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10  
11 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
12 OF THE STATE OF CALIFORNIA

13 In the Matter of the Statement of Issues:  
14 THE COMMISSIONER OF BUSINESS  
15 OVERSIGHT,

16 Complainant,

17 v.

18 MIRAE ASSET WEALTH MANAGEMENT  
19 (USA) INC.,

20 Respondent.

) OAH CASE NO.: 2018040780  
)  
) CRD NO.: 147991  
)  
) SETTLEMENT AGREEMENT  
)  
)  
) Hearing Date: October 1 – 4, 2018  
) Hearing Time: 9:00 a.m.  
) Location: 320 West 4th Street, Suite 630  
) Los Angeles, CA 90013-2344  
) Judge: Thomas Heller  
)  
)  
)

21 In the Matter of the Order to Discontinue  
22 Violations of:  
23 THE COMMISSIONER OF BUSINESS  
24 OVERSIGHT,

25 Complainant,

26 v.

27 MIRAE ASSET WEALTH MANAGEMENT  
28 (USA) INC.,

Respondent.

1 This Settlement Agreement is entered into between the Commissioner of Business Oversight  
2 (Commissioner) and Mirae Asset Wealth Management (USA) Inc. (Mirae AWM) and is made with  
3 respect to the following facts:

#### 4 **RECITALS**

5 A. Mirae AWM holds a valid and unrevoked investment adviser certificate issued by the  
6 Commissioner under section 25230 of the Corporations Code on June 22, 2015. Mirae AWM is  
7 located at 3701 Wilshire Boulevard, Suite 101, Los Angeles, California 90010 and is an investment  
8 adviser and a broker-dealer registered with the U.S. Securities and Exchange Commission, and a  
9 member of the Financial Industry Regulatory Authority (Central Registration Depository [CRD]  
10 number 147991).

11 B. Youn Kwang Woo (Woo) currently serves as the chief executive officer of Mirae  
12 AWM. John Won Jun Park (Park) is an investment adviser representative, with the assigned Central  
13 Registration Depository (CRD) number 5160624. Mirae AWM initially hired Park as the firm's vice-  
14 president of asset allocation. On or around May 2016, Mirae AWM appointed Park as its chief  
15 compliance officer.

16 C. The Commissioner, as head of the Department of Business Oversight (Department), is  
17 authorized to administer and enforce the provisions of the Corporate Securities Law of 1968 (CSL)  
18 (Corp. Code, § 25000 et seq.) and the regulations promulgated under title 10 of the California Code  
19 of Regulations (CCR) (Cal. Code Regs., tit. 10, § 260.000 et seq.).

20 D. On March 8, 2018, the Commissioner issued Mirae AWM a Statement in Support of  
21 Order to Discontinue Violations Pursuant to Corporations Code section 25249 and Commissioner's  
22 Intent to Make Order Final (2018 Order to Discontinue).

23 E. The Commissioner also issued on March 8, 2018 a Statement in Support of Order  
24 Imposing Administrative Penalties Pursuant to Corporations Code section 25252 (Statement in  
25 Support).

26 F. Mirae AWM timely requested an administrative hearing to contest the 2018 Order to  
27 Discontinue and Statement in Support and waived its right to an administrative hearing within 15  
28 business days. The Office of Administrative Hearings (OAH) consolidated both matters in one

1 proceeding, OAH case number 2018040780 and a consolidated hearing is now set for October 1  
2 through 4, 2018, before OAH, Los Angeles.

3 G. Mirae AWM made a good faith effort to materially and substantially comply with (and  
4 cure) any and all alleged deficiencies related to the examination of the licensee on or about July 23,  
5 2016 and September 27, 2016; the regulatory letter dated November 29, 2016; and subsequent related  
6 correspondence, including but not limited to any alleged failure to maintain complete books and  
7 records, and violations of Corporations Code section 25241 and CCR section 260.241.3, subdivisions  
8 (a)(7) and (e)(2).

9 H. The Commissioner finds that entering into this Settlement Agreement is in the public  
10 interest, protects consumers, and is consistent with the purposes fairly intended by the policies and  
11 provisions of the CSL.

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

14 **TERMS AND CONDITIONS**

15 1. Purpose. It is the intention and desire of the parties to resolve these matters without the  
16 necessity of a hearing or other litigation for the purpose of judicial economy and expediency and to  
17 avoid the expense of a hearing and possible further court proceedings.

18 2. Finality of Settlement Agreement. Mirae AWM hereby agrees to comply with this  
19 Settlement Agreement and, further agrees that this Settlement Agreement is final.

20 3. Final Order to Discontinue Violations. Under Corporations Code section 25249, Mirae  
21 AWM stipulates that it is ordered to discontinue violating Corporations Code section 25241 and CCR  
22 section 260.241.3, subdivisions (a)(7) and (e)(2). A true and correct copy of the Final Order to  
23 Discontinue Violations Pursuant to Corporations Code section 25249 (Final Order) is attached and  
24 incorporated herein as Exhibit A.

25 4. Administrative Penalty. Mirae AWM agrees to pay the Commissioner an  
26 administrative penalty of \$40,000.00 (the Penalty). The Penalty shall be paid by Mirae AWM within  
27 10 business days of the Effective Date of this Settlement Agreement as defined in paragraph 17.,  
28 made payable in the form of a cashier's check or Automated Clearing House deposit to the

1 “Department of Business Oversight,” and transmitted to the attention of: Accounting – Enforcement  
2 Division, at the Department of Business Oversight located at 1515 K Street, Suite 200, Sacramento,  
3 California, 95814. Notice of all payments shall be sent to Vanessa T. Lu, Counsel, Department of  
4 Business Oversight, 320 West 4th Street, Suite 750, Los Angeles, California 90013.

5       5.       Waiver of Hearing Rights. Mirae AWM acknowledges that the Commissioner is  
6 ready, willing, and able to proceed with an administrative hearing on the charges contained in the  
7 2018 Order to Discontinue, Statement of Issues, and Final Order. Mirae AWM agrees that this  
8 Settlement Agreement shall have the effect of withdrawing its request for an administrative hearing  
9 in connection with the 2018 Order to Discontinue, Statement of Issues, and Final Order. Mirae AWM  
10 acknowledges its right to an administrative hearing under the CSL in connection with the 2018 Order  
11 to Discontinue, Statement of Issues, and Final Order and hereby agrees to waive such right to a  
12 hearing and to any reconsideration, appeal, or other rights which may be afforded it under the CSL,  
13 the Administrative Procedure Act (APA) (Gov. Code, § 11340 et seq.), the Code of Civil Procedure  
14 (Code Civ. Pro., § 1 et seq.), or any provision of law in connection with these matters.

15       6.       Full and Final Settlement. The parties hereby acknowledge and agree that this  
16 Settlement Agreement is intended to constitute a full, final, and complete resolution of the matters set  
17 forth herein and that no further proceedings or actions will be brought by the Commissioner in  
18 connection with these matters under the CSL or any provision of law, excepting therefrom any  
19 proceeding or action if such proceeding or action is based upon facts not presently known to the  
20 Commissioner or which were knowingly concealed from the Commissioner by Mirae AWM. No  
21 further proceedings or actions will be brought by the Commissioner in connection with these alleged  
22 violations under the CSL, subject to the exceptions set forth in paragraph 7. below.

23       7.       Exceptions to Full and Final Settlement. Nothing in paragraph 6. above or anything  
24 else in this Settlement Agreement shall be construed to prohibit or restrict or preclude the  
25 Commissioner from taking any of the following actions:

- 26               a) Bringing a proceeding to enforce compliance with the terms of this Settlement  
27               Agreement;
- 28               b) Bringing a proceeding based upon discovery of violations of the CSL occurring

1 after the effective date of this Settlement Agreement;

2 c) Bringing a proceeding based upon discovery of violation of the CSL which do not  
3 form the basis for this Settlement Agreement; or

4 d) Bringing a proceeding based upon discovery of violations of the CSL which Mirae  
5 AWM knowingly concealed from the Commissioner.

6 8. Binding. This Settlement Agreement is binding on all heirs, assigns, and successors in  
7 interest.

8 9. Commissioner's Duties. The parties further acknowledge and agree that nothing in this  
9 Settlement Agreement shall limit the Commissioner's ability to assist any other agency (city, county,  
10 state or federal) with any prosecution, administrative, civil, or criminal, brought by any such agency  
11 against Mirae AWM or any other person based upon any of the activities alleged in these matters or  
12 otherwise.

13 10. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it  
14 has received independent advice from its attorney(s) or representatives(s) with respect to the  
15 advisability of executing this Settlement Agreement.

16 11. Counterparts. The parties agree that this Settlement Agreement may be executed in  
17 one or more separate counterparts, each which shall be deemed an original when so executed. Such  
18 counterparts shall together constitute and be one and the same instrument.

19 12. Waiver, Modification, and Qualified Integration. The waiver of any provision of this  
20 Settlement Agreement shall not operate to waive any other provision set forth herein. No waiver,  
21 amendment, or modification of this Settlement Agreement shall be valid or binding to any extent  
22 unless it is in writing and signed by all the parties affected by it.

23 13. Headings and Governing Law. The headings to the paragraphs of this Settlement  
24 Agreement are inserted for convenience only and will not be deemed a part hereof or affect the  
25 construction or interpretation of the provisions hereof. This Settlement Agreement shall be construed  
26 and enforced in accordance with and governing by California law.

27 14. Full Integration. Each of the parties represents, warrants, and agrees that in executing  
28 this Settlement Agreement it has relied solely on the statements set forth herein and the advice of its

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

9 15. Presumption from Drafting. In that the parties have had the opportunity to draft,  
10 review, and edit the language of this Settlement Agreement, no presumption or against any party  
11 arising out of drafting all or any part of this Settlement Agreement will be applied in any action  
12 relating to, connected to, or involving this Settlement Agreement. Accordingly, the parties waive the  
13 benefit of Civil Code section 1654 and any successor amended statute, providing that in cases of  
14 uncertainty, language of a contract should be interpreted most strongly against the party that caused  
15 the uncertainty to exist.

16 16. Voluntary Agreement. Mirae AWM enters into this Settlement Agreement voluntarily  
17 and without coercion and acknowledges that no promises, threats, or assurances have been made by  
18 the Commissioner, or any officer or agent thereof, about this Settlement Agreement.

19 17. Effective Date. This Settlement Agreement shall become final and effective when  
20 signed by all parties and delivered by the Commissioner's agent via email to Mirae AWM's counsel  
21 at John.Grady@dlapiper.com and David.Gross@dlapiper.com.

22 18. Notice. Any notices required under this Settlement Agreement shall be provided to  
23 each party at the following addresses:

24 If to Respondent to: John Won Jun Park  
25 Chief Compliance Officer  
26 Mirae Asset Wealth Management (USA) Inc.  
27 3701 Wilshire Boulevard, Suite 101  
28 Los Angeles, California 90010

with copies to: John Grady, Esq.

DLA PIPER LLP (US)  
One Liberty Place  
1650 Market Place, Suite 4900  
Philadelphia, PA 19103-7300

David Gross, Esq.  
DLA PIPER LLP (US)  
555 Mission Street, Suite 2400  
San Francisco, CA 94105

If to the Commissioner to: Vanessa T. Lu, Counsel  
Department of Business Oversight  
320 West 4th Street, Suite 750  
Los Angeles, CA 90013-2344

19. Public Record. Mirae AWM acknowledges that this Settlement Agreement is a public record.

20. Authority to Execute. Each signatory hereto covenants that he/she possess all necessary capacity and authority to sign and enter into this Settlement Agreement.

21. Office of Administrative Hearings. The Commissioner shall file an executed copy of this Settlement Agreement with the Office of Administrative Hearings, Los Angeles in conformity with 1 CCR 1028, subdivision (j) of the APA.

IN WITNESS WHEREOF, the parties hereto have approved and executed this Settlement Agreement on the dates set forth opposite their respective signatures.

Dated: 9/14/18

JAN LYNN OWEN  
Commissioner of Business Oversight

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

Dated: 9/13/18

MIRAE ASSET WEALTH MANAGEMENT (USA)  
INC.

By \_\_\_\_\_  
YOUN KWANG WOO  
Chief Executive Officer  
Mirae Asset Wealth Management (USA) Inc.

1 Approved as to Form and Content

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3 By \_\_\_\_\_

4 John Grady, Esq.

5 DLA PIPER LLP (US)

6 Counsel on behalf of Mirae Asset Wealth Management (USA) Inc.

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