

1 MARY ANN SMITH  
Deputy Commissioner  
2 SEAN M. ROONEY  
Assistant Chief Counsel  
3 SOPHIA C. KIM (State Bar No. 265649)  
Senior Counsel  
4 Department of Business Oversight  
320 West 4<sup>th</sup> Street, Suite 750  
5 Los Angeles, California 90013  
Telephone: (213) 576-7594  
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

8  
9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
10 OF THE STATE OF CALIFORNIA

11 In the Matter of: ) CFL LICENSE NO.: 60DBO-45566  
12 THE COMMISSIONER OF BUSINESS ) SETTLEMENT AGREEMENT  
13 OVERSIGHT, )  
14 Complainant, )  
15 v. )  
16 GROSVENOR PARK MEDIA FUND LP, )  
17 Respondent. )  
18 )  
19 )

20 This Settlement Agreement is entered into between the Commissioner of Business Oversight  
21 (Commissioner) and Respondent Grosvenor Park Media Fund LP (Respondent or Grosvenor Park)  
22 and is made with respect to the following facts:

23 **I.**

24 **RECITALS**

25 A. The Commissioner has jurisdiction over the licensing and regulation of persons and  
26 entities engaged in the business of finance lending or brokering under the California Financing Law  
27 (CFL) (Fin. Code, § 22000 et seq.).  
28

1 B. Respondent is a limited partnership with a principal place of business at 401 Wilshire  
2 Boulevard, Suite 1200, Santa Monica, California 90401.

3 C. Respondent is licensed as a finance lender under the CFL with license number  
4 60DBO-45566.

5 D. In accordance with Financial Code section 22159, CFL licensees must file an annual  
6 report with the Commissioner by March 15 of each year (Annual Report).

7 E. On January 16, 2018, the Commissioner notified CFL licensees of the March 15,  
8 2018 deadline to file their annual reports by sending notice to the email address of each CFL  
9 licensee established pursuant to the Commissioner's Order on Electronic Communications, dated  
10 November 22, 2013. The notification admonished licensees that the Commissioner could assess  
11 penalties and summarily revoke CFL license(s) for untimely filing or failing to file pursuant to  
12 Financial Code section 22715.

13 F. On February 20, 2018, the Commissioner again notified CFL licensees of the March  
14 15, 2018 deadline to file their annual reports by sending notice to the email address each CFL  
15 licensee established pursuant to the Commissioner's Order on Electronic Communications, dated  
16 November 22, 2013. The notification again warned that the Commissioner could assess penalties  
17 and summarily revoke licenses for untimely filing or failing to file pursuant to Financial Code  
18 section 22715.

19 G. As of March 19, 2018, Respondent had not filed its Annual Report with the  
20 Commissioner. As a result, the Commissioner issued a notice letter to Respondent on March 19,  
21 2018, advising Respondent that it should file its annual report by or before April 6, 2017 or else its  
22 license would be summarily revoked pursuant to Financial Code section 22715 (Notice Letter).

23 H. As of April 6, 2018, Respondent had not filed its Annual Report with the  
24 Commissioner as directed in the Notice Letter. As a result, on April 11, 2018, the Commissioner  
25 issued an Order Summarily Revoking California Finance Lenders License Pursuant to Financial  
26 Code Section 22715 for CFL License Number 60DBO-45566 (Summary Revocation Order).

27 I. Upon receiving the Summary Revocation Order, Respondent timely notified the  
28 Commissioner that Respondent was requesting a hearing on the Summary Revocation Order.

1 J. On May 7, 2018, Respondent submitted its Annual Report, which was due on March  
2 15, 2018, 37 business days late. Pursuant to Financial Code section 22715, the maximum penalty  
3 that may be imposed for filing 37 business days late is \$16,500.00 (\$100.00 per business day for the  
4 first five business days and \$500.00 per business day thereafter up to a maximum of \$25,000.00).

5 K. In or around April 2018, Respondent notified the Commissioner of its change of  
6 address from 1310 Montana Avenue, Santa Monica, California 90403, to its current, new location at  
7 401 Wilshire Boulevard, Suite 1200, Santa Monica, California 90401. Respondent did not notify the  
8 Commissioner of its change of address ten days prior to the move as required under Financial Code  
9 section 22153. Pursuant to Financial Code section 22153, subdivision (b), the Commissioner is  
10 authorized to assess an administrative penalty not exceeding \$500.00 for failure to give notice at  
11 least ten days prior to the move to a new location.

12 L. In connection with these proceedings, Respondent represented to the Commissioner  
13 that it had taken no new applications under its license.

14 M. The Commissioner finds that entering into this Settlement Agreement is in the public  
15 interest and consistent with the purposes fairly intended by the policies and provisions of the CFL.

16 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set  
17 forth herein, the parties agree as follows:

18 **II.**

19 **TERMS AND CONDITIONS**

20 1. Purpose. The parties intend to resolve this matter for the purpose of judicial economy  
21 and expediency and without the uncertainty and expense of a hearing or other litigation.

22 2. Waiver of Hearing Rights. Respondent hereby agrees to withdraw its request for an  
23 administrative hearing on the Summary Revocation Order. Respondent acknowledges its right under  
24 the CFL to an administrative hearing on the Summary Revocation Order and hereby waives such  
25 right to a hearing and to any reconsideration, appeal, injunction or other review that may be afforded  
26 under the Financial Code; Administrative Procedure Act, including Government Code section  
27 11415.60, subdivision (b); Code of Civil Procedure; or any other provision of law. By waiving such  
28 rights, Respondent effectively consents to the finality of the Summary Revocation Order.

1           3.       Order Rescinding Summary Revocation Order. The Commissioner hereby rescinds  
2 the Summary Revocation Order, which had been issued on April 11, 2018.

3           4.       Administrative Penalty. Respondent shall pay an administrative penalty of \$9,000.00  
4 no later than 30 days after the effective date of this Settlement Agreement as defined in paragraph  
5 18. The penalty must be made payable in the form of a cashier's check or Automated Clearing  
6 House deposit to the Department of Business Oversight and transmitted to the attention of  
7 Accounting – Litigation, at the Department of Business Oversight, 1515 K Street, Suite 200,  
8 Sacramento, California 95814. Notice of the payment must be concurrently sent to Senior Counsel  
9 Sophia C. Kim, Department of Business Oversight, 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles,  
10 California 90013.

11          5.       Failure to Pay Administrative Penalty. If Respondent fails to comply with paragraph  
12 4, the Commissioner may summarily suspend it from engaging in business under its license until it  
13 provides evidence of compliance to the Commissioner's satisfaction. Respondent hereby waives any  
14 notice or hearing rights afforded under the Administrative Procedure Act, including Government  
15 Code section 11415.60, subdivision (b); Code of Civil Procedure; or any other provision of law to  
16 contest the summary suspension contemplated by this paragraph.

17          6.       Full and Final Resolution. Except as stated in paragraph 5, this Settlement  
18 Agreement is intended to constitute a full and final resolution of the matter described in it. The  
19 Commissioner will not bring any further action or proceeding concerning the matter unless she  
20 discovers violations by Respondent that do not form the basis for this Settlement Agreement,  
21 including violations knowingly concealed from the Commissioner.

22          7.       Commissioner's Duties. Nothing in this Settlement Agreement limits the  
23 Commissioner's ability to assist any other government agency with any action brought by that  
24 agency against Respondent, including an action based on any of the acts, omissions, or events  
25 described in this Settlement Agreement.

26          8.       Independent Legal Advice. Each of the parties represents, warrants, and agrees that it  
27 has had an opportunity to seek independent advice from its attorney(s) and/or representatives with  
28 respect to the advisability of executing this Settlement Agreement.

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

11           10.       Full Integration. This Settlement Agreement is the final written expression and the  
12 complete and exclusive statement of all the agreements, conditions, promises, representations, and  
13 covenants between the parties with respect to the subject matter hereof, and supersedes all prior or  
14 contemporaneous agreements, negotiations, representations, understandings, and discussions  
15 between and among the parties, their respective representatives, and any other person or entity, with  
16 respect to the subject matter covered hereby. The parties have included this clause to preclude the  
17 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this  
18 Settlement Agreement.

19           11.       No Presumption Against Drafter. In that the parties have had the opportunity to draft,  
20 review, and edit the language of this Settlement Agreement, no presumption for or against any party  
21 arising out of drafting all or any part of this Settlement Agreement will be applied in any action  
22 relating to, connected to, or involving this Settlement Agreement. Accordingly, the parties waive the  
23 benefit of Civil Code section 1654 and any successor or amended statutes, providing that in cases of  
24 uncertainty, language of a contract should be interpreted most strongly against the party who caused  
25 the uncertainty to exist.

26           12.       Voluntary Agreement. Respondent hereby enters in this Settlement Agreement  
27 voluntarily and without coercion and acknowledges that no promises, threats, or assurances have  
28 been made by the Commissioner or any officer, or agent thereof, about this Settlement Agreement.

1           13.    Waiver, Amendments, and Modifications. No waiver, amendment, or modification of  
2 this Settlement Agreement will be valid or binding unless it is in writing and signed by all parties  
3 affected by it. Waiver of a provision of this Settlement Agreement will not be deemed a waiver of  
4 any other provision.

5           14.    Counterparts. The parties agree that this Settlement Agreement may be executed in  
6 one or more separate counterparts, each of which when so executed, shall be deemed an original. A  
7 fax or electronic mail signature shall be deemed the same as an original signature. Such counterparts  
8 shall together constitute and be one and the same instrument.

9           15.    Public Record. Respondent acknowledges that the Settlement Agreement is public  
10 record.

11           16.    Headings. The headings to the paragraphs of this Settlement Agreement are inserted  
12 for convenience only and will not be deemed a part hereof or affect the construction or interpretation  
13 of the provisions hereof.

14           17.    Governing Law. This Settlement Agreement shall be construed and enforced in  
15 accordance with and governed by California law.

16           18.    Effective Date. This Settlement Agreement will become effective on the date it is  
17 signed by all parties and delivered by the Commissioner to Grosvenor Park Media Fund LP by  
18 electronic mail at Karen.Oto@grosvenorpark.com.

19           19.    Settlement Authority. Each party represents that the person signing this Settlement  
20 Agreement on its behalf has the authority and capacity to do so.

21 Dated:   5/10/18  

JAN LYNN OWEN  
Commissioner of Business Oversight

23 By \_\_\_\_\_  
24 MARY ANN SMITH  
25 Deputy Commissioner  
26 Enforcement Division

27 Dated:   5/10/18  

28 By \_\_\_\_\_  
KAREN OTO  
CONTROLLER  
GROSVENOR PARK MEDIA FUND LP