

1 MARY ANN SMITH  
Deputy Commissioner  
2 DOUGLAS M. GOODING  
Assistant Chief Counsel  
3 TIMOTHY L. Le BAS (SBN 135565)  
Senior Corporations Counsel  
4 DEPARTMENT OF BUSINESS OVERSIGHT  
5 1515 K Street, Suite 200  
6 Sacramento, California 95814  
7 (916) 322-2050 telephone  
(916) 445-6985 facsimile

8 Attorneys for Complainant

9  
10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
11 OF THE STATE OF CALIFORNIA

12 In the Matter of ) FILE NO. 166561  
)  
13 THE COMMISSIONER OF BUSINESS ) SETTLEMENT AGREEMENT BETWEEN  
14 OVERSIGHT, ) RAMA CAPITAL PARTNERS, LLC AND  
) THE CALIFORNIA DEPARTMENT OF  
15 Complainant, ) BUSINESSS OVERSIGHT RESOLVING:  
v. )  
16 ) 1. DESIST AND REFRAIN ORDER; and  
)  
17 Rama Capital Partners, LLC, ) 2. ORDER LEVYING ADMINISTRATIVE  
18 ) PENALTIES  
Respondent. )  
19 )

20  
21 SETTLEMENT AGREEMENT

22 This SETTLEMENT AGREEMENT ("Agreement") is entered into by and between the  
23 Complainant, California Department of Business Oversight ("Department"), by and through the  
24 California Commissioner of Business Oversight ("Commissioner") and the Respondent, Rama  
25 Capital Partners, LLC, (hereinafter collectively the "Parties").

26 RECITALS

27 This Agreement is made with reference to the following facts:

28 A. Rama Capital Partners ("Rama") is a California limited liability company, formed

1 June 18, 2008, with its principal place of business at 26901 Agoura Road, Suite 250, Calabasas,  
2 California 91301.

3 B. On or about January 2, 2013, Rama filed an application for an investment adviser  
4 certificate with the Department. The application revealed that Rama was engaged in investment  
5 adviser activities.

6 C. On its application, Rama admitted that it was currently providing investment advice  
7 for a fee. The application disclosed that Rama advises the Rama Fund, LLC and manages the assets  
8 of this fund.

9 D. When the Department inquired about Rama's investment adviser activities, Rama  
10 fully cooperated. Rama provided information showing there are approximately one hundred seventy  
11 investors (170) in the Rama Fund, LLC.

12 E. The Department finds, based upon the information provided by Rama, that Rama was  
13 engaged in unlicensed investment adviser activity through the date hereof, in violation of CSL  
14 section 25230(a).

15 F. Rama has not held a valid investment adviser certificate issued by the Department or  
16 the U.S. Securities and Exchange Commission ("SEC"), at any time.

17 G. It is the intention and desire of the Parties to resolve this matter without the necessity  
18 of a hearing and/or other litigation.

19 NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set  
20 forth herein, the Parties agree as follows:

21 TERMS AND CONDITIONS

22 1. **Purpose:** The purpose of this Agreement is to settle and resolve the issues  
23 between the Parties hereto, for judicial economy and expediency, and to avoid the expense of a  
24 hearing, and possible further court proceedings.

25 2. **Waiver of Hearing Rights:** Rama acknowledges the right to a hearing under the  
26 Corporate Securities Law of 1968 in connection with the application for an investment adviser  
27 certificate and hereby waives that right to a hearing, and to any reconsideration, appeal, or other  
28 right to review which may be afforded pursuant to the Corporate Securities Law of 1968, the

1 California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
2 provision of law, and by waiving such rights, consent to the Penalties becoming final.

3       3.       **Acknowledgement:** Without admitting the foregoing recitals of fact, Rama  
4 stipulates to the issuance of the orders and acknowledges that this action can be used in future  
5 proceedings that may be initiated by or brought before the Department. The Parties agree that this  
6 Agreement and any acknowledgements hereunder shall not be admissible or binding against Rama in  
7 any action(s) brought against Rama by third parties that are not signatories to this Agreement or in  
8 any other proceedings except as expressly permitted by this paragraph 3 before the Department.

9       4.       **Certification:** Rama stipulates to undertake all appropriate steps designed to assure  
10 full compliance with the laws of California in connection with the licensing of Rama’s business as  
11 an investment adviser. Rama acknowledges that failure to comply under this Agreement shall be a  
12 breach of this Agreement and shall be cause for the Commissioner to immediately revoke any  
13 licenses held by, and/or deny any pending application(s) of Rama, its successors and assigns, by  
14 whatever names they might be known. Rama hereby waives any notice and hearing rights to contest  
15 such revocations and/or denial(s) which may be afforded under the Corporate Securities Law of  
16 1968, the California Administrative Procedure Act, the California Code of Civil Procedure, or any  
17 other provision of law in connection with this action.

18       5.       **Administrative Penalties:** Rama agrees to pay, without admitting any fault or  
19 wrongdoing, to the Commissioner penalties totaling, in the aggregate, thirty-five thousand dollars  
20 (\$35,000) (“Penalties”). Such Penalties shall be paid by Rama within 90 days of the date of the  
21 Order. The check shall be made payable to “The Department of Business Oversight,” and shall be  
22 sent by Rama to the following address:

23               Timothy L. Le Bas, Senior Corporations Counsel  
24               Department of Business Oversight  
25               1515 K St., Suite 200  
26               Sacramento, CA 95814

27       In the event the payment due date falls on a weekend or holiday, the payment shall be due the  
28 next business day. Rama acknowledges that failure to timely pay the Penalties in this Agreement  
shall be a breach of this Agreement and shall be cause for the Commissioner to immediately revoke

1 any licenses held by, and/or deny any pending application(s) of Rama, its successors and assigns, by  
2 whatever names they might be known. Rama hereby waives any notice and hearing rights to contest  
3 such revocations and/or denial(s) which may be afforded under the Corporate Securities Law of  
4 1968, the California Administrative Procedure Act, the California Code of Civil Procedure, or any  
5 other provision of law in connection therewith.

6           **6. Future Actions by the Commissioner:** Other than as to the matters resolved  
7 herein, the Commissioner reserves the right to bring any future action(s) against Rama and/or any of  
8 the officers, directors, shareholders, or employees of Rama for any and all unknown or future  
9 violations of the Corporate Securities Act of 1968. Other than as to the matters resolved herein, this  
10 Agreement shall not serve to exculpate Rama or any of the officers, directors, shareholders, or  
11 employees of Rama from liability for any and all unknown or future violations of the Corporate  
12 Securities Act of 1968.

13           **7. Effective Date:** This Agreement shall not become effective until signed and  
14 dated by each of the parties hereto.

15           **8. Settlement Agreement Coverage:** The Parties hereby acknowledge and agree that  
16 this Agreement is intended to constitute a full, final, and complete resolution of this matter  
17 (including, but not limited to, any and all assertions by the Department that Rama has allegedly  
18 engaged in unlicensed investment adviser activity through the effective date of this Agreement).  
19 The Parties further acknowledge and agree, except as provided in paragraph 3, above, that nothing  
20 contained in this Agreement shall operate to limit the Commissioner's ability to cooperate with any  
21 other agency, county, state or federal, with any prosecution, administrative, civil or criminal, brought  
22 by any such agency against Rama based upon any of the activities alleged in this matter or  
23 otherwise.

24           **9. Independent Legal Advice:** Each of the Parties represents, warrants, and agrees that  
25 it has received or been advised to seek independent legal advice from its attorneys with respect to the  
26 advisability of executing this Agreement.

27           **10. No Other Representation:** Each of the parties represents, warrants, and agrees that  
28 in executing this Agreement it has relied solely on the statements set forth herein and the advice of

1 its own counsel. Each of the parties further represents, warrants, and agrees that in executing this  
2 Agreement it has placed no reliance on any statement, representation, or promise of any other party,  
3 or any other person or entity not expressly set forth herein, or upon the failure of any party or any  
4 other person or entity to make any statement, representation or disclosure of anything whatsoever.  
5 The parties have included this clause: (1) to preclude any claim that any party was in any way  
6 fraudulently induced to execute this Agreement; and (2) to preclude the introduction of parol  
7 evidence to vary, interpret, supplement, or contradict the terms of this Agreement.

8       **11. Modifications and Qualified Integration:** No amendment, change or modification  
9 of this Agreement shall be valid or binding to any extent unless it is in writing and signed by all of  
10 the parties affected by it.

11       **12. Full Integration:** This Agreement is the final written expression and the  
12 complete and exclusive statement of all the agreements, conditions, promises, representations, and  
13 covenants between the parties with respect to the subject matter hereof, and supersedes all  
14 discussions between and among the parties, their respective representatives, and any other person or  
15 entity, with respect to the subject matter covered hereby.

16       **13. No Presumption From Drafting:** In that the parties have had the opportunity to  
17 draft, review and edit the language of this Agreement, no presumption for or against any party  
18 arising out of drafting all or any part of this Agreement will be applied in any action relating to,  
19 connected to, or involving this Agreement. Accordingly, the parties waive the benefit of Civil Code  
20 section 1654 and any successor or amended statute, providing that in cases of uncertainty, language  
21 of a contract should be interpreted most strongly against the party who caused the uncertainty to  
22 exist.

23       **14. Counterparts:** This Agreement may be executed in any number of counter-  
24 parts by the Parties, and when each party has signed and delivered at least one such counterpart to  
25 the other party, each counterpart shall be deemed an original and taken together shall constitute one  
26 and the same Agreement. This Agreement may be executed via original signatures exchanged by  
27 facsimile or electronic means.

28       **15. Headings and Governing Law:** The headings to the paragraphs of this

1 Agreement are inserted for convenience only and will not be deemed a part hereof or affect the  
2 construction or interpretation of the provisions hereof. This Agreement shall be construed and  
3 enforced in accordance with, and governed by, the laws of the State of California.

4       16.    **Authority For Settlement:** Each party warrants and represents that such party is  
5 fully entitled and duly authorized to enter into and deliver this Agreement. In particular, and without  
6 limiting the generality of the foregoing, each party warrants and represents that it is fully entitled to  
7 enter into the covenants, and undertake the obligations set forth herein.

8       17.    **Public Record:** Rama hereby acknowledges that this enforcement action and  
9 Agreement will be a matter of public record.

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**18. Voluntary Agreement:**

The Parties each represent and acknowledge that he,

she, or it is executing this Agreement completely voluntarily and without any duress or undue influence of any kind from any source.

IN WITNESS WHEREOF, the Parties hereto have approved and executed this Agreement on the dates set forth opposite their respective signatures.

California Commissioner of Business Oversight

Dated: 10/22/13

By \_\_\_\_\_

MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division

Dated: 10/21/13

Rama Capital Partners, LLC

By \_\_\_\_\_

ALIM KASSAM, Chief Executive Officer  
Rama Capital Partners, LLC

Approved as to Form and Content

Dated: 10/18/13

By \_\_\_\_\_

ANTHONY A. PATEL  
Attorney on Behalf of  
Rama Capital Partners, LLC