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6 Attorneys for Complainant
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA
10

11 In the Matter of the Accusation THE)
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,)

FILE NO. 140197

) **ORDER REVOKING INVESTMENT**
) **ADVISER CERTIFICATE OF EASY**
) **EQUITY MANAGEMENT, L.P.**

13 Complainant,)
14 v.)

15 EASY EQUITY MANAGEMENT, L.P.,)
16)

17 Respondent.)
18)
19)
20)

21 TO: Easy Equity Management, L.P.
22 8447 Wilshire Boulevard, Suite 401
23 Beverly Hills, California 90211

24 1. On March 13, 2012, the California Corporations Commissioner ("Commissioner") of
25 the Department of Corporations ("Department") brought an action to revoke the investment adviser
26 certificate issued to Easy Equity Management, L.P. pursuant to Corporations Code section 25232.

27 2. The Commissioner issued an investment adviser certificate to Easy Equity
28 Management on April 3, 2008, pursuant to Corporations Code section 25230. Easy Equity

1 Management was an investment adviser business located at 8447 Wilshire Boulevard, Suite 401,
2 Beverly Hills, California 90211. Easy Equity Management is a California limited partnership.

3 3. Easy Equity Management's owner and control person is Alero Odell Mack, Jr.
4 ("Mack").

5 4. On November 4, 2010, the Securities and Exchange Commission ("SEC") filed a
6 complaint against Easy Equity Management, Mack and others in the United States District Court for
7 the Central District of California in the matter *Securities and Exchange Commission v. Alero Odell*
8 *Mack, Jr., et al.*, case number CV 10-8383 DSF. The SEC's complaint alleged that Easy Equity
9 Management, Mack, and others had perpetrated a \$4 million hedge fund investment fraud. It was
10 further alleged that Easy Equity Management was the general partner of Easy Equity Partners, L.P.
11 ("Easy Equity Partners"), a pooled investment vehicle and California limited partnership based in
12 Beverly Hills, California. According to the SEC's complaint, Easy Equity Partners was a purported
13 hedge fund investing in the securities market. Easy Equity Partners raised approximately \$ 1.7
14 million from investors during the period August 2008 through March 2010. According to Easy
15 Equity Partner's offering materials disseminated to investors, it was described as a hedge fund, and
16 that Easy Equity Partner's "business. . . is buying a selling securities of medium to large capitalized
17 companies, including stocks, warrants, rights and options." In a summary of the offering
18 memorandum for Easy Equity Partners, Easy Equity Management was identified as the investment
19 adviser to Easy Equity Partners.

20 5. On May 13, 2011, the Honorable Dale S. Fischer, United States District Judge for the
21 United States District Court, Central District of California, entered an order of final judgment against
22 Easy Equity Management in the above named case for violations of the anti-fraud provisions of the
23 Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Advisers Act of
24 1940 (collectively "SEC Acts") for having made false and misleading statements to investors
25 regarding Easy Equity Management's prior investment performance, the misuse of investor money,
26 its purported unique access to the NYSE trading floor, and Easy Equity Management's use of
27 investor funds for it own personal use or to pay referral fees to investors for bringing in new
28 investors. Judge Fischer ordered Easy Equity Management to pay civil monetary penalties in the

1 amount of \$725,000.00 and to disgorge its ill-gotten gains, with prejudgment interest, in the amount
2 of \$3,708,900.78. Under the order of final judgment, Easy Equity Management is also permanently
3 enjoined from offering and selling securities in violation of the SEC Acts.

4 6. Easy Equity Management's misstatements and omissions of material facts, and
5 fraudulent actions in regards to the statements made to Easy Equity Management's investment
6 adviser clients, as set forth in paragraph 5., supra, involved the purchase or sale of a security in
7 violation of section 25232, subdivision (b)(2)(A) of the Corporations Code. Specifically, Easy
8 Equity Management acted as the investment adviser to Easy Equity Partners, a pooled investment
9 vehicle and purported hedge fund that offered and sold \$1.7 million in securities to investors during
10 the period August 2008 through March 2010. Easy Equity Management's final civil judgment is a
11 judgment based upon conduct showing moral turpitude involving the purchase or sale of a security,
12 therefore, cause exists to revoke Easy Equity Management's investment adviser certificate pursuant
13 to Corporations Code section 25232, subdivision (b)(2)(A).

14 7. The Commissioner further finds that Easy Equity Management's misstatements and
15 omissions of material facts, and fraudulent actions in regards to the statements made to Easy Equity
16 Management's investment adviser clients, as set forth in paragraph 5., supra, arose out of the conduct
17 of the business of an investment adviser in violation of section 25232, subdivision (b)(2)(B) of the
18 Corporations Code, such that cause exists to revoke Easy Equity Management's investment adviser
19 certificate.

20 8. On March 13, 2012, the Department initiated an administrative action to revoke the
21 investment adviser certificate of Easy Equity Management. The Department issued and personally
22 served, via substitute service, Easy Equity Management with the following: Notice of Intention to
23 Issue Order Revoking Investment Adviser Certificate of Easy Equity Management, L.P.; Accusation
24 in Support of Notice of Intention to Issue Order Revoking Investment Adviser Certificate of Easy
25 Equity Management, L.P.; Statement to Respondent; Government Code sections 11507.5, 11507.6
26 and 11507.7; and a blank form Notice of Defense.

27 9. Easy Equity Management has not requested a hearing in this matter within the time
28 required and the time to request a hearing has now expired.

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GOOD CAUSE APPEARING THEREFOR, IT IS ORDERED that the investment adviser certificate issued to Easy Equity Management, L.P. be revoked pursuant to Corporations Code section 25232, subdivisions (b)(2)(A) and (b)(2)(B) effective this date.

Dated: May 9, 2012
Los Angeles, California

JAN LYNN OWEN
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division