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

11 In the Matter of: ) CRD No.: 4786525  
 )  
12 THE COMMISSIONER OF BUSINESS ) **CONSENT ORDER**  
OVERSIGHT, )  
13 )  
14 Complainant, )  
 )  
15 v. )  
 )  
16 CRAWFORD CAPITAL, LLC, )  
17 )  
18 Respondent. )  
 )

19  
20 This Consent Order (Order) is entered between the Commissioner of Business Oversight  
21 (Commissioner) and Crawford Capital, Inc. (Crawford) and is made with respect to the following  
22 facts:

23 **I.**  
24 **RECITALS**

25 A. The Commissioner has jurisdiction over the licensing and regulation of persons and  
26 entities engaged in the business of investment advising pursuant to the Corporation Code section  
27 25230.  
28

1           B.       At all relevant times, Crawford was a limited liability company incorporated in  
2 2009 under the laws of California and currently, has its primary place of business at 610 S. Main  
3 Street, PH 204, Los Angeles, California.

4           C.       At all relevant times, Crawford was and has been acting as an investment adviser in  
5 the State of California.

6           D.       Leigh R. Crawford is the Manager, sole member and a control person of Crawford  
7 Capital, LLC and as such, is authorized to enter into this Consent Order on behalf of Crawford  
8 Capital, LLC.

9           E.       California Corporations Code section 25230, subdivision (a) provides: “It is  
10 unlawful for any investment adviser to conduct business as an investment adviser in this state  
11 unless the investment adviser has first applied for and secured from the commissioner a  
12 certificate, then in effect, authorizing the investment adviser to do so or unless the investment  
13 adviser is exempted by the provisions of Chapter 1 (commencing with Section 25200) of this  
14 part or unless the investment adviser is subject to Section 25230.1.”

15          F.       On June 19, 2018, Crawford filed an application to be licensed as an investment  
16 adviser in this State. During the application process, the Commissioner learned that since 2012,  
17 Crawford had been operating in the State as an investment adviser without being licensed or  
18 otherwise exempt from licensure.

19          G.       Crawford, in acting as an investment advisor without being licensed or otherwise  
20 exempt, is in violation of Corporations Code section 25230.

21          H.       In or about October 2018, the Enforcement Division of the Department of Business  
22 Oversight (Department) informed Crawford that it would commence an administrative action to  
23 issue an order and a civil penalty in accordance with Corporations Code sections 25532 and 25252  
24 (Enforcement Action).

25          I.       Upon being informed of the Department’s intent to bring the Enforcement Action,  
26 Crawford responded by indicating that in order to avoid the filing of the Enforcement Action by the  
27 Department, Crawford would fully cooperate with the Commissioner and pay a certain amount in  
28 penalties.

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

3 K. Crawford admits to the jurisdiction of the Department, consents to the entry of this  
4 Order by the Department and agrees to comply with its terms but does not admit or deny any of the  
5 factual matters and violations of law asserted by the Commissioner herein.

6 L. The Commissioner finds that this action is appropriate, in the public interest, and  
7 consistent with the purposes fairly intended by the policy and provisions of this law.

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

10 **II.**

11 **TERMS AND CONDITIONS**

12 1. Purpose. The purpose of this Order is to resolve the Department’s Enforcement  
13 Action in a manner that avoids the expense of court proceedings, is in the public interest, protects  
14 consumers, and is consistent with the purposes, policies, and provisions of applicable law.

15 2. Finality of Order. Crawford hereby agrees to comply with the Commissioner’s  
16 Penalty Order and, further, stipulates that this Order is hereby deemed a final and enforceable order  
17 issued pursuant to the Commissioner’s authority under Corporations Code sections 25532 and  
18 25252.

19 3. Desist and Refrain Order. Pursuant to California Corporations Code section  
20 25532, Crawford Capital, LLC is hereby ordered to desist and refrain from acting as an  
21 investment adviser in the State of California unless and until it has secured from the  
22 Commissioner a certificate authorizing Crawford to act as an investment adviser, or unless  
23 otherwise exempt.  
24

25 4. Administrative Penalty. Crawford shall pay a penalty of \$10,000.00 for the  
26 above violation which shall be due within 30 calendar days after the effective date of this Order, as  
27 defined in paragraph 12.  
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1           5.       Waiver of Hearing Rights. Crawford acknowledges that the Commissioner is ready,  
2 willing, and able to proceed with the filing of an administrative enforcement action on the  
3 violations contained in this Order, and Crawford hereby waives the right to a hearing and to any  
4 reconsideration, appeal, or other right to review which may be afforded pursuant to Corporations  
5 Code sections 25532 and 25252. Crawford further expressly waives any requirement for the filing  
6 of a Statement of Issues or Accusation that may be afforded by Government Code section  
7 11415.60(b), the California Administrative Practice Act, the California Code of Civil Procedure, or  
8 any other provision of law; and by waiving such rights, Crawford effectively consents to this Order  
9 becoming final.

10           6.       Payment of Penalties. The payment of penalties shall be made in the form of a  
11 cashier's check or Automated Clearing House deposit to the "Department of Business Oversight"  
12 and transmitted to the attention of Accounting – Litigation, at the Department of Business  
13 Oversight, 1515 K Street, Suite 200, Sacramento, California 95814. Notice of the payment must  
14 be concurrently sent to Paul Yee, Senior Counsel, Department of Business Oversight, One  
15 Sansome Street, Suite 600, San Francisco, California 94104.

16           7.       Effect of Order on License. In consideration of Crawford's consent to this Order  
17 and to pay penalties required by Paragraph 4 hereof, the Commissioner hereby agrees that except  
18 as set forth in this Order, no further action based on the failure to be licensed in this State as an  
19 investment adviser herein as set forth in paragraph G will be taken. The period between the  
20 effective date of this Order and the grant of the investment adviser license to Crawford by the  
21 Department shall not be considered a violation of paragraph 3 hereof.

22           8.       Future Action by the Commissioner. Crawford and the Commissioner  
23 acknowledge and agree that nothing contained in this Consent Order shall operate to limit the  
24 Commissioner's ability to assist any other agency, (county, state or federal) with any  
25 prosecution, administrative, civil or criminal, brought by any such agency against Crawford  
26 based upon the subject matter hereof or otherwise. This Consent Order shall not limit the ability  
27 of the Commissioner to bring any administrative or civil action to enforce compliance with this  
28

1 Consent Order or to seek penalties for its violation. Further, the Commissioner reserves the right  
2 to bring any future action(s) against Crawford or any of the manager, officers, directors or  
3 employees of Crawford for all unknown or future violations in connection with or based upon  
4 the subject matter hereof.

5 9. Binding. This Order is binding on all heirs, assigns, and/or successors in  
6 interest.

7 10. Independent Legal Advice. Each of the parties represents, warrants, and agrees  
8 that it has received independent advice from its attorney(s) and/or representatives with respect to  
9 the advisability of executing this Order.

10 11. Voluntary Agreement. Crawford enters into this Order voluntarily and  
11 without coercion and acknowledges that no promises, threats or assurances have been made by  
12 the Commissioner or any officer, or agent thereof, about this Order.

13 12. Effective Date. This Order shall not become effective until signed by all  
14 parties and delivered by the Commissioner’s counsel by email to Crawford’s counsel, Michael  
15 Mugmon at Wilmer Cutler Pickering Hale and Dorr LLP at the email address  
16 [michael.mugmon@wilmerhale.com](mailto:michael.mugmon@wilmerhale.com).

17 13. Public Record. Respondent acknowledges that this Order is a public  
18 record.

19 14. Headings. The headings to the paragraphs of this Order are inserted for  
20 convenience only and will not be deemed a part hereof or affect the construction or interpretation  
21 of the provisions hereof.

22 15. Authority to Execute. Each signatory hereto covenants that he/she possesses all  
23 necessary capacity and authority to sign and enter into this Order.

24 16. Counterparts. This Consent Order may be executed in one or more separate  
25 counterparts, each of which when so executed, shall be deemed an original. A fax or electronic  
26 mail signature shall be deemed the same as an original signature. Such counterparts shall

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28 ///

1 together constitute and be one and the same instrument.

2

3 Dated: November 8, 2018

JAN LYNN OWEN  
Commissioner of Business Oversight

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5

6 By \_\_\_\_\_  
7 MARY ANN SMITH  
8 Deputy Commissioner  
Enforcement Division

9 Dated: November 7, 2018

CRAWFORD CAPITAL, LLC

10

11

12 By \_\_\_\_\_  
13 LEIGH R. CRAWFORD  
14 Manager

15 APPROVED AS TO FORM.

16 Dated: November 7, 2018

WILMER CUTLER PICKERING HALE AND  
DORR LLP

17

18

19 By \_\_\_\_\_  
20 MICHAEL MUGMON  
21 Attorney for Crawford Capital, LLC

22 Dated: November 7, 2018

JAN LYNN OWEN  
Commissioner of Business Oversight

23

24

25 By \_\_\_\_\_  
26 PAUL YEE  
27 Senior Counsel  
28 Enforcement Division