

1 MARY ANN SMITH  
Deputy Commissioner  
2 DANIEL P. O'DONNELL  
Assistant Chief Counsel  
3 VANESSA T. LU (State Bar No. 295217)  
Senior Counsel  
4 RYAN M. CASSIDY (State Bar No. 340274)  
Counsel  
5 Department of Financial Protection and Innovation  
6 2101 Arena Boulevard  
7 Sacramento, CA 95834  
Telephone: (916) 764-8358  
8 Attorneys for Complainant

9 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
10 OF THE STATE OF CALIFORNIA

11 In the Matter of:  
12 THE COMMISSIONER OF FINANCIAL  
PROTECTION AND INNOVATION,  
13 Complainant,  
14 v.  
15 BSD VENTURE CAPITAL FUND I, LP,  
16 BSD VENTURE CAPITAL, LLC, and  
BRUCE DOOLE,  
17 Respondents.

OAH No.: 2024080351  
CRD No.: 118024 and 2322136  
SETTLEMENT AGREEMENT  
Hearing Date: January 28 – 31, 2025  
Hearing Time: 9:00 AM  
Location: Office of Administrative Hearings  
1350 Front Street, Suite 3005  
San Diego, California 92101  
Judge: Jami Teagle-Burgos

19 In the Matter of:  
20 THE COMMISSIONER OF FINANCIAL  
PROTECTION AND INNOVATION,  
21 Complainant,  
22 v.  
23 PERMANENT VALUE, INC.; BRUCE  
24 DOOLE; and BRUCE W AND SUSAN L  
DOOLE LIVING TRUST 2000,  
25 Respondents.

26  
27  
28 The Commissioner of Financial Protection and Innovation (Commissioner), respondent BSD  
Venture Capital Fund I, LP (BSD Fund), respondent BSD Venture Capital, LLC (BSD), Bruce Doole

1 (Doole), respondent Permanent Value, Inc. (PVI), and respondent Bruce W and Susan L Doole Living  
2 Trust 2000 (Doole Trust) (collectively, the “Parties”) enter into this settlement agreement (Agreement)  
3 with respect to the following facts:

4 **I. RECITALS**

5 A. The Department of Financial Protection and Innovation (Department) regulates California  
6 investment advisers and broker-dealers under the Corporate Securities Law of 1968 (CSL). *See* Cal.  
7 Corp. Code §§ 25000-25707<sup>1</sup>. Under section 25600, the Commissioner is authorized to administer and  
8 enforce the provisions of the CSL and the regulations promulgated thereunder<sup>2</sup>.

9 B. At all relevant times herein, BSD Fund is and was a Delaware limited partnership located at  
10 2221 Camino Del Rio South, Suite 304, San Diego, California 92108.

11 C. At all relevant times, BSD is and was a Delaware limited liability company located at 2221  
12 Camino Del Rio South, Suite 304, San Diego, California 92108 operating as the General Partner of  
13 BSD Fund.

14 D. At all relevant times herein, PVI is and was an investment adviser licensed by the  
15 Commissioner since December 6, 2012 (Central Registration Depository No. 118024)<sup>3</sup> pursuant to the  
16 CSL. PVI is or was, at all relevant times, a Delaware corporation, located at 2221 Camino Del Rio  
17 South, Suite 308, San Diego, California 92108. According to the California Secretary of State’s  
18 business search website (available at <https://bizfileonline.sos.ca.gov/search/business>), PVI’s  
19 registration is forfeited by the Franchise Tax Board as of December 1, 2015. As of June 3, 2022, PVI  
20 was providing investment advisory services for 47 clients, with approximately \$25,000,000.00 under  
21 management.

22 E. At all relevant times, Doole (CRD No. 2322136), is and was an officer, control person,  
23 managing member, and an owner of BSD and PVI.

24 \_\_\_\_\_  
25 <sup>1</sup> Unless stated otherwise, all section references are to the California Corporations Code.

26 <sup>2</sup> *See* Cal. Code Regs. tit. 10, §§ 260.000-260.617. All further references will employ the format of 10 C.C.R. [section #].

27 <sup>3</sup> The Central Registration Depository (CRD) and Investment Adviser Registration Depository (IARD) are databases  
28 maintained by the Financial Industry Regulatory Authority (FINRA) since 2007. They are used to store and maintain  
information on registered securities and broker firms, as well as individuals who dispense investing and financial advice.

1 F. Doole Trust is the sole direct owner of PVI.

2 G. BSD Fund, BSD, Doole, PVI and Doole Trust are collectively referred to as Respondents.

3 H. Following an investigation of BSD Fund and BSD, the Commissioner made the following  
4 findings of fact:

5 i. Beginning in or about September 2008, BSD offered and sold securities, in the form of  
6 partnership interests in the BSD Fund.

7 ii. The securities were offered or sold in this state in issuer transactions. The Department  
8 of Financial Protection and Innovation has not issued a permit or other form of qualification  
9 authorizing any person to offer or sell the above-described securities, in this state.

10 iii. BSD Fund, BSD, and Doole sold securities to 4 investors, residing in California and  
11 elsewhere, in at least 4 separate transactions. raising at least \$500,000.00.

12 iv. Beginning in or about January 2009, BSD provided investment advisory services to the  
13 BSD Fund.

14 v. At all relevant times, neither the Department nor the United States Securities and  
15 Exchange Commission have issued an investment adviser certificate to BSD.

16 vi. At all relevant times, BSD had custody of client funds and securities by having  
17 signatory authority on BSD Fund's bank accounts, and authority to make withdrawals or transfers to  
18 outside accounts. However, between January 1, 2009, through June 9, 2021, BSD failed to follow  
19 safekeeping requirements, pursuant to CCR section 260.237 (a)(3)-(6).

20 I. Following an investigation of Permanent Value, Inc., the Commissioner made the finding of  
21 fact that PVI, Doole, and Doole Trust violated the following: (1) section 25241(a); (2) 10 C.C.R.  
22 260.237.2(a) and (c); (3) 10 C.C.R. 260.241.2 (a)(3)-(4); (4) 10 C.C.R. 260.241.3(a)(1)-(2),(4)-  
23 (6),(9),(10), and (j); (5) 10 C.C.R. 260.236(a)(1); and (6) 10 C.C.R. 260.241.4(d) and (e).

24 J. On April 5, 2024, the Commissioner issued the following actions and orders (collectively,  
25 Orders) against the Respondents: (1) Accusation to Revoke Permanent Value, Inc.'s Investment  
26 Adviser Certificate; (2) Accusation to Bar Respondent Bruce Doole from any Position of Management  
27 or Control of an Investment Adviser, Broker-Dealer, or Commodity Adviser; (3) Order to Discontinue  
28 Violations; (4) Statement in Support of Order to Discontinue Violations; (5) Desist and Refrain Order

1 and Claim for Ancillary Relief; and (6) Notice of Intent to Issue Order Levying Administrative  
2 Penalties and Statement in Support.

3 K. The Respondents timely requested a hearing to challenge the Orders and a hearing is currently  
4 set to be held at the Office of Administrative Hearings on January 28 through 31, 2025.

5 L. The Parties now intend to resolve this matter amicably without the necessity of a hearing or  
6 other litigation.

7 M. The Respondents, by entering into this Agreement, neither admit nor deny the Commissioner's  
8 findings in the Orders.

9 N. NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth  
10 herein, the Parties agree as follows:

11 **II. TERMS AND CONDITIONS**

12 1. Purpose: This Settlement Agreement resolves the issues before the Commissioner, set  
13 forth above, in a manner that avoids the expense of a hearing and other possible court proceedings,  
14 protects consumers, is in the public interest, and is consistent with the purposes, policies, and  
15 provisions of the CSL.

16 2. Administrative Penalty: PVI, BSD, Doole Trust, and Doole agree to pay to the  
17 Commissioner an administrative penalty in the amount of \$70,000.00 (Penalty) as follows: one  
18 payment of ten thousand dollars (\$10,000.00) shall be made on or before January 31, 2025; and two  
19 equal payments of thirty thousand dollars (\$30,000.00) shall be made on or before the following dates,  
20 March 31, 2025 and June 30, 2025. The Penalty shall be made payable in the form of a cashier's check  
21 or Automated Clearing House deposit payable to the "Department of Financial Protection and  
22 Innovation" and transmitted to the attention of "Accounting – Litigation" at the Department of  
23 Financial Protection and Innovation, 2101 Arena Boulevard, Sacramento, California 95834-2036.  
24 Notice of such payment shall be forwarded to Ryan M. Cassidy, Counsel, Enforcement Division, by  
25 email at: ryan.cassidy@dfpi.ca.gov. In the event the payment due date falls on a weekend or holiday,  
26 the payment shall be due the next business day.

1           3.       Revocation Order: Pursuant to section 25232, PVI’s investment adviser certificate  
2 (CRD No. 118024) is hereby revoked as of the Effective Date of this Agreement. A copy of the  
3 revocation order is attached and incorporated as Exhibit A.

4           4.       Final Desist and Refrain Orders: Pursuant to section 25532, BSD Fund, BSD, and  
5 Doole are hereby ordered to desist and refrain from violating Corporations Code sections 25110 and  
6 25230, and California Code of Regulations, title 10, section 260.237. Pursuant to Corporations Code  
7 section 25532, PVI, Doole, and Doole Trust are hereby ordered to desist and refrain from violating  
8 Corporations Code sections 25238 and 25241, and California Code of Regulations, title 10, sections  
9 260.238, 260.237.2, 260.241.2, 260.241.3, 260.236.1, and 260.241.4.

10          5.       Application for Investment Adviser Certificate: Doole agrees that he, or any entity  
11 owned or controlled by him, will never reapply for an investment adviser or broker-dealer certificate  
12 before the Commissioner. In the event Doole, or any entity owned or controlled by him, applies for an  
13 investment adviser or broker-dealer certificate, or any broker-dealer or investment adviser applies for a  
14 broker-dealer agent certificate or an investment adviser representative certificate (or registration), as  
15 applicable, in respect of Doole before the Commissioner, such application shall be deemed  
16 automatically denied by the Commissioner. Doole hereby waives any hearing rights and to any  
17 reconsideration, appeal, or other rights which may be afforded him under the CSL, the Administrative  
18 Procedure Act (APA) (Gov. Code, § 11370 et seq.), the Code of Civil Procedure (CCP) (Code Civ.  
19 Proc., § 1 et seq.), or any provision of law in connection with these matters.

20          6.       Failure to Comply with Agreement: The Respondents agree that if they fail to meet any  
21 requirement of this Agreement, the Commissioner may, in addition to all other available remedies he  
22 may invoke under the CSL, immediately bar Doole. The Respondents hereby waive any notice and  
23 hearing rights to contest the bar which may be afforded under the CSL, the California Administrative  
24 Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection  
25 therewith.

26          7.       Information Willfully Withheld or Misrepresented: This Agreement may be revoked,  
27 and the Commissioner may pursue any and all remedies available under law against the Respondents if

28 ///

1 the Commissioner discovers that any of the Respondents knowingly or willfully withheld or  
2 misrepresented information used for and relied upon in this Agreement.

3 8. Future Actions by Commissioner: If any of the Respondents fail to comply with any  
4 terms of the Agreement, the Commissioner may institute proceedings for any and all violations  
5 otherwise resolved under this Agreement. The Commissioner reserves the right to bring any future  
6 actions against the Respondents, for any and all unknown violations of the CSL or any other law under  
7 the Commissioner’s jurisdiction.

8 9. Assisting Other Agencies: Nothing in this Agreement limits the Commissioner’s ability  
9 to assist any other government agency (whether city, county, state, or federal) with any administrative,  
10 civil or criminal action brought by that agency against the Respondents or any other person based  
11 upon any of the activities alleged in this matter or otherwise.

12 10. Headings: The headings to the paragraphs of this Agreement are inserted for  
13 convenience only and will not be deemed a part hereof or affect the construction or interpretation of  
14 the provisions hereof.

15 11. Binding: This Agreement is binding on all heirs, assigns, and/or successors in interest.

16 12. Reliance: Each of the Parties represents, warrants, and agrees that in executing this  
17 Agreement it has relied solely on the statements set forth herein and the advice of its own counsel.  
18 Each of the Parties further represents, warrants, and agrees that in executing this Agreement it has  
19 placed no reliance on any statement, representation, or promise of any other party, or any other person  
20 or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to  
21 make any statement, representation or disclosure of anything whatsoever. The Parties have included  
22 this clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute  
23 this Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement,  
24 or contradict the terms of this Agreement.

25 13. Waiver, Amendments, and Modifications: No waiver, amendment, or modification of  
26 this Agreement will be valid or binding unless it is in writing and signed by each of the Parties. The  
27 waiver of any provision of this Agreement will not be deemed a waiver of any other provision. No  
28 waiver by either party of any breach of, or of compliance with, any condition or provision of this

1 Agreement by the other party will be considered a waiver of any other condition or provision or of the  
2 same condition or provision at another time.

3 14. Full Integration: This Agreement is the final written expression and the complete and  
4 exclusive statement of all the agreements, conditions, promises, representations, and covenant between  
5 the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous  
6 agreements, negotiations, representations, understandings, and discussions between and among the  
7 Parties, their respective representatives, and any other person or entity with respect to the subject  
8 matter covered hereby.

9 15. Governing Law: This Agreement will be governed by and construed in accordance with  
10 California law. Each of the Parties hereto consents to the jurisdiction of such court, and hereby  
11 irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the  
12 maintenance of such action or proceeding in such court.

13 16. Counterparts: This Agreement may be executed in one or more separate counterparts,  
14 each of which when so executed, shall be deemed an original. Such counterparts shall together  
15 constitute a single document.

16 17. Effect Upon Future Proceedings: If any of the Respondents apply for any license,  
17 certificate, registration, permit, or qualification under the Commissioner’s current or future  
18 jurisdiction, or is the subject of any future action by the Commissioner to enforce this Agreement, then  
19 the subject matter hereof shall be admitted for the purpose of such application(s) or enforcement  
20 proceeding(s).

21 18. Voluntary Agreement: The Respondents enter into this Agreement voluntarily and  
22 without coercion and acknowledge that no promises, threats or assurances have been made by the  
23 Commissioner, or any officer, or agent thereof, about this Agreement. The Parties each represent and  
24 acknowledge that he, she or it is executing this Agreement completely voluntarily and without any  
25 duress or undue influence of any kind from any source.

26 ///  
27 ///  
28 ///

1           19.    Notice: Any notice required under this Agreement shall be provided to each party at the  
2 following addresses:

3           To the Respondents:                           Thomas W. McNamara  
4    McNamara Smith LLP  
5    655 W. Broadway, Suite 900  
6    San Diego, California 92101  
7    tmcnamara@mcnamarallp.com

8    and

9    Bruce Doole  
10    Permanent Value, Inc.  
11    BSD Venture Capital Fund I, LP  
12    BSD Venture Capital, LLC  
13    Bruce W and Susan L Doole Living Trust 2000  
14    P.O. Box 601521  
15    San Diego, California 92160  
16    bdoole@permanentvalue.com

17           To the Commissioner:                           Ryan M. Cassidy, Counsel  
18    Department of Financial Protection and Innovation  
19    2101 Arena Boulevard  
20    Sacramento, California 95834  
21    Ryan.Cassidy@dfpi.ca.gov

22           20.    Signatures: A fax or electronic mail signature shall be deemed the same as an original  
23 signature.

24           21.    Public Record: The Respondents hereby acknowledge that this Agreement is and will  
25 be a matter of public record.

26           22.    Effective Date: This Agreement shall become final and effective when signed by all  
27 Parties and delivered by the Commissioner’s agent via e-mail to the Respondents’ agent, Thomas W.  
28 McNamara, at tmcnamara@mcnamarallp.com.

///  
///  
///  
///  
///



23. Authority to Sign: Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Agreement and undertake the obligations set forth herein.

Dated: January 7, 2025

KHALIL MOHSENI  
Acting Commissioner of Financial Protection and Innovation



By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division

Dated: January 7, 2025

By \_\_\_\_\_  
BRUCE DOOLE, as an Individual and authorized agent  
for Permanent Value, Inc., BSD Venture Capital Fund I,  
LP, BSD Venture Capital, LLC, and Bruce W and Susan  
L Doole Living Trust 2000

APPROVED AS TO FORM AND CONTENT

Dated: January 7, 2025

By \_\_\_\_\_  
THOMAS W. MCNAMARA  
McNamara Smith LLP  
Counsel for Permanent Value, Inc., BSD Venture  
Capital Fund I, LP, BSD Venture Capital, LLC, Bruce  
W and Susan L Doole Living Trust 2000, and Bruce  
Doole