

1 STATE OF CALIFORNIA  
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
3 DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

4 TO: Hedonova LLC  
5 Hedonova Research LLC  
6 Alexander Cavendish  
7 633 West Fifth Street  
8 Los Angeles, California 90071

9 8 The Green, Suite B  
10 Dover, Delaware 19901

11 784 S Clearwater Loop, Suite B  
12 Post Falls, Idaho 83854

13 **DESIST AND REFRAIN ORDER**  
14 **(For violations of Corporations Code section 25401)**

15 The Commissioner of Financial Protection and Innovation (Commissioner), based on  
16 information and belief, finds that:

17 1. The Commissioner of the Department of Financial Protection and Innovation regulates  
18 the offer and sale of securities in California under the Corporate Securities Law of 1968 (Cal. Corp.  
19 Code §§ 25000-25707) (CSL).

20 2. At all relevant times herein, Hedonova LLC (The Fund), is and was a Delaware  
21 limited liability company, located at 633 West Fifth Street, Los Angeles, California 90071, operating  
22 a public website (Hedonova.io), through which it conducted business.

23 3. At all relevant times, Hedonova Research LLC (Hedonova Research), is and was a  
24 Delaware limited liability company, located at 8 The Green, Suite B, Dover, Delaware 19901,  
25 operating as the managing member and Investment Manager of The Fund.

26 4. At all relevant times, Alexander Cavendish (Cavendish), is and was the Chief  
27 Executive Officer of The Fund and the managing member of Hedonova Research LLC.

28 5. The Fund, Hedonova Research, and Cavendish are collectively referred to as  
Respondents.

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1           6.       Beginning in or about September 2022, Respondents, offered and/or sold securities, in  
2 the form of limited liability company membership interests in Hedonova, in California, through  
3 general solicitation on their websites.

4           7.       Respondents sold securities to at least 146 investors, residing in California and  
5 elsewhere, in at least 146 separate transactions, raising at least \$5,688,390.23.

6           8.       In connection with the offer and sale of these securities, Respondents made untrue  
7 statements of material facts, including but not limited to:

8               a.       HSBC was the Fund’s banker. In fact, HSBC, one of the largest banking and  
9 financial services institutions in the world, is not the Fund’s banker. Rather, The Fund custodies its  
10 money with a non-bank, which is not “FDIC insured,” or with a small bank in Virginia who was  
11 found by the Office of the Comptroller of the Currency (OCC) to have engaged in unsafe or unsound  
12 practices, on August 17, 2022 (*See* <https://www.occ.gov/static/enforcement-actions/ea2022-043.pdf>).

13               b.       Deloitte LLP was the Fund’s auditor. In fact, Deloitte LLP, the largest  
14 professional auditing firm in the world, has never been the Fund’s auditor, nor have the Respondents  
15 ever signed an engagement letter with Deloitte LLP.

16               c.       The Fund would mail a copy of the audited financial statements no later than  
17 120 days after its fiscal year-end. In fact, no audited financial statements were prepared and  
18 distributed within 120 days after its fiscal year-end for fiscal years 2022 and 2023.

19           Based on the foregoing findings, the Commissioner is of the opinion that Hedonova LLC,  
20 Hedonova Research LLC, and Alexander Cavendish offered and sold in this state by means of written  
21 or oral communications which included untrue statements of material fact or omitted to state material  
22 facts necessary in order to make the statements made, in the light of the circumstances under which  
23 they were made, not misleading, in violation of Corporations Code section 25401.

24           Pursuant to Corporations Code section 25532, Hedonova LLC, Hedonova Research LLC, and  
25 Alexander Cavendish are hereby ordered to desist and refrain from offering or selling or buying or  
26 offering to buy any security in the State of California, including but not limited to limited liability  
27 company membership interests, by means of any written or oral communication which includes an

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1 untrue statement of a material fact or omits to state a material fact necessary in order to make the  
2 statements made, in the light of the circumstances under which they were made, not misleading.

3 Pursuant to Corporations Code section 25403, any person who controls or induces another  
4 person to violate a provision of the Corporate Securities Law of 1968, or any person who provides  
5 substantial assistance to another person in violation of the Corporate Securities Law of 1968, shall be  
6 liable for the violations.

7 This Order is necessary, in the public interest, for the protection of investors and consistent  
8 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

9 DATED: May 2, 2024  
10 Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



11 By: \_\_\_\_\_  
12 MARY ANN SMITH  
13 Deputy Commissioner  
14 Enforcement Division

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