

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4630 / January 30, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17819

In the Matter of

**GL INVESTMENT
SERVICES, LLC,**

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
203(e) OF THE INVESTMENT ADVISERS
ACT OF 1940 AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(e) of the Investment Advisers Act of 1940 (“Advisers Act”) against GL Investment Services, LLC (“Respondent” or “GLIS”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. GLIS is an investment adviser registered with the Commission. According to its website, GLIS is “an independent advisory firm that provides customized wealth management and investment management services to clients throughout the United States.” GLIS’s indirect majority owner is Daniel Thibeault (“Thibeault”). Thibeault owned and controlled a number of related investment businesses including GLIS. Thibeault controlled the investment adviser to, and was a co-portfolio manager of, the GL Beyond Income Fund (the “GL Fund”), a closed-end interval fund that focused its investments primarily in consumer debt to young professionals. Thibeault controlled GLIS and directed its day-to-day activities.

B. ENTRY OF THE INJUNCTION AGAINST GLIS

2. On December 23, 2016, a final judgment dated December 22, 2016 was entered against GLIS, permanently enjoining it from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Daniel Thibeault, et al., Civil Action Number 1:15-CV-10050, in the United States District Court for the District of Massachusetts.

C. GLIS’ FRAUDULENT ACTIVITY

3. The Commission’s complaint alleged that, from early 2013 through 2014, Thibeault and the investment businesses he controlled defrauded investors in the GL Fund by misappropriating at least \$15 million in Fund investments, using those assets to make about 40 fictitious loans to third party borrowers, and then falsely reporting those fictitious loans as assets of the Fund. Thibeault used the proceeds of the fictitious loans to operate his businesses, including GLIS, and pay his personal expenses. GLIS breached its fiduciary duty to its clients when Thibeault, the head of its Investment Committee, abused the discretionary investment authority its clients had given it by investing its clients assets in the GL Fund, from which Thibeault was misappropriating assets. GLIS failed to take reasonable care with its clients’ money and facilitated the misappropriation of that money by directing it to the GL Fund, from which it was appropriated for Thibeault’s and GLIS’s purposes. In addition, the complaint alleged that GLIS fraudulently overstated its assets under management in a Form ADV it filed with the Commission in September 2014 by including assets that were not under management at GLIS or were not eligible to be counted as assets under management. In an attempt to conceal the fraud at the GL Fund and the related businesses under his control, Thibeault, acting for himself and for GLIS, made multiple misrepresentations to the Commission’s staff during the investigation that preceded the filing of the complaint.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(e) of the Advisers Act;

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 201.360(a)(2), the Administrative Law Judge shall issue an initial decision no later than 75 days from the occurrence of one of the following events: (A) The completion of post-hearing briefing in a proceeding where the hearing has been completed; (B) Where the hearing officer has determined that no hearing is necessary, upon completion of briefing on a motion pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250; or (C) The determination by the hearing officer that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155 and no hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary