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**IN THE MATTER OF:**

**MONICA HOYOS-FARFAN**

**(CRD NO. 2757331)**

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**STIPULATION AND  
AGREEMENT**

**NO. ST-20-202010-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**, Monica Hoyos-Farfan (“Hoyos”) is an individual residing in Miami, Florida. Between 1997 and 2012, Hoyos was registered as a broker-dealer agent of various firms in Connecticut and other jurisdictions but has never been registered as an investment adviser agent 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;

**WHEREAS**, on February 3, 2016, Hoyos filed an application for registration as an investment adviser agent of PSI under the Act. Hoyos did not become registered as an investment adviser agent of PSI in Connecticut due to her failure to satisfy state testing requirements, and she is not currently registered in any capacity under the securities laws of any jurisdiction;

**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 1) from August 17, 2015 through December 1, 2016, PSI engaged Hoyos as an unregistered investment adviser agent in contravention of Section 36b-6(c)(3) of the Act; and 2) that Hoyos violated Section 36b-6(c)(2) of the Act by transacting business as an unregistered investment adviser agent and accepting \$15,133.50 in post-engagement referral fees from PSI, consisting of a portion of the management fee charged to clients, the last fee being paid on February 6, 2020;

**WHEREAS**, Section 36b-6(c)(2) of the Act provides, in part, that: “[n]o individual shall transact business in this state as an investment adviser agent unless such individual is registered as an investment adviser agent of the investment adviser for which such individual acts in transacting such business”;

**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)(2) of the Act would support the imposition of administrative proceedings against Hoyos pursuant to Section 36b-27 of the Act;

**WHEREAS**, an administrative proceeding initiated under 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**, Hoyos desires to settle the matters described herein and voluntarily enters into this Stipulation and Agreement;

**WHEREAS**, the Commissioner and Hoyos 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, Hoyos expressly consents to the Commissioner’s jurisdiction under the Act and to the terms of this Stipulation and Agreement;

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

**AND WHEREAS**, Hoyos 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, Hoyos 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 hundred dollars (\$500) as an administrative fine;

2. Hoyos shall cease and desist from engaging in conduct constituting or which would constitute a violation of the Act or any regulation, rule or order adopted or issued under the Act, either directly or through any person, organization or other device, including without limitation, transacting business as an unregistered investment adviser agent in contravention of Section 36b-6(c)(2) of the Act;
3. Execution of this Stipulation and Agreement by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Hoyos 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;
4. Nothing in this Stipulation and Agreement shall be construed as limiting the Commissioner's ability to take enforcement action against Hoyos 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 Hoyos withheld material information from, or made any material misstatement or omission to, the Commissioner in connection with this matter; and
5. This Stipulation and Agreement shall become binding when executed by Hoyos and the Commissioner.

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

Dated at Hartford, Connecticut  
this 24th day of June 2020.

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

I, Monica Hoyos-Farfan, state that I have read the foregoing Stipulation and Agreement; that I know and fully understand its contents; and that I agree freely and without threat or coercion of any kind to comply with the terms and conditions stated herein.

\_\_\_\_\_/s/\_\_\_\_\_  
Monica Hoyos-Farfan

Date: 5-31-20