THE STATE OF NORTH CAROLINA
DEPARTMENT OF THE SECRETARY OF STATE
SECURITIES DIVISION

IN THE MATTER OF: **Tannin Capital, LLC** **CRD No. 304238** **Respondent.**	**FINAL ORDER** **File No: 20SEC024**

The Secretary of State of the State of North Carolina (the "Administrator"), as Administrator of the North Carolina Investment Advisers Act (N.C. Gen. Stat. Chapter 78C, the "Act"), has considered the evidence in this matter and finds that it is in the public interest to resolve it on the terms set forth in this Final Order ("Order") by consent. With the consent of **TANNIN CAPITAL, LLC** ("Tannin Capital" or "Respondent"), the Administrator enters this Order.

I. FINDINGS OF FACT

1. On May 15, 2019, Tannin Capital applied for SEC registration as a mid-sized advisory firm with regulatory assets under management of $25 million or more but less than $100 million and asserted that it was either: a) not required to be registered as an adviser with the state securities authority of the state where it maintain its principal office and place of business; or b) not subject to examination by the state securities authority of the state where it maintain its principal office and place of business. Tannin Capital was also assigned the CRD No. 304238.

2. On June 18, 2019, the SEC granted Tannin Capital's registration as a mid-size firm. Tannin Capital began notice filing in North Carolina on June 18, 2019.

3. In October 2019, Respondent published its website, "www.tannin.com" and began offering and advertising its advisory services to the public.

4. Respondent's initial and continued eligibility for SEC registration as a mid-size firm and North Carolina notice filing was wholly dependent on its exemption from registration in North Carolina pursuant to N.C. Gen. Stat. §78C-16(a)(4).

5. During the months that Respondent's website was active and available to the public, from on or about October 2019 through on or about April 2020, Respondent was neither registered in North Carolina as an investment adviser nor eligible for an exemption from registration.

6. On April 24, 2020, the Securities Division instructed Respondent to take down its website and any other statements on social media where it offered or advertised investment advisory services, unless or until it was registered as an investment adviser in North Carolina. Respondent immediately complied and fully cooperated with the investigation.

7. This Order is necessary or appropriate in the public interest, is for the protection of investors and clients, and is consistent with the purposes fairly intended by the policy and provisions of the Act.

II. CONCLUSIONS OF LAW

1. The Administrator has jurisdiction over Tannin Capital and over the subject matter of this Order.

2. At all relevant times herein, Tannin Capital was an investment adviser or an investment adviser covered under federal law as defined under N.C. Gen. Stat. §§78C-2(1) and 78C-2(4).

3. At all relevant times herein Tannin Capital maintained a principal office and place of business in North Carolina.

4. As an investment adviser or investment adviser covered under federal law in North Carolina, Tannin Capital is required to comply with the Act and its administrative rules, and submit itself to the jurisdiction and oversight of the Administrator.

5. Tannin Capital is subject to this Order under N.C. Gen. Stat. §78C-28(b) for engaging in acts or practices as outlined in the Findings of Fact, which constitute a violation of the Act.

6. Under North Carolina law, it is unlawful for any person to transact business in this State as an investment adviser unless the person is covered by federal law, registered or can lawfully meet an exemption from registration. However, the burden of proving an exemption from registration is upon the person claiming it. N.C. Gen. Stat. §§78C-16(a) and 78C-40.

7. By operation of its social media presence and its website, from on or about October 2019 through on or about April 2020, Tannin Capital was ineligible for an exemption from state registration, pursuant to N.C. Gen. Stat. §78C-16(a).

8. This Order is necessary or appropriate in the public interest, is for the protection of investors and clients, and is consistent with the purposes fairly intended by the policy and provisions of the Act.

9. The Administrator has the authority to enter this Order pursuant to the Act and the Administrative rules adopted thereunder.

III. JURISDICTION, CONSENT, AND WAIVER

Tannin Capital affirmatively states and agrees that:

1. The Administrator has jurisdiction over Tannin Capital and the subject matter of this Order.

2. Tannin Capital has read the contents of this Order and had the opportunity to consult with an attorney prior to the signing of this Order.

3. Tannin Capital freely consents to the entry of this Order. No threats, promises, or offers of any kind, other than as stated in this document, have been made by the Administrator, Deputy Securities Administrator, any member of the staff of the Securities Division, or any agent or employee of the North Carolina Department of the Secretary of State in connection with the signing of this Order.

4. Tannin Capital permanently waives any and all rights under the North Carolina Investment Adviser's Act, the North Carolina Administrative Procedure Act (N.C. Gen. Stat. Chapter 150B), and any other law, to a *Notice of Hearing*, a hearing, and any other proceedings before the Administrator or other entity to which it may be entitled related to the subject of this Order, including any court of competent jurisdiction. Tannin Capital also permanently waives any and all rights to seek judicial review of this Order under N.C. Gen. Stat. Chapter 150B, to appeal this Order, or to otherwise challenge either the validity or entry of this Order in any court or administrative agency.

5. This Order contains the entire agreement between the undersigned, and Tannin Capital understands its effect.

6. This Order is not intended to form the basis for any disqualification from registration as a broker-dealer, investment adviser, or issuer under the laws, rules and regulations of North Carolina, and will not be used by the Administrator to disqualify Respondent from relying upon the securities registration exemption or safe harbor provisions to which Respondent may be subject under the laws, rules and regulations of North Carolina.

7. This Order is not intended to form the basis for any disqualification under the laws of any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands; under the rules or federal securities laws, including but not limited to the Securities and Exchange Act of 1934, the Securities and Exchange Act of 1933, or the Investment Advisers Act of 1940.

NOW, THEREFORE, the Administrator, pursuant to and under all authority granted by the North Carolina Investment Advisers Act based upon the forgoing Findings of Fact, Conclusions of Law, and Jurisdiction, Consent and Waiver, and with Tannin Capital's express written consent to the entry of this Order, orders the following:

IV. ORDER

1. Tannin Capital shall immediately and permanently cease and desist from violating N.C. Gen. Stat. §78C-16(a).

2. Tannin Capital shall immediately and permanently cease and desist from violating any other provisions of the North Carolina Investment Advisers Act and any administrative rules promulgated under the Act.

3. Tannin Capital shall pay to the N.C. Department of the Secretary of State a civil penalty of $2,500 upon entry of this Order.

4. Tannin Capital shall pay to the N.C. Department of the Secretary of State reimbursement of the costs of investigation in the amount of $42,500 upon entry of this Order.

5. Tannin Capital shall not take any action, or make, or permit to be made, any public statement, denying, directly or indirectly, any finding in this Order or creating the impression that this Order is without factual basis.

6. This Order shall become final upon entry and shall be binding upon Tannin Capital

and its successors and assigns as well as affiliates and their successors and assigns with respect to all conduct subject to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events and conditions.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina Department of the Secretary of State, this the 29TH day of JULY 2021.

Time of entry: 11:05 A.M.

ELAINE F. MARSHALL
SECRETARY OF STATE OF NORTH CAROLINA and
SECURITIES ADMINISTRATOR, by

[redacted]

KEVIN M. HARRINGTON
DEPUTY SECURITIES ADMINISTRATOR