

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Administrative Proceedings Rulings
Release No. 4895 / June 28, 2017

Administrative Proceeding
File No. 3-17849

In the Matter of

**Angel Oak Capital Partners, LLC,
Peraza Capital & Investment,
LLC,
Sreeniwas Prabhu, and
David W. Wells**

**Order Following Prehearing
Conference**

I held a telephonic prehearing conference yesterday, at which counsel for the Division of Enforcement and Respondent Peraza Capital & Investment, LLC, appeared to argue the Division's motion for civil penalties, prejudgment interest, and disgorgement.

Based on the parties' agreement and the Division's concession that the Supreme Court's recent decision in *SEC v. Kokesh*, 198 L. Ed. 2d 86 (2017)—which was released after the Division filed its opening brief—will affect its disgorgement argument and calculations, I found good cause to indefinitely POSTPONE the hearing scheduled for July 3, 2017. Instead, the Division shall file its reply, specifically addressing the implications of *Kokesh*, by July 12, 2017; Peraza shall file its sur-reply by July 21; and on August 3 at 1:00 p.m. Eastern I will hold a telephonic oral argument on the issue of disgorgement.

I also informed the parties that I would not grant the Division's motion for civil penalties without giving Peraza an opportunity to put on evidence at hearing, unless Peraza agrees to forgo that opportunity. Further discussion about the need for an evidentiary hearing will occur following oral argument.

Jason S. Patil
Administrative Law Judge