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**IN THE MATTER OF:**

**P-SQUARE INVESTMENTS LLC  
d/b/a P-SQUARED CAPITAL MANAGEMENT**

**(CRD No. 125794)**

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**STIPULATION AND  
AGREEMENT**

**No. ST-20-202010-S**

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**WHEREAS**, the Banking Commissioner (the “Commissioner”) is charged with the administration of Chapter 672a of the Connecticut General Statutes, the Connecticut Uniform Securities Act (the “Act”) and Sections 36b-31-2 *et seq.* of the Regulations of Connecticut State Agencies (the “Regulations”) promulgated under the Act;

**WHEREAS**, P-Square Investments LLC (“PSI”) of 5 Beechcroft Road, Greenwich, Connecticut 06830 is a single member Connecticut limited liability company formed on July 24, 2002. PSI has been registered as an investment adviser under the Act from April 22, 2003 to December 31, 2014 and from January 13, 2015 forward. On June 10, 2013, PSI amended its Form ADV (Uniform Application for Investment Adviser Registration) to state that its primary business name had been changed to P-Squared Capital Management. While PSI has an affiliate, P-Squared Capital Management LLC, a Connecticut limited liability company formed on July 3, 2013, PSI has represented to the agency that that affiliate does not conduct independent business operations;

**WHEREAS**, in connection with an examination of PSI, the staff of the Securities and Business Investments Division (“Division”) of the Department of Banking (“Department”) ascertained that from August 17, 2015 through December 1, 2016, PSI engaged one Monica Hoyos (CRD No. 2757331) as an unregistered investment adviser agent in contravention of Section 36b-6(c)(3) of the Act and continued to pay that unregistered investment adviser agent post-engagement referral fees, consisting of a portion of the management fee charged to clients, that totaled \$15,133.50, the last fee being paid on February 6, 2020;

**WHEREAS**, although the individual applied for investment adviser agent registration of PSI under the Act on February 3, 2016, the individual never became registered as an investment adviser agent of PSI due to her failure to fulfill the examination requirement. To date, the individual is not registered as an agent or investment adviser agent of any securities or advisory firm in any jurisdiction;

**WHEREAS**, Section 36b-6(c)(3) of the Act provides, in part, that: “No investment adviser shall engage an investment adviser agent unless such investment adviser agent is registered under ... [the Act]”;

**WHEREAS**, Section 36b-3(12) (A) defines “investment adviser agent” to include “(i) any individual . . . employed, appointed or authorized by or associated with an investment adviser to solicit business from any person for such investment adviser in this state and who receives compensation or other remuneration, directly or indirectly, for such solicitation . . . .”;

**WHEREAS**, the Commissioner believes that a violation of Section 36b-6(c)(3) of the Act would support the imposition of administrative proceedings against PSI pursuant to Section 36b-15 and Section 36b-27 of the Act;

**WHEREAS**, an administrative proceeding initiated under Section 36b-15 and Section 36b-27 of the Act would constitute a “contested case” within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

**WHEREAS**, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by stipulation or agreed settlement, unless precluded by law;

**WHEREAS**, PSI desires to settle the matters described herein and voluntarily enters into this Stipulation and Agreement;

**WHEREAS**, the Commissioner and PSI acknowledge that this Stipulation and Agreement is in lieu of any court action or administrative proceeding adjudicating any issue of fact or law on the matters described herein and is being made to settle only the matters described herein;

**WHEREAS**, without admitting or denying the allegations contained herein, PSI expressly consents to the Commissioner’s jurisdiction under the Act and to the terms of this Stipulation and Agreement;

**WHEREAS**, PSI, through its execution of this Stipulation and Agreement, voluntarily waives any rights PSI may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Stipulation and Agreement;

**AND WHEREAS**, PSI specifically assures the Commissioner that none of the violations alleged in this Stipulation and Agreement shall occur in the future.

**NOW THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:**

1. No later than the date this Stipulation and Agreement is executed by the Commissioner, PSI shall remit to the Department by cashier’s check, certified check or money order made payable to “Treasurer, State of Connecticut” the sum of five thousand dollars (\$5,000), four thousand five hundred dollars (\$4,500) of which shall constitute an administrative fine and five hundred dollars (\$500) of which shall represent reimbursement for past due investment adviser agent registration fees;
2. PSI, its members, officers, representatives, agents, employees, affiliates, and successors in interest shall refrain from engaging, directly or indirectly, in conduct constituting or which would constitute a violation of the Act or any regulation or order under the Act, including, without limitation engaging unregistered investment adviser agents;

3. PSI shall comply with all statutory requirements governing the registration of affected individuals as investment adviser agents, and shall review, revise and implement such supervisory and compliance procedures as are necessary to ensure such compliance;
4. Execution of this Stipulation and Agreement by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against PSI, its affiliates or its successors in interest based upon a violation of this Stipulation and Agreement or the basis for its entry if the Commissioner determines that compliance is not being observed with the terms hereof or if any representation made by or on behalf of PSI and reflected herein or in its investment advisory filings is subsequently determined to be untrue;
5. Nothing in this Stipulation and Agreement shall be construed as limiting the Commissioner's ability to take enforcement action against PSI based upon: (i) evidence of which the Division was unaware on the date hereof relating to a violation of the Act or any regulation or order under the Act; or (ii) evidence indicating that PSI or its members withheld material information from, or made any material misstatement or omission to, the Commissioner in connection with this matter; and
6. This Stipulation and Agreement shall become binding when executed by PSI and the Commissioner.

**IN WITNESS WHEREOF**, the undersigned have executed this Stipulation and Agreement on the dates indicated.

Dated at Hartford, Connecticut  
this 29<sup>th</sup> day of May 2020.

\_\_\_\_\_/s/\_\_\_\_\_  
Jorge L. Perez  
Banking Commissioner

I, Joseph Louis Pellegrino, state on behalf of P-Square Investments LLC d/b/a P-Squared Capital Management, that I have read the foregoing Stipulation and Agreement; that I know and fully understand its contents; that I am authorized to execute this Stipulation and Agreement on behalf of P-Square Investments LLC d/b/a P-Squared Capital Management; and that P-Square Investments LLC d/b/a P-Squared Capital Management agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein.

P-Square Investments LLC  
d/b/a P-Squared Capital Management

By

\_\_\_\_\_/s/\_\_\_\_\_  
Joseph Louis Pellegrino  
Member and President

Date: 5/28/20