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

11 In the Matter of:

12 THE COMMISSIONER OF FINANCIAL  
13 PROTECTION AND INNOVATION,

14 Complainant,

15 v.

16 BSD VENTURE CAPITAL FUND I, LP, BSD  
17 VENTURE CAPITAL, LLC, and BRUCE  
DOOLE,

18 Respondents.

DESIST AND REFRAIN ORDER  
PURSUANT TO CALIFORNIA  
CORPORATIONS CODE SECTION 25532;

AND

CLAIM FOR ANCILLARY RELIEF  
PURSUANT TO CALIFORNIA  
CORPORATIONS CODE SECTION 25532;

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20 The Commissioner of Financial Protection and Innovation (Commissioner) is informed and  
21 believes, and based upon such information and believe, alleges and charges as follows:

22 **I.**

23 **INTRODUCTION**

24 1. The Commissioner brings this action pursuant to the provisions of the Corporate  
25 Securities Law of 1968 (CSL) (Cal. Corp. Code §§ 25000-25707), and the accompanying regulations  
26 in Title 10 of the California Code of Regulations §§ 260.000-260.617 (CCR), which covers the offer  
27 and sale of securities and the licensure, examination, and regulation of investment advisers.

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1 11. In addition, in connection with the offers and sales of securities, Respondents failed to  
2 disclose material facts to investors and potential investors, including:

- 3 a. The Fund’s only investment, Force Medical, was principally owned by Doole’s  
4 neighbor.
- 5 b. Neither Doole nor The Fund conducted any independent due diligence of Force  
6 Medical, besides what was provided by Force Medical and its representatives.

7 12. Beginning in or about January 2009, BSDLLC provided investment advisory services  
8 to a pooled investment vehicle, BSD Venture Capital I, LP (The Fund), and recommended to  
9 members of the public, to invest money in The Fund. At all relevant times, BSDLLC was the  
10 investment manager of The Fund and had discretionary authority for how The Fund invested its  
11 money, including investing in private companies.

12 13. From January 2009 - June 2021, BSDLLC provided investment advisory services, to  
13 at least one California client, and collected at least \$45,860.00 in management fees, and \$51,379.00  
14 in personal use of investor funds for rent expenses for Doole’s other business activity, Permanent  
15 Value, Inc.

16 14. At all relevant times, neither the Department nor the United States Securities and  
17 Exchange Commission have issued an investment adviser certificate to any of the respondents.

18 15. At all relevant times, BSDLLC had custody of client funds and securities by having  
19 signatory authority on The Fund’s bank accounts, and authority to make withdrawals or transfers to  
20 outside accounts. However, between January 1, 2020, through June 9, 2021, BSDLLC failed to  
21 follow any of the following safekeeping requirements, pursuant to CCR section 260.237 (a)(3)-(6).

22 **III.**

23 **DESIST AND REFRAIN ORDER**

24 **A. Corporations Code section 25110**

25 16. Based on the foregoing findings, the Commissioner is of the opinion that the  
26 securities, in the form of partnership interests, offered and sold by Respondents, are securities,  
27 subject to qualification under the California Corporate Securities Law of 1968 and are being or have  
28 been offered or sold without being qualified, in violation of Corporations Code section 25110.

1           17. Pursuant to Corporations Code section 25532, BSD Venture Capital Fund I, LP, BSD  
2 Venture Capital, LLC, and Bruce Doole are hereby ordered to desist and refrain from the further offer  
3 or sale in the State of California of securities in the form of partnership interests, unless and until  
4 qualification has been made under said law or unless exempt. The sale of such securities is subject to  
5 qualification under said law and such securities are being or have been offered for sale without first  
6 being so qualified.

7           **B. Corporations Code section 25401**

8           18. Further, the Commissioner is of the opinion that the securities issued by Respondents,  
9 were offered and sold in this state by means of written or oral communications which included untrue  
10 statements of material fact or omitted to state material facts necessary in order to make the statements  
11 made, in the light of the circumstances under which they were made, not misleading, in violation of  
12 Corporations Code section 25401.

13           19. Pursuant to Corporations Code section 25532 of the Corporate Securities Law of 1968,  
14 BSD Venture Capital Fund I, LP, BSD Venture Capital, LLC, and Bruce Doole are hereby ordered to  
15 desist and refrain from offering or selling or buying or offering to buy any security in the State of  
16 California, including but not limited to partnership interests, by means of any written or oral  
17 communication which includes an untrue statement of a material fact or omits to state a material fact  
18 necessary in order to make the statements made, in the light of the circumstances under which they  
19 were made, not misleading.

20           **C. Corporations Code section 25230**

21           20. Further, the Commissioner is of the opinion that BSDLLC and Doole conducted  
22 business as an investment adviser in this state without first securing from the Commissioner a  
23 certificate, authorizing them to do so, in violation of Corporations Code section 25230.

24           21. Pursuant to Corporations Code section 25532, BSD Venture Capital, LLC and Bruce  
25 Doole are hereby ordered to desist and refrain from acting as an investment adviser in the State of  
26 California unless and until he has first applied for and secured from the Commissioner a certificate,  
27 authorizing them to act as an investment adviser, or unless exempt.

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1 **D. Corporations Code section 25235 and CCR section 260.237**

2 22. Further, the Commissioner is of the opinion that BSDLLC and Doole had custody of  
3 client funds and securities, but failed to follow the safekeeping requirements, between January 1,  
4 2009, through June 9, 2021, in violation of Corporations Code section 25235 and CCR section  
5 260.237.

6 23. Pursuant to Corporations Code section 25532, BSD Venture Capital, LLC and Bruce  
7 Doole are hereby ordered to desist and refrain from having custody of client funds and securities,  
8 unless and until he has first followed the safekeeping requirements, in violation oof Corporations  
9 Code section 25235 (d) and CCR section 260.237.

10 **IV.**

11 **CLAIM FOR ANCILLARY RELIEF IN THE FORM OF DISGORGEMENT AND**  
12 **RESITUTION**

13 24. Complainant re-alleges and reincorporates by reference, as set forth fully above in  
14 paragraphs 1 to 23.

15 25. Corporations Code section 25532 (e) authorizes the Commissioner to seek ancillary  
16 relief on behalf of any person injured by violations of any provision of the Corporations Code and  
17 any rules promulgated thereunder.

18 26. Based on the foregoing findings, the Commissioner finds that BSDLLC and Bruce  
19 Doole collected from the California pooled investment vehicle, while engaged in unregistered  
20 investment advisory activities, in an amount of \$45,860.00, in violation of Corporations Code  
21 sections 25230.

22 27. In addition, the Commissioner finds that Doole used investor funds for personal use  
23 totaling \$51,379.00, for rent expenses for Doole’s other business activity, Permanent Value, Inc.

24 WHEREFORE, IT IS PRAYED, for an order of ancillary relief pursuant to Corporation Code  
25 section 25532, individually, jointly and severally against BSD Venture Capital, LLC and Bruce Doole  
26 as follows:

27 A) Full Disgorgement, consisting of the total investment advisory fees collected by  
28 BSDLLC and Bruce Doole, in the amount of \$45,860.00 or according to proof.

1 B) Restitution, consisting of investor funds that were used by Doole, for his own  
2 personal use, in the amount of \$51,379.00, or according to proof

3 V.

4 CONCLUSION

5 Based upon the foregoing, the Commissioner finds that grounds exist, and that it is in the  
6 public interest, to issue the following orders: (1) desist and refrain order against BSD Venture Capital  
7 Fund I, LP, BSD Venture Capital, LLC, and Bruce Doole; (2) claim for ancillary relief against BSD  
8 Venture Capital, LLC and Bruce Doole, in the form of disgorgement, totaling \$45,860.00; and (3)  
9 claim for ancillary relief against Bruce Doole, and in the form of restitution, totaling \$51,379.00. The  
10 Commissioner hereby notifies BSD Venture Capital Fund I, LP, BSD Venture Capital, LLC and  
11 Bruce Doole of her intention to make such orders final.

12 These Orders are necessary, in the public interest, for the protection of investors, and  
13 consistent with the purposes, policies, and provisions of the CSL.

14 DATED: April 5, 2024  
15 Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



16 By: \_\_\_\_\_  
17 MARY ANN SMITH  
18 Deputy Commissioner  
19 Enforcement Division  
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