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2 DOUGLAS M. GOODING  
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4 DEPARTMENT OF BUSINESS OVERSIGHT  
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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. 170116  
)  
13 THE COMMISSIONER OF BUSINESS ) SETTLEMENT AGREEMENT BETWEEN  
14 OVERSIGHT, ) CCM MANAGEMENT GROUP, LLC AND  
) THE CALIFORNIA DEPARTMENT OF  
15 Complainant, ) BUSINESS OVERSIGHT RESOLVING:  
v. )  
16 ) 1. DESIST AND REFRAIN ORDER; and  
)  
17 CCM Management Group, 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, CCM  
25 Management Group, LLC (hereinafter collectively the "Parties").

26 RECITALS

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

28 A. This action is brought to order Respondent, CCM Management Group, LLC to:

1 i. Desist and refrain from unlicensed investment adviser activities pursuant to the  
2 Corporate Securities Law of 1968 (“CSL”) section 25532(b), and

3 ii. Pay penalties to the Department for conducting unlicensed investment adviser  
4 activities pursuant to section 25532(b) of ten thousand five hundred dollars (\$10,500) for all  
5 violations of section 25230(a), combined.

6 B. CCM Management Group, LLC is a California limited liability company operating in  
7 California, with its principal place of business at 400 Continental Boulevard, Suite 6056, El  
8 Segundo, California 90245.

9 C. On December 23, 2013, CCM Management Group, LLC filed an application for an  
10 investment adviser certificate (license) with the Department. The application revealed that CCM  
11 Management Group, LLC had engaged in unlicensed investment adviser activities since November  
12 1, 2009.

13 D. When the Department’s licensing staff inquired about its unlicensed investment adviser  
14 activities, CCM Management Group, LLC fully cooperated with the Department. CCM  
15 Management Group, LLC provided information about its business, showing that it had nine clients  
16 when it conducted unlicensed activities.

17 E. The Department finds, based upon the information provided by CCM Management Group,  
18 LLC, that it was engaged in unlicensed investment adviser activity through the date of this executed  
19 Agreement, in violation of CSL section 25230(a).

20 F. CCM Management Group, LLC has not held a valid investment adviser certificate.

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

23 TERMS AND CONDITIONS

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

27 2. **Waiver of Hearing Rights:** CCM Management Group, LLC acknowledges the right to a  
28 hearing under the Corporate Securities Law of 1968 in connection with the application for an

1 investment adviser certificate and hereby waives that right to a hearing, and to any reconsideration,  
2 appeal, or other right to review which may be afforded pursuant to the Corporate Securities Law of  
3 1968, the California Administrative Procedure Act, the California Code of Civil Procedure, or any  
4 other provision of law, and by waiving such rights, consent to the Desist and Refrain Order and  
5 Order Levying Administrative Penalties becoming final.

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

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

23 5. **Administrative Penalties:** CCM Management Group, LLC agrees to pay to the  
24 Commissioner penalties totaling, in the aggregate, ten thousand five hundred dollars (\$10,500)  
25 (“Penalties”). Such Penalties shall be paid by CCM Management Group, LLC within 30 days of the  
26 date of the Desist and Refrain Order. The check shall be made payable to “The Department of  
27 Business Oversight,” and shall be sent by CCM Management Group, LLC to the following address:

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1 Timothy L. Le Bas, Senior Corporations Counsel  
2 Department of Business Oversight  
3 1515 K St., Suite 200  
4 Sacramento, CA 95814

5 In the event the payment due date falls on a weekend or holiday, the payment shall be due the  
6 next business day. CCM Management Group, LLC acknowledges that failure to timely pay the  
7 Penalties in this Agreement shall be a breach of this Agreement and shall be cause for the  
8 Commissioner to immediately revoke any licenses held by, and/or deny any pending application(s)  
9 of CCM Management Group, LLC, its successors and assigns, by whatever names they might be  
10 known. CCM Management Group, LLC hereby waives any notice and hearing rights to contest such  
11 revocations and/or denial(s) which may be afforded under the Corporate Securities Law of 1968, the  
12 California Administrative Procedure Act, the California Code of Civil Procedure, or any other  
13 provision of law in connection therewith.

14 6. **Future Actions by the Commissioner:** Other than as to the matters resolved herein, the  
15 Commissioner reserves the right to bring any future action(s) against CCM Management Group,  
16 LLC and/or any of the officers, directors, shareholders, or employees of CCM Management Group,  
17 LLC for any and all unknown or future violations of the Corporate Securities Act of 1968. Other  
18 than as to the matters resolved herein, this Agreement shall not serve to exculpate CCM  
19 Management Group, LLC or any of the officers, directors, shareholders, or employees of CCM  
20 Management Group, LLC from liability for any and all unknown or future violations of the  
21 Corporate Securities Act of 1968.

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

24 8. **Settlement Agreement Coverage:** The Parties hereby acknowledge and agree that this  
25 Agreement is intended to constitute a full, final, and complete resolution of this matter (including,  
26 but not limited to, any and all assertions by the Department that CCM Management Group, LLC has  
27 allegedly engaged in unlicensed investment adviser activity through the effective date of this  
28 Agreement). The Parties further acknowledge and agree, except as provided in paragraph 3, above,  
that nothing contained in this Agreement shall operate to limit the Commissioner's ability to

1 cooperate with any other agency, county, state or federal, with any prosecution, administrative, civil  
2 or criminal, brought by any such agency against CCM Management Group, LLC based upon any of  
3 the activities alleged in this matter or otherwise.

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

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

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

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

24 13. **No Presumption From Drafting:** In that the parties have had the opportunity to draft,  
25 review and edit the language of this Agreement, no presumption for or against any party arising out  
26 of drafting all or any part of this Agreement will be applied in any action relating to, connected to, or  
27 involving this Agreement. Accordingly, the parties waive the benefit of Civil Code section 1654 and  
28 any successor or amended statute, providing that in cases of uncertainty, language of a contract

1 should be interpreted most strongly against the party who caused the uncertainty to exist.

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

7 15. **Headings and Governing Law:** The headings to the paragraphs of this Agreement are  
8 inserted for convenience only and will not be deemed a part hereof or affect the construction or  
9 interpretation of the provisions hereof. This Agreement shall be construed and enforced in  
10 accordance with, and governed by, the laws of the State of California.

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

15 17. **Public Record:** CCM Management Group, LLC hereby acknowledges that this enforcement  
16 action and Agreement will be a matter of public record.

17 18. **Voluntary Agreement:** The Parties each represent and acknowledge that he, she, or it is  
18 executing this Agreement completely voluntarily and without any duress or undue influence of any  
19 kind from any source.

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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: 8/5/14

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

Dated: 7/25/2014

CCM Management Group, LLC

By \_\_\_\_\_  
CHRISTOPHER A. MAYS  
CCM Management Group, LLC

Approved as to Form and Content

Dated 7/29/14

By \_\_\_\_\_  
MARK DIAMOND  
RIMON, P.C.  
Attorney of Behalf of  
CCM Management Group, LLC