

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 85342 / March 18, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19110

In the Matter of

JOSHUA B. GLADTKE,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Joshua B. Gladtko (“Gladtko” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraphs III.2 and III.4 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that

1. Gladtko was a registered representative, executive officer, and minority owner of Arjent LLC ("Arjent US"), a broker-dealer previously registered with the Commission; a director and minority owner of Arjent, Ltd. ("Arjent UK"), a UK-based, FCA-licensed, broker-dealer, which is currently winding down its business; and the vice-president of a holding company named Pangaea Trading Partners LLC ("Pangaea"). Gladtko, age 40, resides in Hewitt, New Jersey.

2. On February 5, 2019, a final judgment was entered by consent against Gladtko, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a); Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5; and from aiding and abetting further violations of Section 17(a) of the Exchange Act, 15 U.S.C. § 78q(a), and Rule 17a-3(a)(12) thereunder, 17 C.F.R. § 17a-3(a)(12), in the civil action entitled Securities and Exchange Commission v. Robert P. DePalo, et al., Civil Action Number 15-CV-3877 (KMW), in the United States District Court for the Southern District of New York.

3. The Commission's complaint alleged that Gladtko engaged in a scheme to defraud investors who purchased units in Pangaea, a holding company that held itself out as holding indirect interests in both Arjent US and Arjent UK. Gladtko's primary role in the scheme was to solicit and sell Pangaea units to unsuspecting investors despite knowing, or recklessly disregarding, that the Pangaea Offering documents contained false and misleading statements. For example, Gladtko continued to sell Pangaea units even after he knew or recklessly disregarded that Robert DePalo, contrary to the "use of proceeds" representations in the offering documents, transferred investor funds into DePalo's own accounts, and Gladtko turned a blind eye (and failed to alert investors) as Pangaea coffers were raided to fund payments to himself, DePalo, and others, that were neither disclosed in the offering documents nor in the investors' best interests.

4. On August 31, 2015, Gladtko pleaded guilty to criminal conduct relating to certain matters alleged in the complaint in this action. Specifically, in New York v. DePalo, et al., Indictment No. 01450/2015 (N.Y. Sup. Ct.), Gladtko pleaded guilty to one count of grand larceny in the second degree in violation of NY Penal Law § 155.40; one count of scheme to defraud in the first degree in violation of NY Penal Law § 190.65(1)(a); and one count of securities fraud in violation of NY General Business Law § 352-c(5).

5. The counts of the Indictment to which Gladtko pled guilty alleged, inter alia, that Gladtko defrauded Pangaea investors through a course of conduct with intent to defraud to obtain property by false and fraudulent pretenses, representations and promises while inducing and promoting the issuance, distribution, exchange, sale negotiation or purchase of Pangaea securities.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Gladtké's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Gladtké be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Gladtké be, and hereby is, barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Acting Secretary