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7 Attorneys for Complainant

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

10
11 In the Matter of:) CFL LICENSE NO. 60DBO-78492
12 THE COMMISSIONER OF BUSINESS) CONSENT ORDER
13 OVERSIGHT,)
14 Complainant,)
15 v.)
16 PRAVATI CAPITAL, LLC and PRAVATI)
17 INVESTMENT FUND 1, LLC,)
18 Respondents.)
19)
20)

21 This Consent Order is entered between the Commissioner of Business Oversight
22 (Commissioner) and Pravati Capital, LLC and Pravati Investment Fund 1, LLC (hereafter referred to
23 as “Pravati Capital”), and is made with respect to the following:

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I. RECITALS

1. The Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of lending and brokering pursuant to the California Financing Law (Fin. Code, § 22000 et seq.) (CFL).¹

2. Pravati Capital was incorporated in Delaware in 2013. The principal place of business for Pravati Capital is 4400 Scottsdale Road, Suite 9277, Scottsdale Arizona 85251.

3. Alexander Chucri is the Chief Executive Officer of Pravati Capital and is authorized to enter this Consent Order.

4. Commencing in February 2015 to the present, Pravati Capital offered loans or lines of credit for law firms which are secured by the pending litigation of the law firm. Pravati Capital evaluated the cases independently to assess the likelihood of recovery by the borrowers.

5. At no time did Pravati Capital have a finance lender license issued by the Commissioner under the CFL.

6. The Commissioner finds that, during the period of February 2015 to at least February 2016, Pravati Capital engaged in the business of a finance lender or broker in this state without first obtaining a license from the Commissioner, in violation of Financial Code 22100, subdivision (a).

7. It is the intention and desire of the parties to resolve this matter without the necessity of a hearing or other litigation.

8. The Commissioner finds that this Consent Order is appropriate, in the public interest, and consistent with the purposes fairly intended by the policy and provisions of the CFL.

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

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¹ Effective October 4, 2017, the name of the “California Finance Lenders Law” changed to the “California Financing Law.” (Assem. Bill No. 1284 (2017-2018 Reg. Sess.) § 4.) For purposes of this document, a reference to the California

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II: TERMS AND CONDITIONS

1. Purpose: This Consent Order resolves the violations before the Commissioner in a manner that avoids the expense of a hearing and possible further court proceedings, is in the public interest, protects consumers and is consistent with the purposes, policies and provisions of the CFL.

2. Desist and Refrain Order: In accordance with Financial Code section 22107, Pravati Capital is ordered to desist and refrain from violating the CFL by engaging in the business of a finance lender or broker without a license of Financial Code section 22100.

3. Waiver of Hearing Rights: Pravati Capital waives any right to a hearing in connection with this Consent Order, and to any reconsideration, appeal, injunction, or other rights to review which may be afforded pursuant to the Financial Code, the California Administrative Procedure Act, the Code of Civil Procedure, or any other provision of law. Pravati Capital further expressly waives any requirement for the filing of an Accusation that may be afforded by Government Code section 11415.60, subdivision (b), the California Administrative Procedure Act, the Code of Civil Procedure and any other provisions of law; and by so waiving, Pravati Capital effectively consents to this Consent Order and Desist and Refrain Order herein becoming final.

4. Future Actions by the Commissioner: The Commissioner reserves the right to bring any future actions against Pravati Capital, or any of its partners, owners, officers, shareholders, directors, employees or successors for any and all unknown violations of the CFL. However, this Consent Order resolves and discharges Pravati Capital of any further liability, fine, discipline, or other punitive action that could have been brought by the Commissioner arising out of or relating to the allegations made in this Consent Order.

5. Effective Date: This Consent Order shall not become effective until signed by all parties and delivered by Commissioner’s counsel by email to Pravati’s counsel at Mercedes.Tunstall@PillsburyLaw.com.

6. Consent Order Coverage: The parties hereby acknowledge and agree that this Consent Order is intended to constitute a full, final and complete resolution of this matter. The

Financing Law means the California Finance Lenders Law before October 4, 2017 and the California Financing Law on

1 Parties further acknowledge and agree that nothing in this Consent Order shall operate to limit the
2 Commissioner’s ability to assist any other agency (city, state, county or federal) with any
3 prosecution, administrative, civil or criminal, brought by any such agency against Pravati Capital
4 based upon any of the activities alleged in this matter or otherwise.

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

8 8. No Other Representation: Each of the Parties represents, warrants and agrees that in
9 executing this Consent Order that it has relied solely on the statements set forth herein and the
10 advice of its own counsel. Each of the Parties further warrants, represents and agrees that in
11 executing this Consent Order it has placed no reliance on any statement, representation, or promise
12 of any other party, or any other person or entity not expressly set forth herein, or upon any failure of
13 any party or any other person or entity to make any statement, representation, or disclosure of
14 anything whatsoever. The Parties have included this clause: (1) to preclude any claim that any party
15 was in any way fraudulently induced to execute this Consent Order; and (2) to preclude the
16 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Consent
17 Order.
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19 9. Modifications and Qualified Integration: No amendment, change or modification of
20 the Consent Order shall be valid or binding to any extent unless it is in writing and signed by all the
21 parties affected by it.

22 10. Full Integration: This Consent Order is the final written expression and the complete
23 and exclusive statement of all of the agreements, conditions, promises, representations, and
24 covenants between the Parties with respect to the subject matter hereof, and supersedes, all prior or
25 contemporaneous agreements, negotiations, representations, understandings and discussions between
26 and among the Parties, their respective representatives, and any other person or entity, with respect
27 to the subject matter covered hereby.
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and after that date. (Cal. Fin. Code, § 22000.)

1 11. No Presumption from Drafting: In that the Parties have had the opportunity to draft,
2 review and edit the language of this Consent Order, no presumption for or against any party arising
3 out of the drafting of all or part of this Consent Order will be applied in any action relating to,
4 connected to or involving this Consent Order. Accordingly, the Parties waive the benefit of Civil
5 Code section 1654, or any successor or amended statute, providing that in cases of uncertainty,
6 language of a contract should be interpreted most strongly against the party that caused the
7 uncertainty to exist.

8 12. Signatures: A fax signature or scanned signature of the Consent Order shall be as
9 effective as an original ink signature.

10 13. Counterparts: This Consent Order may be executed in any number of counterparts by
11 the Parties, and when each party has signed and delivered at least one such counterpart to the other
12 party, each counterpart shall be deemed an original and taken together shall constitute one and the
13 same Consent Order.

14 14. Headings and Governing Law: The headings and paragraphs of this Consent Order
15 are inserted for convenience only and will not be deemed a part hereof or affect the construction or
16 interpretation of the provisions hereof. The Consent Order shall be construed and enforced in
17 accordance with, and governed by, California law.

18 15. Settlement Authority: Each signator hereto covenants that he/she possesses all
19 necessary capacity and authority to sign and enter this Consent Order on behalf of the named party.

20 16. Public Record: Pravati Capital hereby acknowledges that this Consent Order is and
21 will be a matter of public record.

22 17. Voluntary Agreement: The Parties each represent and acknowledge that it is
23 executing this Consent Order voluntarily and without any duress or undue influence of any kind
24 from any source.

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18. Effective Date: This Consent Order shall become effective when executed by the Commissioner or her designee and transmitted by electronic mail (email) to Pravati Capital at [insert their designated email where they agree to accept service.].

IN WITNESS THEREOF, the Parties have approved and executed this Consent Order on the dates set forth opposite their respective signatures.

Dated: February 12, 2018
Scottsdale, AZ

PRAVATI CAPITAL, LLC

By _____
Alexander Chucri
Chief Executive Officer

Dated: February 28, 2018
San Francisco, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Mary Ann Smith
Deputy Commissioner

Approved as to Form:

By _____
Attorneys for Pravati Capital, LLC