

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

ADMINISTRATIVE PROCEEDINGS RULINGS

Release No. 5750/May 23, 2018

ADMINISTRATIVE PROCEEDING

File No. 3-17849

In the Matter of	:	
	:	
ANGEL OAK CAPITAL PARTNERS, LLC,	:	ORDER
PERAZA CAPITAL & INVESTMENT, LLC,	:	
SREENIWAS PRABHU, and	:	
DAVID W. WELLS	:	

The Securities and Exchange Commission instituted this proceeding with a Corrected Order Instituting Proceedings (OIP), pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, on February 16, 2017.¹ Only Peraza Capital & Investment, LLC, remains in the proceeding: the OIP, pursuant to Respondents' Offers of Settlement, made various findings of fact and conclusions of law and imposed cease-and-desist orders and other sanctions on them and ordered additional proceedings to determine what, if any, disgorgement and civil penalties are appropriate as to Peraza Capital. *Angel Oak Capital Partners*, Securities Exchange Act Release No. 80053, 2017 SEC LEXIS 474 (Feb. 16, 2017). In connection with such additional proceedings, Peraza Capital was precluded from arguing that it did not violate the federal securities laws described in the OIP and from challenging the validity of its Offer of Settlement and the OIP. *Id.* The findings made in the OIP are to be deemed true for the purpose of the additional proceedings and the Administrative Law Judge may determine the issues raised in the additional proceedings on the basis of testimony, affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence. *Id.* Thereafter, on the Division of Enforcement's motion for summary disposition, the presiding Administrative Law Judge decided certain legal issues: that the disgorgement and civil penalties sought by the Division are not barred by the statute of limitations set forth in 28 U.S.C. § 2462 and that Peraza Capital's receipt of commissions was causally connected to the violations for disgorgement purposes. *Angel Oak Capital Partners*, Admin. Proc. Rulings Release No. 5636, 2018 SEC LEXIS 630 (A.L.J. Feb. 28, 2018). A procedural schedule to address remaining issues was set, then postponed when Peraza Capital's counsel withdrew. *Angel Oak Capital Partners*, Admin. Proc. Rulings Release Nos. 5655, 2018 SEC LEXIS 759 (A.L.J. Mar. 19, 2018); 5670, 2018 SEC LEXIS 840 (A.L.J. Apr. 4, 2018).

¹ The undersigned was designated presiding Administrative Law Judge as of May 11, 2018. *Angel Oak Capital Partners*, Admin. Proc. Rulings Release No. 5723, 2018 SEC LEXIS 1114 (C.A.L.J. May 11, 2018).

On May 10, 2018, the Division submitted a new proposed procedural schedule, and on May 17, 2018, new counsel for Peraza Capital entered their notice of appearance. *See* Letter from John D. Worland, Jr., to Judge Jason S. Patil (May 10, 2018); Joint Notice of Appearance of Mark David Hunter, Jenny D. Johnson-Sardella, and Robert C. Harris (May 17, 2018).

In view of the changed circumstances, a prehearing conference will be held by telephone on May 30, 2018, at 10:00 a.m. EDT, a date and time convenient to the parties, to discuss the way forward. The parties should be prepared to address the status of any settlement negotiations and the steps to be taken to resolve any remaining issues if the proceeding is not resolved by settlement. This would include the manner of addressing the facts remaining to be proved.

IT IS SO ORDERED.

/S/ Carol Fox Foelak
Carol Fox Foelak
Administrative Law Judge