
IN THE MATTER OF:

**GLENNCAP LLC
d/b/a GLENN CAPITAL, LLC
(IARD NO. 290351)**

**JONATHAN VINCENT GLENN
(CRD NO. 2272521)**

*
*
*
*
*
*
*
*
*

CONSENT ORDER

MATTER NO. CO-24-202250-S

I. PRELIMINARY STATEMENT

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act (“Act”), and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”) promulgated under the Act;

WHEREAS, GlennCap LLC d/b/a Glenn Capital LLC (“Glenn Capital”) is a Connecticut limited liability company with its principal place of business located at 165 West Putnam Road, Connecticut 06830. GlennCap has been registered as an investment adviser under the Act from January 3, 2018 until December 31, 2019 and from January 14, 2020 to the present;

WHEREAS, Jonathan Vincent Glenn (“Glenn”) is an individual whose address last known to the Commissioner is 165 West Putnam Road, Greenwich, Connecticut 06830. At all times pertinent hereto, Glenn was and remains the sole member and investment adviser agent of Glenn Capital;

WHEREAS, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking (“Department”), conducted an investigation pursuant to Section 36b-26 of the Act into the activities of Glenn Capital and Glenn (collectively, “Respondents”) to determine if they, or either of them, had violated, were violating or were about to violate any provisions of the Act or any regulation or order under the Act (“Investigation”);

WHEREAS, as a result of the Investigation, the Division ascertained that Respondents violated Section 36b-5 of the Act by engaging in fraudulent or deceptive acts or practices. More specifically, from January 2020 to March 2022, Glenn, on behalf of and as an agent of Glenn Capital, engaged in “cherry picking”, the practice of allocating favorable trades specifically to certain accounts, often to the benefit of the investment adviser, while allocating the less favorable trades to clients. Glenn did so by using Glenn Capital’s omnibus account which allowed for the pooling of client assets. When using the omnibus account, Glenn executed block trades in which multiple securities transactions were executed on behalf of multiple clients at the same time without identifying in advance which specific trade is associated with which client. This allowed Glenn to wait to allocate trades until he could see if the position held was favorable or not. Once Glenn made this determination, he disproportionately allocated favorable trades to himself or to clients from whose accounts he made performance fees, while simultaneously assigning unfavorable trades to the remaining clients.

WHEREAS, throughout the above-referenced time frame, Respondents received \$2,743,616 in ill-gotten gains from the cherry picking and the resulting increase in performance fees attributable to accounts in which gains were assigned more favorably;

WHEREAS, on September 14, 2023, the Securities and Exchange Commission (“SEC”) issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 203(e), 203(f), and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (*Administrative*

Proceeding File No. 3-21667) (“SEC Order”) against the Respondents. In anticipation of the SEC proceedings, Respondents submitted an Offer of Settlement which the SEC accepted and incorporated into the SEC Order;

WHEREAS, the SEC Order ordered Respondents to disgorge \$2,743,616 in ill-gotten gains to harmed investors and contained a bar prohibiting Glenn from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organizations;

WHEREAS, the Commissioner, as a result of the Investigation, has reason to believe that the foregoing conduct violates certain provisions of the Act and would support administrative proceedings against Respondents under Sections 36b-15 and 36b-27 of the Act, including conduct which, if proven, would constitute a basis for revocation of Respondents’ investment adviser and investment adviser agent registrations, respectively, under Section 36b-15(a) of the Act;

WHEREAS, an administrative proceeding initiated under Sections 36b-15 and 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 consent order, unless precluded by law;

WHEREAS, Section 36b-31(a) of the Act provides, in relevant part, that “[t]he commissioner may from time to time make . . . such . . . orders as are necessary to carry out the provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, Section 36b-31(b) of the Act provides, in relevant part, that “[n]o . . . order may be made . . . unless the commissioner finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, without holding a hearing and without trial or adjudication of any issue of fact or law, and prior to the initiation of any formal proceeding, the Commissioner and Respondents have reached an agreement, the terms of which are reflected in this Consent Order, in full and final resolution of the matters described herein;

WHEREAS, Respondents expressly consent to the Commissioner's jurisdiction under the Act and to the terms of this Consent Order;

WHEREAS, the Commissioner finds that the entry of this Consent Order is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act;

WHEREAS, Respondents have provided the Commissioner with a sworn financial affidavit demonstrating that they are financially unable to pay the administrative fine of one hundred thousand dollars (\$100,000) that otherwise would have been imposed against them by the Commissioner, and therefore, such fine will be stayed for a period of three years (as set forth in Section IV below); After the expiration of three years from the date this Consent Order is entered, if the Division determines that Respondents are still unable to pay administrative fine, such fine will be waived.

WHEREAS, Respondents acknowledge that they have had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and that they execute this Consent Order freely;

AND WHEREAS, Respondents, through their execution of this Consent Order, specifically assure the Commissioner that none of the violations alleged in this Consent Order shall occur in the future.

II. CONSENT TO WAIVER OF PROCEDURAL RIGHTS

WHEREAS, Respondents, through their execution of this Consent Order, each voluntarily waive the following rights:

1. To be afforded notice and an opportunity for a hearing within the meaning of Sections 36b-15(f) and 36b-27 of the Act and Section 4-177(a) of the General Statutes of Connecticut;
2. To present evidence and argument and to otherwise avail themselves of Sections 36b-15(f) and 36b-27 of the Act and Section 4-177c(a) of the General Statutes of Connecticut;
3. To present their respective positions in a hearing in which each is represented by counsel;
4. To have a written record of the hearing made and a written decision issued by a hearing officer; and
5. To seek judicial review of, or otherwise challenge or contest the matters described herein, including the validity of this Consent Order.

III. ACKNOWLEDGEMENT OF THE COMMISSIONER'S ALLEGATIONS

WHEREAS, Respondents, through their execution of this Consent Order, acknowledge the following allegations of the Commissioner:

1. Respondent Glenn Capital violated Section 36b-5 of the Act by engaging in practices which operated as a fraud upon advisory clients;
2. Respondent Glenn violated Section 36b-5 of the Act by engaging in practices which operated as a fraud upon advisory clients;
3. The bar imposed against Glenn by the SEC forms the basis for the revocation of Glenn's investment adviser agent registration in Connecticut pursuant to Section 36b-15(a)(2)(F)(iii) of the Act.

WHEREAS, the Commissioner would have the authority to enter findings of fact and conclusions of law after granting Respondents an opportunity for a hearing;

AND WHEREAS, Respondents acknowledge the possible consequences of an administrative hearing and voluntarily agree to consent to the entry of the sanctions described below.

IV. CONSENT TO ENTRY OF SANCTIONS

WHEREAS, Respondents, through their execution of this Consent Order, consent to the Commissioner's entry of an order imposing on them the following sanctions:

1. Respondents shall cease and desist 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, engaging in conduct proscribed by Section 36b-5 of the Act;
2. Effective upon the entry of this Consent Order by the Commissioner, the registration of Glenn Cap LLC as an investment adviser shall be **REVOKED**, and Glenn Cap LLC and its existing and future representatives, agents, employees, affiliates, subsidiaries, and successors in interest are **PERMANENTLY BARRED** from (i) transacting business in or from Connecticut as a broker-dealer or investment adviser, as such terms are defined in the Act, and notwithstanding any definitional exclusion that might otherwise be available under the Act; and (ii) acting in any other capacity which requires a license or registration from the Commissioner;
3. Effective upon the entry of this Consent Order by the Commissioner, the registration of Jonathan Vincent Glenn as an investment adviser agent shall be **REVOKED**, and continuing for a period of seven years thereafter, he shall be **BARRED** from directly or indirectly, through any person, organization, entity or other device, (i) transacting business in or from Connecticut as a broker-dealer, agent, investment adviser or investment adviser agent, as such terms are defined in the Act and notwithstanding any definitional exclusion that might otherwise be available under the Act; and (ii) acting in any other capacity which requires a license or registration from the Commissioner; and
4. Based on the contents of the financial affidavit submitted by Respondents to the Division, the imposition of any fine that otherwise would have been imposed against Respondents pursuant to Section 36b-27 of the Act shall be temporarily stayed for three years from the date this Consent Order is entered by the Commissioner, provided that such stay shall no longer be in force and effect, and Respondents will be obligated to pay a fine of one hundred thousand dollars (\$100,000) if the Commissioner ascertains at any time that (i) either Respondent is able to pay an administrative fine; or (ii) Respondents failed to disclose any material asset, materially misstated the value of any asset or made any other material misstatement or omission in the financial affidavit. This paragraph is without prejudice to the right of the Commissioner, in his discretion, to take such further action on the matter in the future following expiration of the temporary stay as may be warranted by the then existing circumstances. Respondents, through their execution of this Consent Order, knowingly, wilfully and voluntarily waive their right to notice and an administrative hearing in conjunction with the implementation of this paragraph; provided, however, that, prior to invoking any enforcement measures contemplated by this paragraph, the Commissioner shall provide the relevant Respondent with an informal opportunity to demonstrate its/his compliance with this Consent Order. After the expiration of three years from the date this Consent Order is entered, if the Division determines that Respondents are still unable to pay the administrative fine, such fine will be waived.

V. CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Entry of this Consent Order by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Respondents based upon a violation of this Consent Order or the matters underlying its entry if the Commissioner determines that Respondents have failed to comply with the terms herein;

3. Nothing in this Consent Order shall be construed as limiting the Commissioner's ability to take enforcement action against Respondents 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 Respondents withheld material information from, or made any material misstatement or omission to, the Commissioner in connection with this matter;
4. Respondents shall not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, that the Commissioner had a basis to pursue the allegations set forth in Section III of this Consent Order, or create the impression that this Consent Order is without factual basis;
5. Respondents shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. However, nothing in this Consent Order affects Respondents' (i) testimonial obligations; or (ii) right to take any legal or factual position in litigation, arbitration, or other legal proceedings in which the Commissioner is not a party; and
6. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut,
this 6th day of February 2024.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, Jonathan Vincent Glenn, state on behalf of GlennCap LLC d/b/a Glenn Capital LLC (“Glenn Capital”) that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Glenn Capital; that Glenn Capital agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that Glenn Capital consents to the entry of this Consent Order.

GlennCap LLC d/b/a Glenn Capital LLC

By _____/s/_____
Jonathan Vincent Glenn
President

State of: Connecticut

County of: Fairfield

On this 5th day of February 2024, before me, the undersigned officer, personally appeared Jonathan Vincent Glenn, who acknowledged himself to be the Sole Member and President of GlennCap LLC d/b/a Glenn Capital LLC, and that he, as such President and being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as President.

In witness whereof I hereunto set my hand.

_____/s/_____
Attorney At Law

CONSENT TO ENTRY OF ORDER

I, Jonathan Vincent Glenn, state that I have read the foregoing Consent Order; that I know and fully understand its contents; that I agree freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that I consent to the entry of this Consent Order.

_____/s/_____
Jonathan Vincent Glenn

State of: Connecticut

County of: Fairfield

On this the 5th day of February 2024, before me, the undersigned officer, personally appeared Jonathan Vincent Glenn, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

_____/s/_____
Attorney at Law