CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Securities Compliance and Examinations ("Bureau") has conducted an investigation of the business practices of Gerring Capital Partners, LLC ("GCP"). Based on the results of its investigation, the Bureau has concluded that GCP operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et seq. ("1972 Act"). GCP, in lieu of litigation, and without admitting or denying the allegations contained herein, and intending to be legally bound, hereby agrees to the entry of this Consent Agreement and Order ("CAO").

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the 1972 Act.

2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.

3. The Bureau operates from the Department's main office located at 17 North Second
4. GCP (CRD # 134423) was, at all times material herein, a Pennsylvania Limited Liability Corporation with an address at Redacted.

5. From in or about March 28, 2005 until the present, GCP was registered pursuant to Section 301 (c) of the 1972 Act, 70 P.S. §1-301 (c), as an investment adviser.

6. On November 21, 2019, during the course of a routine examination of GCP by the staff of the Bureau, it was revealed that GCP accessed at least 9 custodial accounts which belonged to at least 5 of GCP’s clients using the clients’ personal usernames and passwords.

7. Previously, on September 25, 2018, the Bureau emailed the “Bureau Position on the Use of Client Usernames and/or Passwords” (“Bureau Position”) to all investment advisers registered in Pennsylvania, including GCP. The Bureau Position stated the following:

“Bureau Position

The Bureau considers Registrants using client usernames and/or passwords to access client custodial accounts as a dishonest and unethical practice. The Bureau will recommend administrative action in these circumstances, unless remedial action is taken as outlined below.

Remedial Action:

Unless additional circumstances exist, the Bureau will not recommend administrative action for custody violations or dishonest and unethical practices if the Registrant immediately ceases the use of client usernames and/or passwords to access custodial accounts. In addition, the Registrant must notify affected clients to change their custodial account usernames and/or passwords and security questions. This client notification must be made within 30 days of this letter and must be made by means of written communication.”

VIOLATION

8. By engaging in the acts and conduct set forth in paragraphs 4 through 7 above, GCP using client usernames and passwords, engaged in dishonest and unethical practices in the securities business which acts and conduct form a basis to deny, suspend, revoke, or condition the registration of GCP, or to censure them pursuant to Section 305 (a) (ix) of the 1972 Act, 70 P.S. §1-305 (a) (ix),
and Regulation 305.019 (b), 10 Pa. Code §305.019 (b), promulgated thereunder.

**RELIEF**

9. GCP shall pay the Department an administrative assessment in the amount of $40,000.00. Said sum is to be paid over the course of two (2) years in equal quarterly installments of $5,000.00 each. Payment shall commence within thirty (30) days of the effective date of this Order as defined in Paragraph 19. Payment shall be made by certified check or money order that is made payable to the Department of Banking and Securities and shall be mailed or delivered in person, to the Bureau of Securities Compliance and Examinations located at 17 North Second Street, Suite 1300, Harrisburg, PA 17101.

10. The administrative assessment shall be paid as follows:
   a. $5,000.00 on or before December 1, 2020
   b. $5,000.00 on or before March 1, 2021
   c. $5,000.00 on or before June 1, 2021
   d. $5,000.00 on or before September 1, 2021
   e. $5,000.00 on or before December 1, 2021
   f. $5,000.00 on or before March 1, 2022
   g. $5,000.00 on or before June 1, 2022
   h. $5,000.00 on or before September 1, 2022.

11. GCP is ORDERED to comply with the 1972 Act and Regulations adopted by the Department and in particular Section 305 (a) (ix) of the 1972 Act, 70 P.S. § 1-305 (a) (ix).

12. This Order is not intended to constitute and shall not be interpreted to constitute a basis for disqualification of GCP or any of its affiliates under Federal or state securities laws, rules or regulations promulgated thereunder or any self-regulatory organizations’ rules or regulations.

13. Should GCP fail to pay the assessment as set forth in Paragraphs 9 and 10 above, the
sanctions set forth elsewhere in the Order shall continue in full force and effect until payment is made. However, this provision shall not be construed as affording GCP the option of either paying the assessment or being indefinitely subject to the sanctions.

14. Should GCP fail to comply with any or all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to the right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

15. Consent. GCP hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agree that they understand all of the terms and conditions contained herein. GCP, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

16. Entire Agreement. This Order contains the entire agreement among the Department, GCP. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and GCP.

17. Binding Nature. The Department and GCP, and all officers, owners, directors, employees, heirs and assigns of GCP intend to be and are legally bound by the terms of this Order.

18. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

19. Effectiveness. GCP hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (“Effective Date”).

20. Other Enforcement Action.

a. The Department reserves all of its rights, duties and authority to enforce all
statutes, rules and regulations under its jurisdiction against GCP in the future regarding all matters not resolved by this Order.

b. GCP acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

c. GCP acknowledges and agrees that this Order does not preclude any other agency from instituting administrative, civil or criminal proceedings that may be related to matters addressed by this Order.

21. **Authorization.** The parties below are authorized to execute this Order and legally bind their respective parties.

22. **Counterparts.** This Order may be executed in separate counterparts, by facsimile and by PDF.

23. **Titles.** The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

24. **Findings.** The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

**WHEREFORE,** in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Compliance and Examinations, and Gerring Capital Partners, LLC. intending to be legally bound, do hereby execute this Consent Agreement and Order.
FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES,
BUREAU OF SECURITIES COMPLIANCE AND EXAMINATIONS

Redacted

Wendy Spicher, Acting Deputy Secretary of Securities

Date: November 9, 2020

Gerring Capital Partners, L.L.C.

Redacted

(Signature)

ERIC PARNELL
(Print Name)

DIRECTOR
(Title)

Date: 11/6/20