
*
IN THE MATTER OF: *
*
MONITOR CAPITAL, LLC *
CRD NO. 146087 *

STIPULATION AND AGREEMENT
NO. ST-20-202013-S

WHEREAS, Monitor Capital, LLC (“Monitor”) is a broker-dealer located at 8 Soundshore Drive, Greenwich, Connecticut. Monitor has been registered as a broker-dealer under Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act (“Act”), from April 9, 2008 to the present, and has no reported disciplinary history;

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of the Act and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”) promulgated under the Act;

WHEREAS, Monitor does not conduct any retail broker dealer business, but is a third-party marketing and introducing placement agent for funds managed by investment advisers registered with the Securities and Exchange Commission (“SEC”);

WHEREAS, in May 2019, the staff of the Securities and Business Investments Division (“Division”) of the Department of Banking (“Department”) conducted an examination of Monitor (“Examination”);

WHEREAS, during the Examination, the Division ascertained that in June 2016, Monitor referred an entity (“Entity A”) to an SEC-registered investment adviser (“Adviser”), and as compensation for that referral, Monitor received compensation from Adviser in the form of a percentage of the management and performance fees Adviser charged Entity A;

WHEREAS, by virtue of Monitor receiving compensation in the form of a percentage of management and performance fees Adviser charged Entity A, Monitor transacted business as an investment adviser in Connecticut without being registered under the Act;

WHEREAS, on July 22, 2019, the Division advised Monitor in writing that its compensation structure relating to Entity A and Adviser required Monitor to be registered as an investment adviser under the Act, and thereafter, Monitor filed with the Commissioner an application for registration as an investment adviser pursuant to Sections 36b-7 and 36b-32 of the Act;

WHEREAS, Section 36b-6(c)(1) of the Act provides, in pertinent part, that “[n]o person shall transact business in this state as an investment adviser unless registered as such by the commissioner as provided in sections 36b-2 to 36b-34, inclusive, or exempted pursuant to subsection (e) of this section;

WHEREAS, the Commissioner believes that a violation of Section 36b-6(c)(1) of the Act would support the imposition of administrative proceedings against Monitor 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 provide that a contested case may be resolved by stipulation or agreed settlement, unless precluded by law;

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

WHEREAS, the Commissioner and Monitor acknowledge that this Stipulation and Agreement is in lieu of any court action or administrative proceeding against Monitor, its members, officers, employees, agents or representatives 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, Monitor expressly consents to the Commissioner’s jurisdiction under the Act and to the terms of this Stipulation and Agreement;

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

AND WHEREAS, Monitor specifically assures the Commissioner that the violation alleged in this Stipulation and Agreement shall not 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, Monitor shall remit to the Department by cashier’s check, certified check or money order made payable to “Treasurer, State of Connecticut” the sum of six thousand seven hundred and twenty dollars (\$6,720) of which five thousand dollars (\$5,000) shall constitute an administrative fine, and one thousand seven hundred and twenty dollars (\$1,720) of which shall represent reimbursement for past due investment adviser and investment adviser agent registration fees;
2. Monitor, 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;
2. Execution of this Stipulation and Agreement by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Monitor 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;
3. Contemporaneously with the execution of this Stipulation and Agreement by the Commissioner, the name “Monitor Capital, LLC” shall be entered on the register of investment advisers pursuant to Section 36b-8 of the Act; and
4. This Stipulation and Agreement shall become binding when executed by Monitor and the Commissioner.

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

Dated at Hartford, Connecticut,
this 20th day of July 2020.

_____/s/_____
Jorge L. Perez
Banking Commissioner

I, Sakae Takushima, state on behalf of Monitor Capital, 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 Monitor Capital, LLC; and that Monitor Capital, LLC agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein.

Monitor Capital, LLC

By:

_____/s/_____
Sakae Takushina
Chief Executive Officer and
Chief Compliance Officer

Date: July 15, 2020