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

12 In the Matter of:

13 THE COMMISSIONER OF FINANCIAL
14 PROTECTION AND INNOVATION,

15 Complainant,

16 v.

17 HEDONOVA LLC, HEDONOVA RESEARCH
18 LLC, and ALEXANDER CAVENDISH,

19 Respondents.

CRD No.: 7694312

SETTLEMENT AGREEMENT

21
22 The Commissioner of Financial Protection and Innovation (Commissioner), respondent
23 Hedonova LLC (HLLC), respondent Hedonova Research LLC (HR-LLC), and respondent Alexander
24 Cavendish (Cavendish) (collectively, the "Parties") enter into this settlement agreement (Agreement)
25 with respect to the following facts:

26 **I. RECITALS**

27 A. The Commissioner of Financial Protection and Innovation (Commissioner) regulates California
28 investment advisers and broker-dealers under the Corporate Securities Law of 1968 (CSL). *See* CAL.

1 CORP. CODE §§ 25000-25707¹. Under section 25600, the Commissioner is authorized to administer
2 and enforce the provisions of the CSL and the regulations promulgated thereunder.

3 B. HLLC formed as a Delaware limited liability company, located at 633 West Fifth Street, Los
4 Angeles, California 90071, and since September 2023 was domesticated in Idaho, operating a public
5 website (Hedonova.io), through which it conducted business at all relevant times herein.

6 C. The current and corrected legal entity name effectively referenced herein for HR-LLC is
7 Hedonova Advisors LLC. HR-LLC and Hedonova Advisors LLC shall be referred to herein as HA-
8 LLC.

9 D. At all relevant times, HA-LLC, is and was a Delaware limited liability company, located at 8
10 The Green, Suite B, Dover, Delaware 19901, operating as the managing member of HLLC.

11 E. At all relevant times, Cavendish is and was the Chief Executive Officer of HLLC and the
12 managing member of HA-LLC.

13 F. HLLC, HA-LLC, and Cavendish are collectively referred to as Respondents.

14 G. Beginning in or about September 2022, Respondents, offered and/or sold securities, in the form
15 of limited liability company membership interests in HLLC, in California, through general solicitation
16 on their websites.

17 H. Respondents sold securities to at least 146 investors, residing in California and elsewhere, in at
18 least 146 separate transactions, raising at least \$5,688,390.23.

19 I. From the Commissioner’s review of the information, the Commissioner made the following
20 findings based on “information and belief” (Findings). In connection with the offer and sale of these
21 securities, Respondents made untrue statements of material facts, including but not limited to:

22 1. HSBC was HLLC’s banker. In fact, HSBC, one of the largest banking and financial
23 services institutions in the world, is not HLLC’s banker. Rather, HLLC custodies its money with a
24 non-bank, which is not “FDIC insured,” or with a small bank in Virginia who was found by the Office
25 of the Comptroller of the Currency (OCC) to have engaged in unsafe or unsound practices, on August
26 17, 2022 (See <https://www.occ.gov/static/enforcement-actions/ea2022-043.pdf>).

27 _____
28 ¹ Unless stated otherwise, all section references are to the California Corporations Code.

1 2. Final Desist and Refrain Order: Pursuant to section 25532, Hedonova LLC, Hedonova
2 Advisors LLC, and Alexander Cavendish are hereby ordered to desist and refrain from violating
3 section 25401.

4 3. Waiver of Hearing Rights: HLLC, HA-LLC, and Cavendish hereby waive the right to
5 any hearings, and to any reconsideration, appeal, or other right to review which may be afforded
6 pursuant to the CSL, the California Administrative Procedure Act, the California Code of Civil
7 Procedure, or any other provision of law. By waiving such rights, HLLC, HA-LLC, and Cavendish
8 effectively consent to this Agreement and all the terms becoming final.

9 4. Full and Final Settlement: The Parties hereby acknowledge and agree that this
10 Agreement is intended to constitute a full, final, and complete resolution of the Findings and that no
11 further proceedings or actions will be brought by the Commissioner in connection with the Findings
12 under the CSL, or any other provision of law, excepting therefrom any proceeding to enforce
13 compliance with the terms of this Agreement, or as otherwise expressly stated herein.

14 5. Failure to Comply with Agreement: HLLC, HA-LLC, and Cavendish agree that if they
15 fail to meet any requirement of this Agreement, the Commissioner may, following 10 business days from
16 Respondent's receipt of notice from the Commissioner of their failure to comply with the terms of the
17 Agreement, in addition to all other available remedies she may invoke under the CSL, immediately bar
18 Cavendish. HLLC, HA-LLC, and Cavendish hereby waive any notice and hearing rights to contest the
19 immediate revocation which may be afforded under the CSL, the California Administrative Procedure
20 Act, the California Code of Civil Procedure, or any other provision of California law in connection
21 therewith.

22 6. Information Willfully Withheld or Misrepresented: This Agreement may be revoked,
23 and the Commissioner may pursue any and all remedies available under law against HLLC, HA-
24 LLC, and Cavendish if the Commissioner discovers that HLLC, HA-LLC, or Cavendish knowingly
25 or willfully withheld or misrepresented information used for and relied upon in this Agreement.

26 7. Future Actions by Commissioner: If HLLC, HA-LLC, or Cavendish fail to comply
27 with any terms of the Agreement, the Commissioner may institute proceedings for any and all
28 violations otherwise resolved under this Agreement. The Commissioner reserves the right to bring

1 any future actions against HLLC, HA-LLC, and Cavendish, for any and all unknown violations of the
2 CSL.

3 8. Assisting Other Agencies: Nothing in this Agreement limits the Commissioner’s
4 ability to assist any other government agency (whether city, county, state, or federal) with any
5 administrative, civil or criminal action brought by that agency against HLLC, HA-LLC, and
6 Cavendish or any other person based upon any of the activities alleged in this matter or otherwise.

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

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

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

21 12. Waiver, Amendments, and Modifications: No waiver, amendment, or modification of
22 this Agreement will be valid or binding unless it is in writing and signed by each of the Parties. The
23 waiver of any provision of this Agreement will not be deemed a waiver of any other provision. No
24 waiver by either party of any breach of, or of compliance with, any condition or provision of this
25 Agreement by the other party will be considered a waiver of any other condition or provision or of
26 the same condition or provision at another time.

27 13. Full Integration: This Agreement is the final written expression and the complete and
28 exclusive statement of all the agreements, conditions, promises, representations, and covenant

1 between the Parties with respect to the subject matter hereof, and supersedes all prior or
2 contemporaneous agreements, negotiations, representations, understandings, and discussions between
3 and among the Parties, their respective representatives, and any other person or entity with respect to
4 the subject matter covered hereby.

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

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

12 16. Effect Upon Future Proceedings: If HLLC, HA-LLC, and Cavendish apply for any
13 license, certificate, registration, permit, or qualification under the Commissioner’s current or future
14 jurisdiction, or is the subject of any future action by the Commissioner to enforce this Agreement,
15 then the subject matter hereof shall be admitted for the purpose of such application(s) or
16 enforcement proceeding(s).

17 17. Voluntary Agreement: HLLC, HA-LLC, and Cavendish enter into this Agreement
18 voluntarily and without coercion and acknowledges that no promises, threats or assurances have
19 been made by the Commissioner or any officer, or agent thereof, about this Agreement outside of
20 the terms stated herein. The Parties each represent and acknowledge that he, she or it is executing
21 this Agreement completely voluntarily and without any duress or undue influence of any kind from
22 any source.

23 18. Notice: Any notice required under this Agreement shall be provided to each party at
24 the following addresses:

25 To HLLC, HA-LLC, and Cavendish: Benjamin Lajoie
26 McGlinchey Stafford PLLC
27 One Beacon St, Ste 16100
28 Boston, MA 02108
blajoie@mcglinchey.com
and

22. 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: November 19, 2024

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: November 19, 2024

By _____
ALEXANDER CAVENDISH, as an Individual and
authorized agent for Hedonova LLC, Hedonova
Research LLC, and Hedonova Advisors LLC

APPROVED AS TO FORM AND CONTENT

Dated: November 18, 2024

By _____
BENJAMIN LAJOIE
OMOMAH ABEBE
McGlinchey Stafford PLCC
Counsel for Hedonova LLC, Hedonova Research LLC,
Hedonova Advisors LLC, and Alexander Cavendish