

BEFORE THE SECURITIES COMMISSIONER
STATE OF COLORADO

Case No. 2025-CDS-002

CONSENT ORDER

IN THE MATTER OF FLOTILLA CAPITAL MANAGEMENT INC. AND
ROBERT M. WHITE

Respondents.

THIS MATTER is before Tung Chan, Securities Commissioner for the State of Colorado (“Commissioner”), on the Stipulation for Consent Order (“Stipulation”) between the Staff of the Colorado Division of Securities (the division, “Division” and the staff, “Staff”) and Flotilla Capital Management Inc. (CRD# 288282) and Robert M. White (IARD# 5516487), (collectively, “Respondents”). After reviewing the Stipulation and grounds therein, the Commissioner makes the following Findings and enters the order as follows:

FINDINGS

1. The Commissioner has jurisdiction over the Respondents and this matter pursuant to the provisions of the Colorado Securities Act, §§ 11-51-101 through 803, C.R.S.
2. By entering into the Stipulation, Respondents waive the following rights: (1) to have a formal hearing pursuant to §§ 11-51-606(1), 24-4-104 and 24-4-105, C.R.S.; (2) to be represented by counsel in that action; (3) to present a defense through oral or documentary evidence; (4) to cross-examine witnesses at such hearing; and (5) to seek judicial review of the Consent Order as provided in §§ 11-51-607 and 24-4-106, C.R.S.
3. Respondents further waive the findings required by § 11-51-410(1), C.R.S. and do not contest that pursuant to § 11-51-704(2), C.R.S. entry of this Consent Order is necessary and appropriate in the public interest and is consistent with the purposes of the Colorado Securities Act.

ORDER

NOW, THEREFORE, based on the foregoing, it is ORDERED as follows:

1. The terms of the attached Stipulation are incorporated and made a part of this Consent Order.

2. Respondents shall comply with all agreements, undertakings, and directives contained in the Stipulation, to the extent any such agreements, undertakings, or directives remain unsatisfied on the date of this Consent Order.
3. Respondents Flotilla Capital Management Inc. and Robert M. White hereby have a restriction placed on their license pursuant to § 11-51-410(1), C.R.S.
4. Respondents Flotilla Capital Management Inc. and Robert M. White shall retain a compliance consultant, approved by the Division, within thirty (30) days from the entry of the Consent Order to ensure compliance with the January 24, 2025, deficiency letter (adjusted for any rule changes), timely file and update disclosure documents, and review and develop all required policies and procedures to ensure compliance with the Colorado Securities Act and rules thereunder. The compliance consultant shall be retained for a period of two (2) years.
5. Respondent White shall retake and pass the Series 65 examination within six (6) months of the entry of the Consent Order.
6. The Commissioner shall retain jurisdiction over this action to ensure Respondents' compliance with this Consent Order and reserves the power to enter additional orders as needed to ensure the compliance by the Respondents with this Consent Order.
7. In the event Respondents fail to comply with any of the terms or conditions for this Consent Order or the Stipulation, the Commissioner or the Staff, in their sole discretion, may initiate formal enforcement proceedings against Respondents for such noncompliance.
8. This Consent Order, and the terms and conditions herein, shall be binding on all successors and assigns.

DATE: January 30, 2025



Tung Chan
Securities Commissioner

BEFORE the SECURITIES COMMISSIONER
STATE OF COLORADO

Case No. 2025-CDS-002

STIPULATION FOR CONSENT ORDER

IN THE MATTER OF FLOTILLA CAPITAL MANAGMENT, INC. AND
ROBERT M. WHITE

Respondents.

The Staff of the Colorado Division of Securities (the staff, “Staff” and the division, the “Division”) and Respondents Flotilla Capital Management Inc. and Robert M. White, (collectively, “Respondents”), hereby enter into this Stipulation for Consent Order (the “Stipulation”) in this matter as follows:

I. Background

1. The Staff conducted an examination of Respondents pursuant to § 11-51-409, C.R.S.
2. As a result of its examination, the Staff alleges that Respondents engaged in the following conduct:
 - a. Flotilla Capital Management Inc. (CRD# 288282) (the “Firm”) is a Colorado corporation with its principal place of business located at 3100 E Cherry Creek South Drive, Apt 508, Denver, CO 80209.
 - b. Flotilla Capital Management Inc. has been licensed in Colorado as an investment adviser since June 9, 2017.
 - c. Robert M. White (“White”) (IARD# 5516487) had been licensed in Colorado as an investment adviser representative with Flotilla Capital Management Inc. since 2017 and is currently the managing member and chief compliance officer of Flotilla Capital Management Inc., although White’s Series 65 Uniform Investment Adviser Law Exam had expired December 31, 2023 after failing to pay licensing fees and maintain a Failure to Renew status for more than two years.
 - d. Respondents failed to pay annual renewal fees for the years 2022, 2023, and 2024 in violation of Rule 51-4.3(IA)(E).

- e. Respondents most recent IARD filing of Form ADV Part 1 and Part 2 was March 19, 2020. Respondents failed to file the annual amendment for years 2021, 2022, and 2023.
- f. Respondents failed to collect and maintain written client suitability information in violation of Rule 51-4.6(IA)(A)(17).
- g. Respondents represented to the Division that they suspended advisory services in February 2022 but continued to charge client fees without providing advisory services or continuing to monitor client accounts. The Firm charged clients approximately \$526 after ceasing to provide any advisory services.
- h. Respondents failed to enter into investment advisory contracts with clients in violation of Rule 51-4.8(IA)(P).
- i. Respondents failed to provide an itemized invoice for advisory fee deductions to each client in violation of Rule 51-4.10(IA)(B)(2).
- j. Respondents failed to establish and maintain written policies and procedures to supervise the activities of employees and investment adviser representatives in violation of Rule 51-4.12(IA).
- k. Respondents failed to update and failed to deliver or offer a copy of the Firm Brochure to each client annually in violation of Rule 51-4.7(IA)(A).

Based on this alleged conduct, Staff determined that Respondents have failed to comply with provisions of the Colorado Securities Act and rules thereunder and pursuant to § 11-51-410(1)(b), C.R.S., the following licensing conditions are warranted.

II. Stipulation

The Staff and Respondents, in order to resolve this matter without a formal hearing, hereby enter into this Stipulation for Consent Order in this matter and Respondents hereby stipulate as follows:

1. The Securities Commissioner for the State of Colorado has jurisdiction over the Respondents and the subject matter of this action.
2. Respondents agree to the entry of a Consent Order in the form attached (the "Consent Order") and incorporated by reference.
3. Respondents agree to the following:

- a. Respondents agree to fully comply with all action-requested items in the Division deficiency letter issued January 24, 2025, and respond to the Division in writing of all corrective actions taken to correct the deficiencies within sixty (60) days from the entry of the Consent Order. The compliance consultant retained pursuant to paragraph 3.b. below shall review and sign the response attesting to its accuracy.
- b. Respondents shall retain a compliance consultant, approved by the Division, within (30) days from the entry of the Consent Order for a period of two (2) years. The consultant shall ensure compliance with the January 24, 2025 deficiency letter, timely file and update disclosure documents, and review and develop all required policies and procedures to ensure compliance with the Colorado Securities Act and rules thereunder.
- c. The compliance consultant must conduct one (1) surprise examination between months nine (9) and twelve (12) of the supervision period. The examination, at a minimum, must include a review to ensure the Firm is maintain all required books and records including client advisory contracts, written suitability information, and itemized fee invoices are provided to clients.
- d. In the event that the compliance services agreement is terminated for any reason during the supervision period, Respondents shall notify the Division in writing within five (5) days of the termination. Respondents shall enter into another agreement within fifteen (15) days of the termination with a replacement compliance service agreement which provides similar supervisory functions as the original compliance service agreement, subject to review and acceptance of the Division.
- e. Respondents shall supervise the compliance consultant during the engagement to verify that all required tasks have been completed by the consultant and that the Firm is in compliance with the January 24, 2025 deficiency letter (adjusted for any rule change), the Colorado Securities Act and rules, and with this Stipulation and Consent Order.
- f. Respondents agree to refund all clients any advisory fees charged after the Firm stopped providing advisory services in February 2022.
- g. Respondent White shall retake the Series 65 Exam within six (6) months from the entry of the Consent Order and will not provide

advisory services until the Series 65 Exam is passed. If the series 65 Exam is not passed within six (6) months of the entry of the Consent Order, Respondent White acknowledges that he is in violation of the Consent Order, which constitutes grounds for further sanctions and formal proceedings against him for such violations.

- h. In the event Respondents fail to comply with any of the terms or conditions for this Consent Order or the Stipulation, the Commissioner or the Staff, in their sole discretion, may initiate formal enforcement proceedings against Respondents for such noncompliance.
 - i. Respondents shall submit all communications to the Division by email at DORA_SecuritiesWebsite@state.co.us (Attn: Chief Examiner) and retain documentation of all communications with and documents submitted to the Division.
- 4. Respondents understand that they have the following rights: (1) to have a formal hearing pursuant to § 11-51-606(1), C.R.S.; (2) to be represented by counsel in that action; (3) to present a defense through oral or documentary evidence; (4) to cross-examine witnesses at such hearing; and (5) to seek judicial review of the Consent Order as provided in §§ 11-51-607 and 24-4-106, C.R.S. By entering into this Stipulation, Respondents expressly waive the rights set forth in this paragraph.
- 5. Respondents acknowledge that they have entered into this Stipulation voluntarily, after the opportunity to consult with counsel, and with the understanding of the legal consequences of this Stipulation and Consent Order.
- 6. Respondents hereby waive the findings required by § 11-51-410(1), C.R.S.; and pursuant to § 11-51-704(2), C.R.S., Respondents do not contest that the entry of a Consent Order is necessary and appropriate in the public interest and is consistent with the purposes and provisions of the Colorado Securities Act.
- 7. Respondents agree that the entry of this Consent Order is a disciplinary event that is material to a client's or prospective client's evaluation of their advisory business or the integrity of its management and must disclose the event in appropriate filings and disclosure documents.
- 8. By consenting to the entry of the Consent Order, Respondents agree not to take any action or to make, or permit to be made, any public statement denying, directly or indirectly, any Finding or Conclusion in

the Consent Order or creating the impression that said Consent Order lacks a factual basis.

9. Respondents further acknowledge that any violation of the Consent Order, when issued, may constitute grounds for further sanctions and formal proceedings against them for such violations.

10. This Stipulation is subject to approval by the Securities Commissioner and shall become binding upon the parties hereto upon such approval.

BY RESPONDENTS:

Robert M. White:

Individually

Flotilla Capital Management Inc.:

BY _____:
Robert M. White, Owner

BY THE STAFF OF THE DIVISION OF SECURITIES:

Jeffrey S. Eaby
Deputy Commissioner

Date

the Consent Order or creating the impression that said Consent Order lacks a factual basis.


9. Respondents further acknowledge that any violation of the Consent Order, when issued, may constitute grounds for further sanctions and formal proceedings against them for such violations.
10. This Stipulation is subject to approval by the Securities Commissioner and shall become binding upon the parties hereto upon such approval.

BY RESPONDENTS:

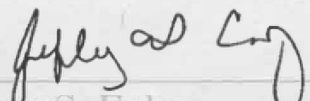
Robert M. White:


Individually

Flotilla Capital Management Inc.:

BY 
Robert M. White, Owner

BY THE STAFF OF THE DIVISION OF SECURITIES:


Jeffrey S. Eaby
Deputy Commissioner

January 30, 2025

Date