



STATE OF CONNECTICUT
 DEPARTMENT OF BANKING
 260 CONSTITUTION PLAZA • HARTFORD, CT 06103-1800



Jorge L. Perez
 Commissioner

IN THE MATTER OF:

**RENAISSANCE INSTITUTIONAL
 MANAGEMENT LLC**

(CRD Number 136113)

*
*
*
*
**
*
*
*
*
*

**STIPULATION AND
 AGREEMENT**

No. ST-18-8431-S

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, Renaissance Institutional Management LLC (“RIM”) is a Delaware limited liability company formed on March 18, 2005. RIM maintains its principal office at 800 Third Avenue, New York, New York 10022. Prior to 2018, RIM was only registered as a broker-dealer with the State of New York, the Financial Industry Regulatory Authority (“FINRA”) and the Securities and Exchange Commission (the “SEC”);

WHEREAS, Renaissance Technologies LLC (IARD No. 106661) (the “Advisory Affiliate”) is an SEC-registered investment adviser affiliated with RIM as RIM’s sole member. The Advisory Affiliate manages or has managed certain private investment funds, including: 1) Renaissance Institutional Diversified Alpha Fund International L.P., Renaissance Institutional Diversified Alpha Fund LLC and Renaissance Institutional Diversified Global Equities Onshore Fund L.P. (the “Diversified Funds”); 2) Renaissance Institutional Equities Fund International L.P. and Renaissance Institutional Equities Fund LLC (the “Equities Funds”); and 3) RIEF Strategic Partners Fund International L.P. and RIEF Strategic Partners Fund LLC (the “RIEF Funds”);

TEL: (860) 240-8299

FAX: (860) 240-8178

An Affirmative Action/Equal Opportunity Employer
 website: <http://www.ct.gov/dob>

WHEREAS, in early 2018, RIM self-reported to the Securities and Business Investments Division of the Department of Banking (the "Division") that it had acted as an intermediary in bringing together prospective investors and certain private investment funds managed by the Advisory Affiliate. RIM also disclosed to the Division that, pursuant to a 2016 agreement between the Advisory Affiliate, Morgan Stanley Smith Barney LLC ("Morgan Stanley"), the Equities Funds and the RIEF Funds, Morgan Stanley would also introduce prospective fund purchasers to RIM as those funds' "exclusive placement agent", that RIM would facilitate due diligence on behalf of the affected funds; and that RIM would ultimately refer prospective purchasers to the Affiliated Adviser and to those funds;

WHEREAS, at the time RIM facilitated the placement of fund securities as described above, RIM was not registered as a broker-dealer under the Act;

WHEREAS, RIM has represented in writing that it had facilitated sales of the Diversified Funds, the Equities Funds and RIEF Strategic Partners Fund International in Connecticut;

WHEREAS, on March 21, 2018 RIM filed with the Division an application for registration as a broker-dealer pursuant to Sections 36b-7 and 36b-32 of the Act;

WHEREAS, in connection with its application for registration as a broker-dealer, RIM furnished proof to the Division that it had voluntarily extended a rescission offer totaling approximately \$100 million to those Connecticut entities and individuals who purchased fund shares during the preceding two year period, both as a result of the Morgan Stanley agreement and otherwise (the "Connecticut Purchasers"). The average amount invested by each of the Connecticut Purchasers was approximately \$1 million;

WHEREAS, the Commissioner, through the Division, conducted a follow-up investigation pursuant to Sections 36b-8 and 36b-26 of the Act;

WHEREAS, as a result of such investigation, the Commissioner ascertained that RIM violated Section 36b-6(a) of the Act by effecting securities transactions at a time when the firm was not registered as a broker-dealer under the Act;

WHEREAS, as a result of such investigation, the Commissioner obtained evidence suggesting that the Connecticut Purchasers were "accredited investors" and/or otherwise financially sophisticated by virtue of, *inter alia*, being institutional in nature or having a prior background in the securities industry;

WHEREAS, the Commissioner believes that a violation of Section 36b-6(a) of the Act would support the initiation of administrative proceedings against RIM under Sections 36b-15 and 36b-27 of the Act;

WHEREAS, Section 4-177(c) of Chapter 54 of the Connecticut General Statutes permits the resolution of a contested case by stipulation or agreed settlement;

WHEREAS, RIM desires to settle the matters described herein and, without admitting or denying the allegations herein, voluntarily enters into this Stipulation and Agreement, acknowledging 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;

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

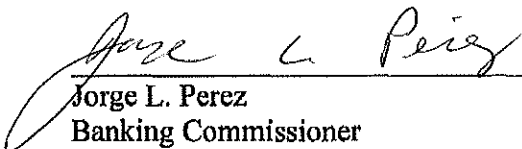
NOW THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. RIM, its officers, directors, employees and representatives shall refrain from engaging in conduct constituting or which would constitute a violation of the Act or any regulation or order under the Act, including, without limitation, transacting business as a broker-dealer absent registration;
2. RIM shall implement revised supervisory and compliance procedures designed to improve regulatory compliance which procedures shall, at a minimum, provide for enhanced monitoring of state broker-dealer licensing requirements;
3. No later than the date this Stipulation and Agreement is executed by the Commissioner, RIM shall remit to the department by certified bank check payable to "Treasurer, State of Connecticut" the sum of three thousand five hundred dollars (\$3,500) as an administrative fine;
4. Execution of this Stipulation and Agreement by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against RIM and/or its affiliates and successors in interest based upon a violation of this Stipulation and Agreement or the matters underlying its entry if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by RIM and set forth herein or made in connection with RIM's application for broker-dealer registration 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 RIM and/or its affiliates and successors in interest 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 RIM 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 both parties hereto.

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

Dated at Hartford, Connecticut
this *30th* day of *October* 2018.



Jorge L. Perez
Banking Commissioner

Mendel M. Silber

I, ~~Mark S. Mendel~~, state on behalf of Renaissance Institutional Management, LLC, 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 Renaissance Institutional Management, LLC and that Renaissance Institutional Management, LLC agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein.

Renaissance Institutional Management, LLC

By

~~Mark S. Mendel~~ Mendel M. Silber
President and Chief Compliance Officer

On this 24th day of October, 2018, personally appeared ^{Mendel M. Silber}~~Mark S. Mendel~~, signer of the foregoing Stipulation and Agreement, who, being duly sworn, did acknowledge to me that he was authorized to execute the same on behalf of Renaissance Institutional Management, LLC, a limited liability company, and acknowledged the same to be his free act and deed, before me.

Notary Public
My Commission Expires:

MARC A. ROZIC
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02RO6143920
Qualified in New York County County
Commission Expires June 17, 2022