identifies the payor making the payment and the docket number of the proceedings. Additionally, Respondents shall provide the Division with notice no less than forty-eight (48) hours prior to each payment;

F. Respondents 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 Respondents shall pay pursuant to this Order;

G. Respondents 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 amount that Respondents shall pay pursuant to this Order;

H. Any Respondent who is the subject of a voluntary or involuntary bankruptcy petition within one (1) year of the entry of this Order shall provide written notice to the Division within five (5) days of the date of the petition;

I. Any fine, penalty, and/or money that any Respondent shall pay in accordance with this Order is intended by Respondents and the Division to be a contemporaneous exchange for new value given to Respondents pursuant to 11 U.S.C. § 547(c)(1)(A) and is, in fact, a substantially contemporaneous exchange pursuant to 11 U.S.C. § 547(c)(1)(B);

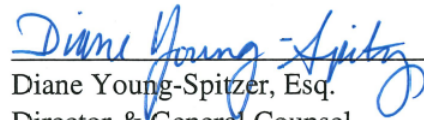
J. If Respondents fail to comply with any of the terms set forth in this Order, the Division may institute an action to have this agreement declared null and void. Additionally, after notice and an opportunity for hearing, and the issuance of an order

finding that Respondents have not complied with the Order, the Division may move to have this Order declared null and void, in whole or in part, and re-institute the associated investigation into Respondents' acts and practices;

K. It is a violation of the Act and Regulations for Respondents to fail to comply with any of the terms set forth in this Order; and

L. For good cause shown, the Division may agree to extend any of the procedural dates set forth above. Respondents shall make any requests for extensions of the dates set forth above in writing to the Division.

WILLIAM FRANCIS GALVIN
SECRETARY OF THE COMMONWEALTH



Diane Young-Spitzer, Esq.
Director & General Counsel

Securities Division

Office of the Secretary of the Commonwealth

John W. McCormack Building, 17th Floor

One Ashburton Place

Boston, MA 02108

Dated: August 26, 2025