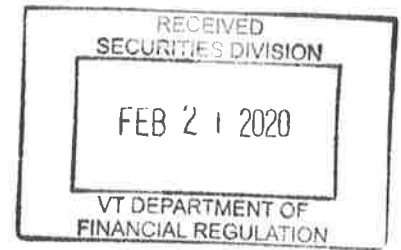


**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION
SECURITIES DIVISION**



IN RE:)
THORNTON INVESTMENT MGMT, PLLC) **DOCKET NO. 20-008-S**
and PATRICK J. THORNTON)
)
)

STIPULATION AND CONSENT ORDER

This Stipulation and Consent Order is entered this 19th day of February, 2020, by and among Thornton Investment Management, PLLC (the "Firm", CRD #159194), Patrick J. Thornton (CRD #1303844) (together, "Respondents"), and the Vermont Department of Financial Regulation (the "Department").

WHEREAS, the Commissioner of the Department (the "Commissioner") is responsible for administering and enforcing the Vermont Uniform Securities Act (the "Securities Act"), Title 9, Chapter 150 of the Vermont Statutes Annotated, pursuant to which the Department has conducted a review of the Respondents; and

WHEREAS, as a result of the Department's review, the Department has concluded that Respondents violated the Securities Act by providing investment advisory services during the 12 preceding months to clients who are Vermont residents without being registered to conduct securities business in Vermont;

WHEREAS, the Department has accordingly sought, and Respondents, without the necessity of further formal proceedings, have agreed to take corrective and remedial measures as more specifically described herein; and

WHEREAS, Respondents elect to permanently waive any right to a hearing and appeal under the Vermont Administrative Procedure Act, Title 3, Chapter 25 of the Vermont Statutes Annotated; the rules, regulations, and orders of the Commissioner; and any right Respondents may have to judicial review by any court with respect to this Consent Order.

NOW THEREFORE, the parties so stipulate, and the Commissioner makes findings and conclusions as follows:

FINDINGS OF FACT

1. Respondent Thornton Investment Management, PLLC (the "Firm") is a professional limited liability company domiciled in Vermont with its primary place of business at 1037 Hinesburg Road, South Burlington, Vermont 05403.
2. Respondent Patrick Thornton ("Thornton") is the principal of the Firm.

3. The Firm is currently registered as an investment adviser in the State of Vermont.
4. Thornton is currently registered in Vermont as an investment adviser representative of the Firm.
5. The Firm first became registered in Vermont in October 2011.
6. On December 31, 2011, the Respondent's registration as an investment adviser expired for failing to pay the required renewal fees.
7. The Firm and Thornton conducted unregistered investment advisory activity from December 31, 2011 until the Firm's application to become registered again was approved on April 19, 2012.
8. On December 31, 2018, the Respondent's registration as an investment adviser expired again for failing to pay the required renewal fees.
9. Between December 31, 2018 and March 13, 2019, the Firm and Thornton again conducted unregistered investment advisory activity.
10. The Firm's application to become registered again was approved on March 13, 2019.

CONCLUSIONS OF LAW

1. Under 9 V.S.A. § 5403(a), the Vermont Uniform Securities Act ("Securities Act") prohibits a person from transacting business in Vermont as an investment adviser unless the person is registered or exempt from registration.
2. Under 9 V.S.A. § 5404(a), the Securities Act prohibits an individual from transacting business in Vermont as an investment adviser representative unless the individual is registered or exempt from registration.
3. The Firm, by providing investment advice to Vermont clients as set forth in the Findings of Fact without registering as an investment adviser or being exempt from registration, has violated 9 V.S.A. § 5403.
4. Thornton, by providing investment advice to Vermont clients, as set forth in the Findings of Fact, without registering as an investment adviser representative or being exempt from registration, has violated 9 V.S.A. § 5404.

CONSENT ORDER

NOW, THEREFORE, based on Respondents' stipulation, and on the basis of the Findings of Fact and Conclusions of Law set forth herein, the Commissioner issues the following Order, to be fully complied with following receipt by the Commissioner of the duly

executed Consent to Entry of Administrative Order:

1. Respondents shall comply with the Vermont Uniform Securities Act.
2. Respondents shall pay an administrative penalty of \$30,000.00 to the Securities Division in installments as follows.
 - Respondents shall pay an initial installment of \$5,000 on or before April 16, 2020.
 - Respondents shall pay the balance of \$25,000 in installments of \$2,500 each with the first installment due on or before July 15, 2020 and then quarterly thereafter (on or before October 15, January 15, and April 15) until paid in full.
3. Respondents are jointly and severally liable for the penalty amount.
4. If Respondents do not comply with any of the terms, conditions, or undertakings set forth in this Stipulation and Consent Order, the Department may, upon written notice to Respondents, institute any legal or administrative proceedings as it deems appropriate to enforce the same and to seek other appropriate sanctions, and Respondents shall consent to the entry of judgment for any unpaid balance.
5. Upon receipt by the Securities Division of the full \$30,000.00 amount paid by Respondents in accordance with the terms of this Consent Order, this Stipulation and Consent Order will be deemed to have documented the resolution of this matter and will not be a basis for action against Respondents by the Department arising out of these same events in regards to the business of securities except in determining any action or penalty that may be imposed by the Department for any future violations of law by Respondents.

This ORDER shall become effective immediately upon the date set forth below.

BY ORDER OF THE COMMISSIONER

Entered at Montpelier, Vermont, this 25th day of February 2020.



MICHAEL S. PIECIAK, Commissioner
Vermont Department of Financial Regulation

**CONSENT BY PATRICK THORNTON AND THORNTON INVESTMENT
MANAGEMENT PLLC TO THE ENTRY OF AN ORDER BY THE COMMISSIONER
IMPOSING TERMS, CONDITIONS, AND UNDERTAKINGS UNDER THE
VERMONT UNIFORM SECURITIES ACT**

1. Thornton Investment Management PLLC (the "Firm", CRD #159194) and Patrick J. Thornton (CRD #1303844) (together, "Respondents") hereby admit the jurisdiction of the Commissioner over the subject matter of this proceeding and, solely with respect to this matter, knowingly and voluntarily waive any and all rights to a hearing before the Commissioner or his designee and all other procedures otherwise available under the Vermont Uniform Securities Act, Title 9, Chapter 150 of the Vermont Statutes Annotated, any successor act, and the rules, regulations, and orders of the Commissioner. Respondents also waive compliance with the provisions of 3 V.S.A. Chapter 25 regarding contested cases. Respondents acknowledge that this Consent Order constitutes a valid order duly rendered by the Commissioner.

2. Respondents voluntarily and knowingly waive any rights they may have to judicial review by any court by way of suit, appeal, or extraordinary remedy resulting from the issuance of the Consent Order.

3. Respondents acknowledge and agree that the Consent Order is entered into freely and voluntarily and that no promise was made, other than as outlined herein, nor was any coercion used, to induce the Respondents to enter into the Consent Order.

4. Respondents acknowledge their understanding of all terms, conditions, and obligations contained in the Consent Order, and further acknowledge that should they fail to comply with any and all provisions of the Consent Order, the Commissioner may impose additional sanctions and seek other appropriate relief subject to Respondents' right to a hearing pursuant to the Securities Act and any successor act.

Dated this 18 day of February, 2020.

By: 

Patrick Thornton, on behalf of himself and as principal of Thornton Investment Management, PLLC

BEFORE ME this 19 day of February, 2020, personally appeared Patrick J. Thornton, who acknowledged that he, as being authorized so to do, executed the foregoing for the purposes contained therein, and that such execution is his free act and deed on behalf of himself and as principal of Thornton Investment Management, PLLC.


Notary Public

My commission expires: 2/2021