

1 CLOTHILDE V. HEWLETT  
Commissioner  
2 MARY ANN SMITH  
Deputy Commissioner  
3 DANIEL P. O'DONNELL  
Assistant Chief Counsel  
4 JOANNE ROSS (State Bar No. 202338)  
Senior Counsel  
5 RYAN M. CASSIDY (State Bar No. 340274)  
Counsel  
6 Department of Financial Protection and Innovation  
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8 Sacramento, CA 95834  
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Attorneys for Complainant

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

13 In the Matter of:

14 THE COMMISSIONER OF FINANCIAL  
15 PROTECTION AND INNOVATION,

16 Complainant,

17 v.

18 KISO CAPITAL MANAGEMENT I, LLC, and  
19 DAMON DOE

20 Respondents.

CRD No.: 6071187

SETTLEMENT AGREEMENT

Hearing Date: November 12-13, 2024

Hearing Time: 9:00 AM

Location: Office of Administrative Hearings

2349 Gateway Oaks Dr #200

Sacramento, CA 95833

Judge: Hon. Coren D. Wong

21  
22 The Commissioner of Financial Protection and Innovation (Commissioner) and Respondents  
23 Kiso Capital Management I, LLC (KCM) and Damon Doe (Doe) (collectively, the "Respondents"),  
24 (the Parties) enter into this settlement agreement (Agreement) with respect to the following facts:

25 **I. RECITALS**

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

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1 CORP. CODE §§ 25000-25707<sup>1</sup>. Under section 25600, the Commissioner is authorized to administer  
2 and enforce the provisions of the CSL and the regulations promulgated thereunder.

3 B. At all relevant times, Kiso Capital, LP (The Fund), is and was a Delaware limited partnership  
4 located at 333 Almaden Blvd, Suite 333, San Jose, California 95113 and 99 Almaden Blvd Ste 975,  
5 San Jose, California 95113.

6 C. At all relevant times herein, KCM, is and was a California limited liability company located at  
7 333 Almaden Blvd, Suite 333, San Jose, California 95113 operating as the General Partner of The  
8 Fund.

9 D. At all relevant times, Doe (Central Registration Depository [CRD] No. 6071187) is and was  
10 the managing member of KCM.

11 E. From February 2021 - June 2023, KCM provided investment advisory services to The Fund  
12 and collected at least \$329,267.54 in compensation.

13 F. At all relevant times, neither the Department nor the United States Securities and Exchange  
14 Commission have issued an investment adviser certificate to KCM or Doe.

15 G. On April 12, 2024, the Commissioner issued the following actions and orders (collectively,  
16 Orders): (1) Accusation in Support of Order Suspending Damon Doe for a Period of 12 months from  
17 any Position of Employment, Management or Control of any Investment Adviser, Broker-Dealer or  
18 Commodity Adviser; (2) Desist and Refrain Order and Claim for Ancillary Relief; and (3) Notice of  
19 Intent to Issue Order Leving Administrative Penalties and Statement in Support.

20 H. KCM and Doe timely requested a hearing to challenge the Orders and a hearing is currently set  
21 to be held at the Office of Administrative Hearings on November 12 and 13, 2024.

22 I. The Commissioner, KCM, and Doe now intend to resolve this matter amicably without the  
23 necessity of a hearing or other litigation.

24 J. KCM, by entering into this Agreement, neither admits nor denies the Commissioner's findings  
25 as stated in the Department's Order. Doe, by entering into this Agreement, neither admits nor denies  
26 the Commissioner's findings in the Orders.

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

1 K. The Commissioner finds this action is appropriate, in the public interest, is necessary for the  
2 protection of investors, and is consistent with the purposes fairly intended by the policies and  
3 procedures of the CSL.

4 L. NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth  
5 herein, the Parties agree as follows:

6 **II. TERMS AND CONDITIONS**

7 1. Disgorgement: KCM and Doe agree to pay to the Commissioner disgorgement in the  
8 amount of ninety six thousand five hundred and thirty five dollars (\$96,535.00) (Disgorgement) as  
9 follows: one (1) payment of twenty four thousand five hundred and thirty five dollars (\$24,535.00)  
10 shall be made on or before December 31, 2024; and four (4) equal payments eighteen thousand  
11 dollars (\$18,000.00) shall be made on or before the following dates, February 28, 2025, May 31,  
12 2025, August 31, 2025, and November 30, 2025. The Disgorgement shall be made payable in the  
13 form of a cashier’s check or Automated Clearing House deposit payable to the “Department of  
14 Financial Protection and Innovation” and transmitted to the attention of “Accounting – Litigation” at  
15 the Department of Financial Protection and Innovation, 2101 Arena Boulevard, Sacramento,  
16 California 95834-2036. Notice of such payment shall be forwarded to Ryan M. Cassidy, Counsel,  
17 Enforcement Division, by email at: ryan.cassidy@dfpi.ca.gov. In the event the payment due date falls  
18 on a weekend or holiday, the payment shall be due the next business day.

19 2. Final Desist and Refrain Order: Pursuant to section 25532, Kiso Capital Management  
20 I, LLC and Damon Doe are hereby ordered to desist and refrain from violating section 25230.

21 3. New Application for Licensure: After the first timely payment of \$24,535.00 is made  
22 pursuant to this Agreement, KCM or Doe may apply for an investment adviser certificate. KCM and  
23 Doe understand and agree that Commissioner reserves the right to fully investigate such application  
24 for certificate and may either approve or deny such application pursuant to the normal process for  
25 such licensing investigations. No application described in this paragraph will be denied primarily  
26 based on the facts, circumstances, or consensual resolution provided for in this Agreement.

27 4. Waiver of Hearing Rights: KCM and Doe acknowledge that the Commissioner is  
28 ready, willing, and able to proceed with the filing of an administrative enforcement action on the

1 charges contained in the Orders. KCM and Doe hereby waive the right to any hearings, and to any  
2 reconsideration, appeal, or other right to review which may be afforded pursuant to the CSL, the  
3 California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
4 provision of law. KCM and Doe further expressly waive any requirement for the filing of an action  
5 pursuant to Government Code section 11415.60 (b). By waiving such rights, KCM and Doe  
6 effectively consent to this Agreement and all the terms becoming final.

7       5.     Failure to Comply with Agreement: KCM and Doe agree that if they fail to meet any  
8 requirement of this Agreement, the Commissioner may, in addition to all other available remedies she  
9 may invoke under the CSL, immediately suspend Doe until KCM and Doe have complied with this  
10 Agreement. KCM and Doe hereby waive any notice and hearing rights to contest the suspension of  
11 Doe which may be afforded under the CSL, the California Administrative Procedure Act, the  
12 California Code of Civil Procedure, or any other provision of law in connection therewith.

13       6.     Information Willfully Withheld or Misrepresented: This Agreement may be revoked,  
14 and the Commissioner may pursue any and all remedies available under law against KCM and Doe  
15 if the Commissioner discovers that KCM or Doe knowingly or willfully withheld or misrepresented  
16 information used for and relied upon in this Agreement.

17       7.     Future Actions by Commissioner: The violations which are the subject of the Orders  
18 are fully resolved by this Agreement. If KCM or Doe fail to comply with any terms of the  
19 Agreement, the Commissioner may institute proceedings for any and all violations otherwise  
20 resolved under this Agreement. In any such proceedings, the Commissioner shall not recover any of  
21 the disgorgement that KCM and Doe have already paid to the Commissioner pursuant to Paragraph  
22 1 herein. The Commissioner reserves the right to bring any future actions against KCM and Doe  
23 based on other violations which are not the subject of the Orders.

24       8.     Assisting Other Agencies: Nothing in this Agreement limits the Commissioner's  
25 ability to assist any other government agency (whether city, county, state, or federal) with any  
26 administrative, civil or criminal action brought by that agency against KCM and Doe or any other  
27 person based upon any of the activities alleged in this matter or otherwise.

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

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

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

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

21           13.    Full Integration: This Agreement is the final written expression and the complete and  
22 exclusive statement of all the agreements, conditions, promises, representations, and covenant  
23 between the Parties with respect to the subject matter hereof, and supersedes all prior or  
24 contemporaneous agreements, negotiations, representations, understandings, and discussions between  
25 and among the Parties, their respective representatives, and any other person or entity with respect to  
26 the subject matter covered hereby.

27           14.    Governing Law: This Agreement will be governed by and construed in accordance  
28 with California law. Each of the Parties hereto consents to the jurisdiction of such court, and hereby

1 irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to  
2 the maintenance of such action or proceeding in such court.

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

6 16. Effect Upon Future Proceedings: If KCM and Doe apply for any license, certificate,  
7 registration, permit, or qualification under the Commissioner's current or future jurisdiction, or is the  
8 subject of any future action by the Commissioner to enforce this Agreement, then the subject matter  
9 hereof shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

10 17. Voluntary Agreement: KCM and Doe enter into this Agreement voluntarily and  
11 without coercion and acknowledge that no promises, threats or assurances have been made by the  
12 Commissioner, or any officer, or agent thereof, about this Agreement. The Parties each represent  
13 and acknowledge that he, she or it is executing this Agreement completely voluntarily and without  
14 any duress or undue influence of any kind from any source.

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

17 To KCM and Doe:

Kurt Oldenburg  
Oldenburg Law Firm  
2111 J Street #176  
Sacramento, CA 95816  
kurt@oldenburg.law

and

Damon Doe  
99 Almaden Blvd Ste 333  
San Jose, California 95113  
damon@kisocapital.com

24 To the Commissioner:

Ryan M. Cassidy, Counsel  
Department of Financial Protection and Innovation  
2101 Arena Boulevard  
Sacramento, CA 95834  
Ryan.Cassidy@dfpi.ca.gov

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1 19. Signatures: A fax or electronic mail signature shall be deemed the same as an original  
2 signature.

3 20. Public Record: KCM and Doe hereby acknowledge that this Agreement is and will be  
4 a matter of public record.

5 21. Effective Date: This Agreement shall become final and effective when signed by all  
6 Parties and delivered by the Commissioner’s agent via e-mail to KCM and Doe’s agent, Kurt  
7 Oldenburg, counsel for KCM and Doe, at kurt@oldenburg.law.

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

11 Dated: November 10, 2024

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



13 By \_\_\_\_\_  
14 MARY ANN SMITH  
15 Deputy Commissioner  
16 Enforcement Division

17 Dated: November 10, 2024

18 By \_\_\_\_\_  
19 DAMON DOE, as an Individual and authorized agent  
20 for Kiso Capital Management I LLC

21 APPROVED AS TO FORM AND CONTENT

22 Dated: November 10, 2024

23 By \_\_\_\_\_  
24 KURT OLDENBURG  
25 Oldenburg Law Firm  
26 Counsel for Kiso Capital Management I LLC and  
27 Damon Doe  
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