



IAPD Report

MATTHEW LAWRENCE AVEN

CRD# 5462530

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.



IAPD Information About Representatives

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

What is included in a IAPD report?

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

Where did this information come from?

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

How current is this information?

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

Need help interpreting this report?

For help understanding how to read this report, please consult NASAA's IAPD Tips page <http://www.nasaa.org/IAPD/IARReports.cfm>

What if I want to check the background of an Individual Broker or Brokerage Firm?

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

Are there other resources I can use to check the background of investment professionals?

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>



Report Summary

MATTHEW LAWRENCE AVEN (CRD# 5462530)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **10/16/2019**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	SBB RESEARCH GROUP LLC	CRD# 161109	05/11/2012

QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **1** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

Note: Not all jurisdictions require IAR registration or may have an exemption from registration. Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

REGISTRATION HISTORY

This representative was previously registered with the following firm(s):

FIRM	CRD#	LOCATION	REGISTRATION DATES
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No information reported.

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

Are there events disclosed about this representative? **Yes**

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1
Civil Event	1



Qualifications

REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is currently registered with **1** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **SBB RESEARCH GROUP LLC**
Main Address: 450 SKOKIE BLVD.
BUILDING 600
NORTHBROOK, IL 60062
Firm ID#: 161109

Regulator	Registration	Status	Date
IA Illinois	Investment Adviser Representative	Approved	05/11/2012

Branch Office Locations

SBB RESEARCH GROUP LLC
450 SKOKIE BLVD.
BUILDING 600
NORTHBROOK, IL 60062



Qualifications

PASSED INDUSTRY EXAMS

This section includes all industry exams that the representative has passed. Under limited circumstances, a representative may attain registration after receiving an exam waiver based on a combination of exams the representative has passed and qualifying work experience. Likewise a new exam requirement may be grandfathered based on a representative's specific qualifying work experience. Exam waivers and grandfathering are not included below.

This individual has passed 0 principal/supervisory exams, 0 general industry/product exams, and 1 state securities law exam.

Principal/Supervisory Exams

Exam	Category	Date
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No information reported.


General Industry/Product Exams

Exam	Category	Date
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No information reported.

State Securities Law Exams

Exam	Category	Date
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 IA	Uniform Investment Adviser Law Examination (S65)	Series 65	01/18/2012
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PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration & Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

No information reported.

EMPLOYMENT HISTORY

Below is the representative's employment history for up to the last 10 years.

Employment Dates	Employer Name	Position	Investment Related	Employer Location
01/2011 - Present	SBB RESEARCH GROUP LLC	COO and CCO	Y	NORTHBROOK, IL, United States

OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the representative regarding other business activities the representative is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious, or fraternal and is recognized as tax exempt.

SLAB Management LLC
 450 Skokie Blvd.
 Northbrook, IL
 INVESTMENT-RELATED
 NATURE OF BUSINESS: Family Office - Private Equity
 POSITION: COO, Manager
 START: November, 2017
 HOURS PER MONTH: 10
 HPM DURING TRADING HOURS: 2



Disclosure Summary

Disclosure Information

What you should know about reported disclosure events:

(1) Certain thresholds must be met before an event is reported to IARD, for example:

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event.;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.

(2) Disclosure events in IAPD reports come from different sources:

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

(3) There are different statuses and dispositions for disclosure events:

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
 - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

(4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.



DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1
Civil Event	1

Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

Disclosure 1 of 1

Reporting Source:	Individual
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Civil and Administrative Penalty(ies)/Fine(s) Other: Injunction
Date Initiated:	09/30/2019
Docket/Case Number:	19-cv-6473
Employing firm when activity occurred which led to the regulatory action:	SBB Research Group LLC
Product Type:	Other: Structured Products
Allegations:	On September 30, 2019, the SEC filed a civil lawsuit against SBB Research Group, Samuel Barnett and Matthew Aven (collectively, "SBB") alleging that their proprietary valuation model utilized prior to 2016 artificially inflated the value of structured notes held by SBB's funds. As a result, the SEC alleged that SBB misstated the funds' historical performance and overcharged investors approximately \$1.4 million in fees. The SEC further alleged that SBB took steps to conceal their alleged conduct from investors and SBB's auditor. The SEC's complaint, filed in the U.S. District Court for the Northern District of Illinois, alleged that SBB violated the antifraud provisions of the federal securities laws and seeks permanent injunctions and civil penalties. For more information regarding the foregoing, see Case: 1:19-cv-06473 available at https://www.sec.gov/litigation/complaints/2019/comp-pr2019-201.pdf . SBB strongly denies the SEC's allegations and intends to vigorously defend themselves against the SEC's complaint in court.



Current Status:

Pending



Civil Event

This disclosure event involves an injunction issued by a foreign or domestic court in connection with investment-related activity, a finding by a domestic or foreign court of a violation of any investment-related statute or regulation, or an action dismissed by a domestic or foreign court pursuant to a settlement agreement.

Disclosure 1 of 1

Reporting Source: Regulator

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Relief Sought: Civil and Administrative Penalty(ies)/Fine(s)
Injunction

Date Court Action Filed: 09/30/2019

Product Type: Other: structured notes

Type of Court: Federal Court

Name of Court: U.S. District Court for the Northern District of Illinois

Location of Court: Eastern Division, Illinois

Docket/Case #: 1:19-cv-06473

Employing firm when activity occurred which led to the action: SBB RESEARCH GROUP, LLC

Allegations: The United States Securities and Exchange Commission (the "SEC" or "Commission") alleges as follows that this case arises out of a multi-year fraudulent scheme perpetrated by Defendants SBB Research Group, LLC ("SBB") - a registered investment adviser to several private investment funds (the "Funds") - Samuel Barnett (SBB's owner and Chief Executive Officer ("CEO")), and Matthew Aven (SBB's Chief Operations Officer ("COO")).

Although Defendants executed their scheme in the back-office of SBB using a complex mathematical formula, the fraud at its core was simple. Barnett, Aven, and SBB intentionally rigged SBB's valuation model to inflate the recorded value of the Funds' securities and make the Funds' performance look much better than it actually was. Using those manipulated values, Defendants reported inflated Net Asset Values ("NAVs") to investors, and created a false track record for the Funds which Defendants marketed to prospective investors. Then, after the SEC caught them at it, SBB, Barnett, and Aven hid their misconduct from investors. In 2010, Barnett created SBB along with several Funds under SBB's management. He then hired Aven as SBB's first employee.

Barnett and Aven knew prospective investors wanted to see a track record of performance. To that end, SBB prominently displayed the Funds' "monthly fund performance" in its marketing materials. That track record was an illusion based on SBB, Barnett, and Aven fraudulently manipulating the recorded value of the Funds' investments.

Despite promoting itself as a wellspring of innovative, custom financial strategies, SBB invested almost all of the Funds' money in a single asset class: structured notes. Barnett, Aven, and SBB consistently represented to the Funds' investors and SBB's outside auditor ("Auditor A") that they valued those structured notes at "fair value" as required by Generally Accepted Accounting Principles ("GAAP"). In other words, SBB promised to value each of the Funds' notes at an "exit price" (the price at which the notes could be resold to another party).

In reality, Barnett, Aven, and SBB had no intention of complying with GAAP or determining an exit price. Starting in 2011, Barnett, Aven, and SBB rejected over 50 years of standard valuation principles, ignored expert advice, and created a home-brewed valuation model that radically departed from the norm (the "Model"). Some inputs in SBB's Model acted like a financial steroid - artificially pumping up



note values. Other inputs acted like a masking agent - smoothing artificial gains by spreading them over the notes' multi-year term.

SBB's rigged Model worked as intended. It consistently inflated note values. Those artificially inflated note values, and the resulting inflated Fund performance, (a) were included in performance statements and annual financial statements provided to investors, (b) generated \$1.4 million in improperly charged fees, and (b) were included in misleading marketing materials given to prospective investors. In 2014, SEC exam staff uncovered the Model's deficiencies. At that time, Barnett, Aven, and SBB could have come clean. Instead, they tried - and failed - to find experts that would validate SBB's Model, concealed the Model's deficiencies from investors, and deceived Auditor A to maintain the façade of GAAP compliance. Eventually, when they finally agreed to remediate, Defendants (a) hid the SEC's exam from Auditor A, (b) paid a secret credit into investor accounts without disclosing to investors that they had been overcharged for fees, and (c) failed to disclose to investors revised Fund values after SBB finally hired a third party to revalue the notes. Indeed, even after its "remediation," SBB uses two sets of books: one for its current investors (using the flawed homemade Model) and a separate set for prospective investors (calculated using a more standard approach).

Current Status: Pending

Limitations or Restrictions in Effect During Appeal: n/a



End of Report

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