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Deputy Commissioner
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3 DEPARTMENT OF BUSINESS OVERSIGHT
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8
9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
10 OF THE STATE OF CALIFORNIA

11 In the Matter of) FILE NO. 166561
12)
13 THE COMMISSIONER of BUSINESS) SETTLEMENT AGREEMENT BETWEEN
OVERSIGHT,) GREEN LANE PARTNERS, JOHN J. YOON,
14) AND THE CALIFORNIA DEPARTMENT OF
Complainant,) BUSINESSS OVERSIGHT RESOLVING:
15 v.) 1. DESIST AND REFRAIN ORDER;
16) 2. CLAIM FOR ANCILLARY RELIEF; and
Green Lane Partners, LLC and John J. Yoon)
17) 3. ORDER LEVYING ADMINISTRATIVE
Respondents) PENALTIES
18)
19)
20)

21 SETTLEMENT AGREEMENT

22 This SETTLEMENT AGREEMENT ("Agreement") is entered into as of August __, 2013,
23 by and between the Complainant, California Department of Business Oversight ("Department"), by
24 and through the California Commissioner of Business Oversight ("Commissioner") and the
25 Respondents, Green Lane Partners, LLC and John J. Yoon, (hereinafter collectively the "Parties").
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1 RECITALS

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

3 A. Green Lane Partners, LLC (“Green Lane”) is a California limited liability company,
4 formed on July 27, 2007, with its principal place of business at 16 North Marengo Avenue, Suite
5 414, Pasadena, California, 91101.
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7 B. John J. Yoon (“Yoon”) is, and was at all relevant times herein the majority owner
8 and sole control person of Green Lane. Yoon is authorized to enter into this Agreement on behalf
9 of both Green Lane and Yoon.
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11 C. On or about April 3, 2013, Green Lane filed an application for an investment adviser
12 certificate with the Department. The application revealed that Green Lane and Yoon had likely
13 engaged in investment adviser activities without a license.

14 D. On its application, Green Lane stated it provided investment advice for a fee. When
15 the Department inquired about this activity, Green Lane fully cooperated, providing information
16 showing that it had four (4) clients, with a total of six million one hundred thousand dollars
17 (\$6,100,00.00) under management, the majority of which was Yoon’s own funds. The information
18 provided by Green Lane and Yoon, shows that, although Green Lane and Yoon believed that their
19 activities fell within the “deminimus” exemption provided in the California Corporations Code,
20 they fell outside of the exemption because they were not licensed in any other jurisdiction, and thus
21 they were engaged in unlicensed investment adviser activity in violation of CSL section 25230(a).
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23 E. It is the intention and desire of the Parties to resolve this matter without the necessity
24 of a hearing and/or other litigation.
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1 NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set
2 forth herein, the Parties agree as follows:

3 TERMS AND CONDITIONS

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5 1. **Purpose:** The purpose of this Agreement is to settle and resolve the issues
6 between the Parties hereto, for judicial economy and expediency, and to avoid the expense of a
7 hearing, and possible further court proceedings.

8 2. **Waiver of Hearing Rights:** Green Lane and Yoon acknowledge the right to a
9 hearing under the Corporate Securities Law of 1968 in connection with the application for an
10 investment adviser certificate and hereby waive that right to a hearing, and to any reconsideration,
11 appeal, or other right to review which may be afforded pursuant to the Corporate Securities Law of
12 1968, the California Administrative Procedure Act, the California Code of Civil Procedure, or any
13 other provision of law, and by waiving such rights, consent to the Penalties becoming final.

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15 3. **Acknowledgement:** Green Lane and Yoon acknowledge the foregoing recitals of
16 fact. The acknowledgment of Green Lane and Yoon is for the purpose of this and any other future
17 proceedings that may be initiated by or brought before the Department. The Parties agree that this
18 Agreement and any acknowledgements hereunder shall not be admissible or binding against Green
19 Lane or Yoon in any action(s) brought against Green Lane and Yoon by third parties that are not
20 signatories to this Agreement or in any other proceedings except as expressly permitted by this
21 paragraph 3 before the Department.

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23 4. **Certification:** Green Lane and Yoon stipulate to undertake all appropriate steps
24 designed to assure full compliance with the laws of California in connection with the licensing of
25 Green Lane and Yoon's business as an investment adviser. Green Lane and Yoon acknowledge
26 that failure to comply under this Agreement shall be a breach of this Agreement and shall be cause
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1 for the Commissioner to immediately revoke any licenses held by, and/or deny any pending
2 application(s) of Green Lane, its successors and assigns, by whatever names they might be known.
3 Green Lane hereby waives any notice and hearing rights to contest such revocations and/or
4 denial(s) which may be afforded under the Corporate Securities Law of 1968, the California
5 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of
6 law in connection therewith.
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8 5. **Administrative Penalties:** Green Lane and Yoon agree to pay to the
9 Commissioner penalties totaling, in the aggregate, one-thousand five-hundred dollars (\$1,500)
10 (“Penalties”). Such Penalties shall be paid by Green Lane within 14 days of the execution of this
11 Agreement. The check shall be made payable to “The Department of Business Oversight,” and
12 shall be sent by Green Lane and Yoon to the following address:
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14 Erik Brunkal, Senior Corporations Counsel
15 Department of Business Oversight
16 1515 K St., Suite 200
17 Sacramento, CA 95814

18 In the event the payment due date falls on a weekend or holiday, the payment shall be due
19 the next business day. Green Lane and Yoon acknowledge that failure to timely pay the Penalties
20 in this Agreement shall be a breach of this Agreement and shall be cause for the Commissioner to
21 immediately revoke any licenses held by, and/or deny any pending application(s) of Green Lane, its
22 successors and assigns, by whatever names they might be known. Green Lane and Yoon hereby
23 waive any notice and hearing rights to contest such revocations and/or denial(s) which may be
24 afforded under the Corporate Securities Law of 1968, the California Administrative Procedure Act,
25 the California Code of Civil Procedure, or any other provision of law in connection therewith.
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27 6. **Future Actions by the Commissioner:** Other than as to the matters resolved
28 herein, the Commissioner reserves the right to bring any future action(s) against Green Lane and/or

1 any of the officers, directors, shareholders, or employees of Green Lane for any and all unknown or
2 future violations of the Corporate Securities Act of 1968. Other than as to the matters resolved
3 herein, this Agreement shall not serve to exculpate Green Lane or any of the officers, directors,
4 shareholders, or employees of Green Lane from liability for any and all unknown or future
5 violations of the Corporate Securities Act of 1968.
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7 7. **Effective Date:** This Agreement shall not become effective until signed, and
8 delivered by all parties.

9 8. **Settlement Agreement Coverage:** The Parties hereby acknowledge and agree that
10 this Agreement is intended to constitute a full, final, and complete resolution of this matter. The
11 Parties further acknowledge and agree, except as provided in paragraph 3, above, that nothing
12 contained in this Agreement shall operate to limit the Commissioner's ability to cooperate with any
13 other agency, county, state or federal, with any prosecution, administrative, civil or criminal,
14 brought by any such agency against Green Lane and/or Yoon based upon any of the activities
15 alleged in this matter or otherwise.
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18 9. **Independent Legal Advice:** Each of the Parties represents, warrants, and agrees
19 that it has received or been advised to seek independent legal advice from its attorneys with respect
20 to the advisability of executing this Agreement.
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22 10. **No Other Representation:** Each of the parties represents, warrants, and agrees
23 that in executing this Agreement it has relied solely on the statements set forth herein and the
24 advice of its own counsel. Each of the parties further represents, warrants, and agrees that in
25 executing this Agreement it has placed no reliance on any statement, representation, or promise of
26 any other party, or any other person or entity not expressly set forth herein, or upon the failure of
27 any party or any other person or entity to make any statement, representation or disclosure of
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1 anything whatsoever. The parties have included this clause: (1) to preclude any claim that any party
2 was in any way fraudulently induced to execute this Agreement; and (2) to preclude the
3 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this
4 Agreement.
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6 11. **Modifications and Qualified Integration:** No amendment, change or modification
7 of this Agreement shall be valid or binding to any extent unless it is in writing and signed by all of
8 the parties affected by it.

9 12. **Full Integration:** This Agreement is the final written expression and the
10 complete and exclusive statement of all the agreements, conditions, promises, representations, and
11 covenants between the parties with respect to the subject matter hereof, and supersedes all
12 discussions between and among the parties, their respective representatives, and any other person or
13 entity, with respect to the subject matter covered hereby.
14

15 13. **No Presumption From Drafting:** In that the parties have had the opportunity to
16 draft, review and edit the language of this Agreement, no presumption for or against any party
17 arising out of drafting all or any part of this Agreement will be applied in any action relating to,
18 connected to, or involving this Agreement. Accordingly, the parties waive the benefit of Civil Code
19 section 1654 and any successor or amended statute, providing that in cases of uncertainty, language
20 of a contract should be interpreted most strongly against the party who caused the uncertainty to
21 exist.
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23 14. **Counterparts:** This Agreement may be executed in any number of counter-
24 parts by the Parties, and when each party has signed and delivered at least one such counterpart to
25 the other party, each counterpart shall be deemed an original and taken together shall constitute one
26 and the same Agreement.
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15. **Headings and Governing Law:** The headings to the paragraphs of this Agreement are inserted for convenience only and will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

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

17. **Public Record:** Green Lane and Yoon hereby acknowledge that this Agreement will be a matter of public record.

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

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

California Commissioner of Business Oversight

Dated: 8/27/13

By _____

MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: 8/23/13

Green Lane Partners, LLC and John J. Yoon

By _____

JOHN J. YOON, individually and for
Green Lane Partners, LLC