

1 MARY ANN SMITH
Deputy Commissioner
2 DOUGLAS M. GOODING
Assistant Chief Counsel
3 JOANNE ROSS (SBN 202338)
Senior Corporations Counsel
4 DEPARTMENT OF BUSINESS OVERSIGHT
1515 K Street, Suite 200
5 Sacramento, California 95814
(916) 324-9687 telephone
6 (916) 445-6985 facsimile
7 Joanne.Ross@dbo.ca.gov

8 Attorneys for Complainant

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

12 In the Matter of)
13)
14 WILLIAM E. HAMM AND ASSOCIATES,) SETTLEMENT AGREEMENT
15 INC. d/b/a INDEPENDENT FINANCIAL)
16 PARTNERS)
17 _____)

18 This SETTLEMENT AGREEMENT ("Agreement") is entered into as of October 7, 2013,
19 by and between the California Department of Business Oversight ("Department") through the
20 Commissioner of Business Oversight ("Commissioner"), on the one hand, and William E.
21 Hamm and Associates, Inc. d/b/a Independent Financial Partners ("IFP") on the other hand
(collectively, "Parties").

22 RECITALS

23 This Agreement is made with reference to the following facts:

24 A. IFP is a corporation in good standing, duly formed and existing pursuant to the laws
25 of the State of Florida, and is authorized to conduct business in this State. IFP has its principal
26 place of business located at 3030 North Rocky Point Drive West, Suite 700, Tampa, Florida
33607.

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1 B. William E. Hamm is the Chief Executive Officer of IFP and, as such, is authorized
2 to enter into this Agreement on behalf of IFP.

3 C. IFP has operated as an investment adviser registered with the Securities and
4 Exchange Commission (“SEC”) since 2008. The firm notice filed with the Department on
5 October 25, 2010. From November 30, 2010, until the present, IFP had an individual
6 working as an unregistered investment adviser representative (“IAR”).

7 D. IFP voluntarily came forward and disclosed to the Commissioner that it had failed to
8 register this IAR with the Department. IFP has responded fully to all of the Commissioner’s requests
9 for information regarding this issue. The Commissioner has determined that the public interest will
10 not be served by denying this IAR’s request for registration submitted by IFP.

11 E. It is the intention and desire of the Parties to resolve this matter without the
12 necessity of a hearing and/or other litigation.

13 NOW, THEREFORE, for good and valuable consideration, and the terms and conditions
14 set forth herein, the Parties agree as follows:

15 TERMS AND CONDITIONS

16 1. Purpose. The purpose of this Agreement is to settle and resolve the matters between
17 the Parties hereto, for judicial economy and expediency, and to avoid the expense of a hearing, and
18 possible further court proceedings.

19 2. Waiver of Hearing Rights. IFP acknowledges its right to a hearing under the
20 Corporate Securities Law of 1968 in connection with the IAR application, and hereby waives that
21 right to a hearing, and to any reconsideration, appeal, or other right to review which may be
22 afforded pursuant to the Corporate Securities Law of 1968, the California Administrative
23 Procedure Act, the California Code of Civil Procedure, or any other provision of law, and by
24 waiving such rights, consents to the Penalty becoming final.

25 3. Acknowledgement. IFP acknowledges that it did not timely file the IAR
26 registration application with the Department. Although the delay was neither willful nor
27 intentional, IFP acknowledges that such delay was inconsistent with the provisions of
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1 Corporations Code section 25230. The acknowledgment of IFP is for the purposes of this and
2 any other future proceedings that may be initiated by or brought before the Department. The
3 Parties agree that this Agreement and any acknowledgements hereunder shall not be admissible or
4 binding against IFP in any action(s) brought against IFP by third parties who are not signatories to
5 this Agreement.

6 4. Administrative Penalty. IFP agrees to pay to the Commissioner an administrative
7 penalty in the amount of two thousand five hundred dollars (\$2,500) (“Penalty”). Such Penalty shall
8 be paid by IFP within fourteen (14) days of the execution of this Agreement. The check shall be
9 made payable to “The Department of Business Oversight,” and shall be sent by IFP to the following
10 address:

11 Joanne Ross
12 Senior Corporations Counsel
13 Department of Business Oversight
14 1515 K Street, Suite 200
15 Sacramento, CA 95814

16 In the event the payment due date falls on a weekend or holiday, the payment shall be due the
17 next business day. IFP acknowledges that failure to timely pay the Penalty shall be a breach of this
18 Agreement and shall be cause for the Commissioner to immediately revoke any licenses held
19 by, and/or deny any pending application(s) of IFP, its successors and assigns, by whatever names
20 they might be known. IFP hereby waives any notice and hearing rights to contest such revocations
21 and/or denial(s) which may be afforded under the Corporate Securities Law of 1968, the California
22 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law
23 in connection therewith.

24 5. Future Actions by the Commissioner. The Commissioner reserves the right to
25 bring any future action(s) against IFP or any of the officers, directors, shareholders, or
26 employees of IFP for any and all unknown or future violations of the Corporate Securities Act of
27 1968. This Agreement shall not serve to exculpate IFP or any of the officers, directors, shareholders,
28 or employees of IFP from liability for any and all unknown or future violations of the Corporate
29 Securities Act of 1968.

6. Effective Date. This Agreement shall not become effective until signed and

1 delivered by all Parties.

2 7. Settlement Agreement Coverage. The Parties hereby acknowledge and agree that this
3 Agreement is intended to constitute a full, final, and complete resolution of this matter. The
4 Parties further acknowledge and agree that nothing contained in this Agreement shall operate to limit
5 the Commissioner's ability to assist any other agency, county, state or federal, with any
6 prosecution, administrative, civil or criminal, brought by any such agency against IFP based
7 upon any of the activities alleged in this matter or otherwise.

8 8. Independent Legal Advice. Each of the Parties represents, warrants, and agrees
9 that it has received or been advised to seek independent legal advice from its attorneys with
10 respect to the advisability of executing this Agreement.

11 9. No Other Representation. Each of the Parties represents, warrants, and agrees that in
12 executing this Agreement, it has relied solely on the statements set forth herein and the advice of its
13 own counsel. Each of the Parties further represents, warrants, and agrees that in executing this
14 Agreement, it has placed no reliance on any statement, representation, or promise of any other
15 party, or any other person or entity not expressly set forth herein, or upon the failure of any party or
16 any other person or entity to make any statement, representation or disclosure of anything
17 whatsoever. The Parties have included this clause: (1) to preclude any claim that any party was in
18 any way fraudulently induced to execute this Agreement; and (2) to preclude the introduction of
19 parol evidence to vary, interpret, supplement, or contradict the terms of this Agreement.

20 10. Modifications and Qualified Integration. No amendment, change or
21 modification of this Agreement shall be valid or binding to any extent unless it is in writing
22 and signed by all of the parties affected by it.

23 11. Full Integration. This Agreement is the final written expression and the complete
24 and exclusive statement of all the agreements, conditions, promises, representations, and
25 covenants between the Parties with respect to the subject matter hereof, and supersedes all
26 discussions between and among the Parties, their respective representatives, and any other
27 person or entity, with respect to the subject matter covered hereby.

28 12. No Presumption From Drafting. In that the Parties have had the opportunity to
draft, review and edit the language of this Agreement, no presumption for or against any party

1 arising out of drafting all or any part of this Agreement will be applied in any action
2 relating to, connected to, or involving this Agreement. Accordingly, the Parties waive the
3 benefit of Civil Code section 1654 and any successor or amended statute, providing that in
4 cases of uncertainty, language of a contract should be interpreted most strongly against the party
5 who caused the uncertainty to exist.

6 13. Counterparts. This Agreement may be executed in any number of counter-parts
7 by the Parties, and when each party has signed and delivered at least one such counterpart to the
8 other party, each counterpart shall be deemed an original and taken together shall constitute
9 one and the same Agreement.

10 14. Headings and Governing Law. The headings to the paragraphs of this Agreement
11 are inserted for convenience only and will not be deemed a part hereof or affect the
12 construction or interpretation of the provisions hereof. This Agreement shall be
13 construed and enforced in accordance with, and governed by, the laws of the State of
14 California.

15 15. Authority For Settlement. Each party warrants and represents that such party is
16 fully entitled and duly authorized to enter into and deliver this Agreement. In particular, and
17 without limiting the generality of the foregoing, each party warrants and represents that it is
18 fully entitled to enter into the covenants, and undertake the obligations set forth herein.

19 16. Public Record. IFP hereby acknowledges that this Agreement will be a matter of
20 public record.

21 17. Voluntary Agreement. The Parties each represent and acknowledge that he, she or
22 it is executing this Agreement completely voluntarily and without any duress or undue influence
23 of any kind from any source.

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

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27 JAN LYNN OWEN
28 Commissioner of Business Oversight

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Dated: 10/7/13

By _____
MARY ANN SMITH
Deputy Commissioner

Dated: 10/3/13

WILLIAM E. HAMM AND ASSOCIATES, INC.
d/b/a INDEPENDENT FINANCIAL PARTNERS

By _____
William E. Hamm
Chief Executive Officer

APPROVED AS TO FORM:

Dated: 10/7/13

Joanne Ross
Senior Corporations Counsel
Department of Business Oversight

Dated: 10/3/13

Marc L. Abramson
Financial Services Independent Counsel, PLLC
Counsel for WILLIAM E. HAMM AND ASSOCIATES, INC.
d/b/a INDEPENDENT FINANCIAL PARTNERS