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8
9 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
10 OF THE STATE OF CALIFORNIA

11 In the Matter of:) OAH CASE NO. 2020070068
12 THE COMMISSIONER OF FINANCIAL) AGENCY CASE NO. CRD NO. 284406
13 PROTECTION AND INNOVATION,) ORDER REVOKING INVESTMENT
14 Complainant,) ADVISER LICENSE
15 v.)
16 JEFFREY C. BORNEMAN, an individual; And)
17 RAMPART PORTFOLIO PARTNERS, LLC,)
18 an entity,)
19 Respondents.)

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21 The Commissioner of Financial Protection and Innovation, (Commissioner) finds:

- 22 1. On or about June 7, 2019, the Commissioner’s examiner (Examiner) commenced a
23 routine regulatory desk examination of the books and records of Jeffrey C. Borneman, and Rampart
24 Portfolio Partners, LLC (RPP), CRD No. 284406, maintained by the Commissioner. (Regulatory
25 Exam)
- 26 2. Since at least July 2019 to date and pursuant to section 25241, subdivisions (a) and
27 (c), the Examiner has made several attempts to conduct the Regulatory Exam, but Respondents
28 failed to provide books or records or submit to the Regulatory Exam.

1 3. During July 14, 2019 to at least August 7, 2019, the Examiner attempted to contact
2 Respondents through verbal and written communications to schedule the Regulatory Exam. The
3 Examiner sent at least three written notices to Respondents confirming mutually agreed dates and
4 times the Examiner and Respondents had scheduled for the Regulatory Exam. Respondents failed to
5 keep to the appointments or produce all the documents the Examiner demanded. On at least two
6 occasions, the Examiner granted Respondents extensions of time to reply to the Commissioner’s
7 demand to conduct the Regulatory Exam. Despite the extensions, Respondents failed to submit to a
8 Regulatory Exam.

9 4. On May 7, 2020, the Commissioner issued an Order to Discontinue Violations of the
10 Corporate Securities Law of 1968 and Assess Penalties Pursuant to Corporations Code Sections
11 25249 And 25252 (Collectively Enforcement Action), alleging among other things, that Respondents
12 failed to properly maintain books and records or submit to a reasonable examination by the
13 Commissioner in violation of Corporations Code section 25241 subdivisions (a) and (c), and
14 California Code of Regulations, title 10, section 260.241.3, subdivision (a).

15 5. Respondents timely filed their Notice of Defense with the Commissioner on August
16 7, 2020 and the matter was scheduled for a two-day hearing on December 14-15, 2020, at 9:00 a.m.,
17 before the Office of Administrative Hearings, Los Angeles.

18 6. On December 14, 2020, Respondents entered into a Settlement Agreement with the
19 Commissioner to informally resolve the Enforcement Action (Agreement).

20 7. Paragraph 4 of the Agreement requires Respondents to submit to the Commissioner
21 within 60 days from the effective date of the Agreement, pertinent books, and records that the
22 Commissioner had previously requested in the Commissioner’s demand letter to Respondents dated
23 July 1, 2019, comprising documents categorized under the following headings:

- 24 • Financial Books and Records.
- 25 • Advisory Agreements
- 26 • Client and Agent Lists
- 27 • Other Advisory Services
- 28 • Administration
- LLC Operating Agreement | LP Partnership Agreement
- Personnel

1 8. The parties signed the Agreement on December 14, 2020, therefore, the due date for
2 Respondents to produce the documents enumerated in paragraph 4 of the Agreement was February
3 12, 2021. On March 4, 2021 —10 days past the due date, Respondents produced incomplete
4 documents to the Commissioner.

5 9. On or about April 21, 2021, counsel of record sent an email to Respondents, along
6 with a list of additional documents Respondents were required to submit to the Commissioner to
7 enable the Commissioner to proceed with the Regulatory Exam. Counsel’s email of April 21, 2021
8 demanded that Respondents produce the requested documents by April 30, 2021. To date, counsel
9 has yet to receive a response to counsel’s email or the documents demanded in counsel’s April 21,
10 2021 email.

11 10. Paragraphs 5 and 7 of the Settlement Agreement provide in pertinent part:

12 5. Failure to Produce Books and Records. Respondents agree that if
13 they fail to meet the deadline for complying with the
14 Commissioner’s demand for books and records set forth in
15 Paragraph 4, Borneman’s license CRD No. 1519729 and RPP’s
16 license CRD No. 284406 shall be revoked. Respondents hereby
17 waive any notice and hearing right to contest the revocation resulting
18 from the failure to comply with Paragraph 4 above which may be
19 afforded under the Corporate Securities Laws, the Administrative
20 Procedure Act, the Code of Civil Procedure, or any other legal
21 provisions.

22 7. Failure to Comply with Settlement Agreement. Respondents
23 acknowledge and agree that if they fail to comply with the terms of
24 this Settlement Agreement, the Commissioner may, in addition to
25 all other available remedies he may invoke under the CSL,
26 summarily suspend/revoke Borneman’s license CRD No. 1519729,
27 and RPP’s license CRD No. 284406 until Borneman and
28 Respondents are in compliance. Respondents waive any notice and
hearing rights to contest such summary suspensions which may be
afforded under the CSL, the California Administrative Procedure
Act, the California Code of Civil Procedure, or any other provision
of law in connection therewith.

11 11. Further, section 25241, subdivisions (a) and (c) provide in pertinent part:

12 (a) Every broker-dealer and every investment adviser licensed under
13 Section 25230 shall make and keep accounts, correspondence,
14 memorandums, papers, books, and other records and shall file

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financial and other reports as the commissioner by rule requires, subject to the limitations of Section 15(h) of the Securities Exchange Act of 1934 with respect to broker-dealers and Section 222 of the Investment Advisers Act of 1940 with respect to investment advisers.

....

(c) All records referred to in this section are subject at any time and from time to time to reasonable periodic, special, or other examinations by the commissioner, within or without this state, as the commissioner deems necessary or appropriate in the public interest or for the protection of investors.

12. Respondents have violated paragraphs 5 and 7 of the Settlement Agreement by failing to timely provide books and records demanded by the Commissioner and/or providing incomplete documents.

13. Further, Respondents continue to violate section 25241 subdivisions (a) and (c) by failing to properly maintain books and records or submit to a reasonable examination by the Commissioner.

NOW GOOD CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED that the investment adviser license of Respondent Rampart Portfolio Partners, LLC, Central Registration Depository No. 284406, and Jeffrey C. Borneman CRD No. 284406 is hereby revoked. This order is effective immediately.

Dated: June 2, 2021

MANUEL P. ALVAREZ
Commissioner of Financial Protection and Innovation

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

