

1 The California Commissioner of Corporations of the Department of Corporations
2 (“Commissioner” or “Department”) and Hayes and Associates Accountancy Corporation (“Hayes
3 and Associates”) enter into the following stipulation (“Stipulation”):

4 **RECITALS**

5 1. Hayes and Associates is a corporation in good standing, duly formed and existing
6 pursuant to the laws of the State of California, and authorized to conduct business in this State.
7 Hayes and Associates has its principal place of business located at 1001 B Avenue, Suite 211,
8 Coronado, California 92118.

9 2. Charles W. Hayes ("Charles Hayes") is, and was at all relevant times herein the sole
10 proprietor and president of Hayes and Associates. Charles Hayes is authorized to enter into this
11 Stipulation on behalf of Hayes and Associates.

12 3. Hayes and Associates has held an investment adviser certificate with the U.S. Securities
13 and Exchange Commission since 1998, but modifications in the Investment Advisers Act of 1940
14 adopted as part of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2011
15 required Hayes and Associates to terminate its registration as an investment adviser with the SEC,
16 and re-register as an investment adviser with the Department.

17 4. On November 20, 2012, Hayes and Associates filed an ADV form with the
18 Department.

19 NOW, THEREFORE, the parties hereby stipulate and agree as follows:

20 **STIPULATION**

21 A. Hayes and Associates stipulates that all present and future clients that are subject to a
22 ninety (90) day termination notice provision within Hayes and Associates’ investment advisory
23 agreement meet the definition of accredited investor as defined in Rule 501(a) of Regulation D. All
24 other clients that do not meet the definition of “accredited investor” are subject to a thirty (30) day
25 termination notice provision.

26 B. Hayes and Associates acknowledges that nothing in this Stipulation shall preclude the
27 Commissioner, or his agents or employees, to the extent authorized by law, from assisting or
28 cooperating in any investigation and/or action brought by any other federal, state or county agency.

1 Hayes and Associates further agrees that this Stipulation shall not bind or otherwise prevent any
2 other federal, state or county agency from the performance of its duties.

3 C. Each of the parties represents, warrants, and agrees that they have received
4 independent advice from their attorney(s) and/or representatives with respect to the advisability of
5 executing this Stipulation.

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

15 E. This Stipulation is the final written expression and the complete and exclusive
16 statement of all agreements, conditions, promises, representations, and covenants between the parties
17 with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements,
18 discussions, negotiations, representations, and understandings between and among the parties, their
19 respective representatives, and any other person or entity, with respect to the subject matter covered
20 hereby.

21 F. In that the parties have had the opportunity to draft, review and edit the language of
22 this Stipulation, no presumption for or against any party arising out of drafting all or any part of this
23 Stipulation will be applied in any action relating to, connected to, or involving this Stipulation.
24 Accordingly, the parties waive the benefit of Civil Code section 1654 and any successor or amended
25 statute, providing that in cases of uncertainty, language of contract should be interpreted most
26 strongly against the party who cause the uncertainty to exist.

27 G. This Stipulation shall not become effective until signed and delivered by all parties.
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H. This Stipulation may be executed in one or more separate counterparts, each of which when so executed, shall be deemed an original but all of which, together, shall be deemed to constitute a single document. This Stipulation may be executed by facsimile signature, and any such facsimile signature by any party hereto shall be deemed to be an original signature and shall be binding on such party to the same extent as if such facsimile signature were an original signature.

I. Each signatory hereto covenants that he or she possesses all necessary capacity and authority to sign and enter into this Stipulation.

JAN LYNN OWEN
California Corporations Commissioner

Dated: 6/25/13

By _____
JEREMIAH C. TWOMEY
Deputy Commissioner

Dated: 6/17/13

HAYES AND ASSOCIATES ADVISORS, INC.

By _____
CHARLES HAYES
President