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

In the Matter of:

THE COMMISSIONER OF FINANCIAL
PROTECTION AND INNOVATION,

Complainant,

v.

THIRD COMMA, LLC and RICHARD W.
SIMPSON,

Respondents.

OAH No. 2024080358

CRD No.: 321950 and 2129917

SETTLEMENT AGREEMENT

Hearing Date: May 19, 2025

Hearing Time: 9:00 AM

Location: Office of Administrative Hearings
1350 Front Street, Suite 3005
San Diego, California 92101

Judge: Mary Agnes Matyszewski

The Commissioner of Financial Protection and Innovation (Commissioner), Respondent Third
Comma, LLC (Third Comma), and Respondent Richard W. Simpson (Simpson) (collectively, the
“Parties”) enter into this Settlement Agreement (Agreement) with respect to the following facts:

I.

RECITALS

A. The Department of Financial Protection and Innovation (Department) regulates California
investment advisers and broker-dealers under the Corporate Securities Law of 1968 (CSL)¹. Under

¹ See Cal. Corp. Code §§ 25000-25707. Unless stated otherwise, all section references are to the California Corporations Code.

section 25600, the Commissioner is authorized to administer and enforce the provisions of the CSL and the regulations promulgated thereunder².

B. At all relevant times herein, Third Comma (Central Registration Depository No. 321950)³ was a Delaware limited liability company, doing business at 322 8th Street, Suite #105, Del Mar, California 92014.

C. At all relevant times, Simpson (CRD No. 2129917), was the sole owner and operator of Third Comma.

D. Third Comma and Simpson are collectively referred to as Respondents.

E. From December 19, 2005, through April 15, 2013, there were multiple regulatory events, issued by FINRA and the Department, against Simpson or companies of which Simpson controlled.

F. On May 27, 2022, Third Comma filed an application for an investment adviser certificate with the Department.

G. During the pendency of the review of Third Comma's May 27, 2022, application by the Department, Third Comma fully cooperated and provided numerous responses to the Department in drafting all required forms and documents.

H. On or about May 15, 2023, the Commissioner issued an Order Denying the Investment Advisor Certificate of Third Comma, LLC (2023 Order) through a default proceeding in which Respondents did not appear. Respondents later objected to the Department that they had not received service of or notice of the filings or proceedings leading to issuance of the Order. Accordingly, the Department set aside the Order.

I. On April 17, 2024, the Commissioner issued the following actions (collectively, "Actions"):
(1) Accusation in support of order barring Richard W. Simpson from any position of management or control of an investment adviser, broker-dealer, or commodity adviser; and (2) Notice of intent to issue order denying application for investment adviser certificate and statement in support.

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

³ The Central Registration Depository (CRD) and Investment Adviser Registration Depository (IARD) are databases 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.

J. Third Comma and Simpson timely requested a hearing to challenge the Actions and a hearing is currently set to be held at the Office of Administrative Hearings on May 19, 2025.

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

L. Third Comma and Simpson, by entering into this Agreement, neither admit nor deny the Commissioner's findings in the Actions.

M. The Commissioner finds that entering into this Settlement Agreement is appropriate, in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policies and procedures of the CSL.

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

II.

TERMS AND CONDITIONS

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

2. Rescission Order: The 2023 Order is hereby rescinded.

3. Withdrawal of Application: On the Effective Date of this Agreement, Third Comma agrees to the withdrawal of Third Comma's application for an investment adviser certificate, previously filed with the Department.

4. Application for Investment Adviser Certificate or Broker-Dealer Certificate: Simpson agrees that he, or any entity managed or controlled by him, will never reapply for an investment adviser or broker-dealer certificate before the Commissioner. In the event Simpson, or any entity managed or controlled by him, applies for an investment adviser or broker-dealer certificate in respect of Simpson before the Commissioner, such application shall be deemed automatically denied by the Commissioner.

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1 5. Notice Filings: In the event that Third Comma registers as an investment adviser with
2 the Securities and Exchange Commission, the Commissioner will agree to not reject the notice filing,
3 provided that Third Comma complies with section 25230.1(b).

4 6. Investment Adviser Representative Filings: In the event that Simpson obtains
5 employment as an investment adviser representative with an investment adviser registered with the
6 Securities and Exchange Commission, the Commissioner will agree not to reject the Form U-4 filing,
7 provided that Third Comma complies with 10 C.C.R. 260.236.1(b).

8 7. Waiver of Hearing Rights: The Respondents hereby waive the right to any hearings,
9 and to any reconsideration, appeal, or other right to review which may presently be afforded pursuant
10 to the CSL, the California Administrative Procedure Act (APA), the California Code of Civil
11 Procedure (CCP), or any other provision of law. By waiving such rights, the Respondents effectively
12 consent to this Agreement and all the terms becoming final.

13 8. Failure to Comply with Settlement Agreement: Third Comma and Simpson agree that
14 if they fail to comply with any requirement of this Agreement, the Commissioner may, in addition to
15 all other available remedies he may invoke under the CSL, immediately bar Simpson from any
16 position of employment, management, or control of any investment adviser, broker-dealer, or
17 commodity adviser. Simpson hereby waives any notice and hearing rights to contest the immediate
18 bar which may be afforded under the CSL, the APA, the CCP, or any other provision of law in
19 connection therewith.

20 9. Information Willfully Withheld or Misrepresented: This Agreement may be revoked,
21 and the Commissioner may pursue any and all remedies available under law against Third Comma
22 and Simpson, if the Commissioner discovers that Third Comma and Simpson knowingly or willfully
23 withheld or misrepresented material information used for and relied upon in this Agreement.

24 10. Future Actions by Commissioner: If Third Comma or Simpson fails to comply with
25 any terms of the Agreement, the Commissioner may institute proceedings for any and all violations
26 otherwise resolved under this Agreement. The Commissioner reserves the right to bring any future
27 actions against Third Comma and Simpson, for any and all unknown violations of the CSL or any
28 other law under the Commissioner's jurisdiction.

1 11. Assisting Other Agencies: Nothing in this Agreement limits the Commissioner's
2 ability to assist any other government agency (whether city, county, state, or federal) with any
3 administrative, civil or criminal action brought by that agency against Third Comma and Simpson or
4 any other person based upon any of the activities alleged in this matter or otherwise.

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

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

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

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

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

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

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

19. Effect Upon Future Proceedings: If Third Comma or Simpson applies for any license, certificate, registration, permit, or qualification under the Commissioner's current or future jurisdiction, or is the subject of any future action by the Commissioner to enforce this Agreement, then the subject matter hereof shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

20. Voluntary Agreement: Third Comma and Simpson enter into this Agreement voluntarily and without coercion and acknowledges that no promises, threats or assurances have been made by the Commissioner or any officer, or agent thereof, about this 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.

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

To Respondent:

Thomas D. Mauriello
Mauriello Law Firm, APC
1230 Columbia Street, Suite 1140
San Diego, CA 92101
tomm@maurlaw.com

Richard W. Simpson
3642 Spring Shower Drive
Las Vegas, Nevada 89147
rwsipmson@me.com

To the Commissioner:

Ryan M. Cassidy, Counsel
Department of Financial Protection and Innovation
651 Bannan Street, Suite 300
Sacramento, CA 95811
Ryan.Cassidy@dfpi.ca.gov

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

23. Public Record: Third Comma and Simpson hereby acknowledge that this Agreement is and will be a matter of public record.

24. Effective Date: This Agreement shall become final and effective when signed by all Parties and delivered by the Commissioner's agent via e-mail to Third Comma's and Simpson's agent, Thomas D. Mauriello, Esq., at tomm@maurlaw.com.

25. 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: May 18, 2025
Sacramento, California

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



By

MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: May 18, 2025

By

RICHARD W. SIMPSON, as an Individual and
for Third Comma, LLC

APPROVED AS TO FORM AND CONTENT

Dated: May 18, 2025

By

THOMAS D. MAURIELLO
Counsel for Third Comma, LLC and Richard W.
Simpson