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

Administrative Proceeding
File No.: 3-17849

In the Matter of

ANGEL OAK CAPITAL PARTNERS, LLC, PERAZA CAPITAL & INVESTMENT, LLC, SREENIWAS PRABHU, and DAVID WELLS

DECLARATION OF MARK DAVID HUNTER IN OPPOSITION TO THE DIVISION OF ENFORCEMENT'S MOTION FOR SUMMARY DISPOSITION

Mark David Hunter, pursuant to 28 U.S.C. § 1746, does hereby declare:

1. I am counsel for Respondent Peraza Capital & Investment, LLC ("Peraza") in connection with the above-referenced matter. I submit this declaration in opposition to the Division of Enforcement's Motion for Summary Disposition.

2. Exhibit A is a true and correct copy of the relevant portions of the transcript of David Wells' deposition taken by counsel for Respondent Peraza on July 19, 2017.

3. Exhibit B is a true and correct copy of the relevant portions of the transcript of Sreeniwas Prabhu deposition taken by counsel for Respondent Peraza on July 19, 2017.

4. Exhibit C is a true and correct copy of the Letter from the Securities and Exchange Commission to Brad Freidlander dated September 12, 2011.

5. Exhibit D is a copy of Exhibit 1 to the deposition of Xiomara Perez, taken on May 17, 2017.

I do hereby declare under penalty of perjury that the foregoing is true and correct.

Executed on December 7, 2018.

Mark David Hunter

EXHIBIT A

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

Administrative Proceeding
File No.: 3-17849,

In the Matter of
ANGEL OAK CAPITAL PARTNERS, LLC,
PERAZA CAPITAL & INVESTMENT, LLC,
SREENIWAS PRABHU, and DAVID WELLS
_____/

DEPOSITION OF DAVID WALSH WELLS

JULY 19, 2017
10:56 A.M. TO 12:16 P.M.

1100 PEACHTREE STREET
ATLANTA, GEORGIA

REPORTED BY:
Pamela F. Withrow, CCR-B-1950

APPEARANCES OF COUNSEL

For the Peraza Capital and Investment, LLC:

JAMES D. SALLAH
Sallah Astarita & Cox, LLC
One Boca Place
Suite 300 E
2255 Glades Road
Boca Raton, FL 33431
561.989.9080
jds@sallahlaw.com

For the Securities and Exchange Commission:

JOHN D. WORLAND, JR.
CHRISTINE ADAMS (via telephone)
Securities and Exchange Commission
100 F Street
Washington, DC 20549-4010
202.551.4438
worland@sec.gov

For Sreeniwas Prabhu:

DAVID C. SMITH
Kilpatrick Townsend, LLP
Suite 900
607 14th Street, NW
Washington, DC 20005
202.508.5865
dcsmith@kilpatricktownsend.com

INDEX OF EXAMINATION

WITNESS :DAVID WALSH WELLS

INDEX OF EXHIBITS

(REPORTER'S NOTE: The original exhibits have been attached to the original transcript.)

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Administrative Proceeding

File No.: 3-17849,

In the Matter of

ANGEL OAK CAPITAL PARTNERS, LLC,

PERAZA CAPITAL & INVESTMENT, LLC,

SREENIWAS PRABHU, and DAVID WELLS

_____/

the exact terminology of that question.

Q Did FINRA ever examine the office?

A Yes.

Q So to your knowledge, they knew there was an office there?

A Yes.

Q Did Peraza register any other individuals as registered reps in this office?

A Yes.

Q At this time, when you became a 24, who else was registered in that office?

A Sreeniwas Prabhu, Brad Frielander, Sam Dunlap, Steve Olsson.

Q Prabhu, Frielander, Dunlap, and Olsson?

A Correct.

Q What were their responsibilities? You supervised these individuals?

A I did.

Q What were their responsibilities in the office?

A To find clients and trade bonds with those clients.

Q Find clients and trade bonds and securities?

A Our focus was institutional clients.

Q So Ms. Jones didn't open up an account there?

documentation, and then they would make the approval if somebody was allowed or not allowed.

Q Who is "they"?

A Sam Lewis.

Q Could Mr. Prabhu determine who to register at Peraza?

A No.

Q Mr. Frielander?

A No.

Q Mr. Dunlap?

A No.

Q Mr. Olsson?

A No.

Q Could any of those individuals open up accounts without your approval?

A No.

Q Would you ultimately have to get Sam Lewis's approval to open accounts?

A Correct. He would get all the information.

Q And how did Peraza, the branch office, generate revenue?

A Repeat that.

Q How would it generate revenue? How did it make money?

A Did you say the branch or the home?

Q The branch office.

A We would generate revenue by the buying and selling of securities in the market. So we would find an offer from a client or another broker-dealer and sell it to our client or sell the client's bond at a different price, and we would clip, or we would make the bid-ask between the two securities.

Q So you didn't charge commissions. You charged a markup or markdown?

A Correct.

Q What is the difference?

A It's the same thing. It's a commission.

Q Who would determine how much to mark a bond up or down?

A The market.

Q But who would ultimately have to approve the markup or markdown?

A I would. I was the trader, so I was mostly negotiating, as most of our assets were trading from a broker-dealer, a Wall Street firm, to an institutional client, so I was the one negotiating the price, while the salesman was negotiating with the client.

But at the end of the day, all markups and markdowns I had approval over.

Q Did Sam Lewis in any way oversee those or

of 2014.

Q Okay. And was that all securities trading that was directed by, as far as you know, registered representatives of Peraza?

A Correct.

Q Do you know if those registered representatives of Peraza were directing any of that trading at the direction of anyone else?

A They were not.

Q So just so I'm clear, your testimony is the registered representatives of Peraza were responsible for those revenues?

A Correct.

Q Did anything change concerning how representatives enter trades -- you approving trades, Mr. Lewis ultimately, I guess, if there were issues or trades that you wanted to discuss with him -- any of the process that you described different from 2010, the time you took over, or the time you were registered there, from your observations, through the beginning of 2014?

A No.

Q How did you find brokers to work at Peraza?

A Network of colleagues within the fixed income marketplace.

Q Give me some examples, if you can.

EXHIBIT B

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

Administrative Proceeding
File No.: 3-17849,

In the Matter of
ANGEL OAK CAPITAL PARTNERS, LLC,
PERAZA CAPITAL & INVESTMENT, LLC,
SREENIWAS PRABHU, and DAVID WELLS
_____/

DEPOSITION OF SREENIWAS PRABHU

JULY 19, 2017
8:52 A.M. TO 9:36 A.M.

1100 PEACHTREE STREET
ATLANTA, GEORGIA

REPORTED BY:
Pamela F. Withrow, CCR-B-1950

APPEARANCES OF COUNSEL

For the Peraza Capital and Investment, LLC:

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For the Securities and Exchange Commission:

JOHN D. WORLAND, JR.
CHRISTINE ADAMS (via telephone)
Securities and Exchange Commission
100 F Street
Washington, DC 20549-4010
202.551.4438
worland@sec.gov

For Sreeniwas Prabhu:

DAVID C. SMITH
Kilpatrick Townsend, LLP
Suite 900
607 14th Street, NW
Washington, DC 20005
202.508.5865
dcsmith@kilpatricktownsend.com

ALSO PRESENT:

Dorine Black

INDEX OF EXAMINATION

WITNESS :SREENIWAS PRABHU

INDEX OF EXHIBITS

NO EXHIBITS MARKED

DEPOSITION OF SREENIWAS PRABHU

JULY 19, 2017

Thereupon,

SREENIWAS PRABHU

was called as a witness, and after having been first duly sworn, testified as follows:

THE WITNESS: I do.

DIRECT EXAMINATION

BY MR. SALLAH:

Q Mr. Prabhu, my name is Jim Sallah, and I represent Peraza Capital Investment, LLC, in this matter. I appreciate you coming in. I'm going to ask some questions, and you're under oath. As you know, we're not in court, but you're obligated to testify truthfully just as if you were in court.

And I also understand -- we'll talk about it a little later -- you entered into a consent with the SEC, do you remember that, in connection with this matter?

A Yes.

Q In connection with that, I just want to remind you there are findings in there, and you agreed not to admit or deny any of those findings.

Do you remember that?

A Yes.

Q Regardless of what those findings are, and

Q Did you direct anyone to enter any trades in the Peraza system?

A No.

Q Did anyone ever ask you to enter trades in the Peraza system?

A No.

Q Did you ever direct anyone at Peraza as to the frequency in which trades should be directed? "Well, I want you to do this many trades a day or that many trades a day," anything like that?

A No.

Q Did you direct any of the activities of any of the Peraza reps as Peraza representatives?

A No.

Q Did you ever tell Peraza as to how much in commissions or markups Peraza customers should be charged for trades?

A No.

Q Did you ever suggest to David Wells or anyone else at Peraza as to how much anyone should be charged for trades, any Peraza customers?

A No.

Q Did you ever suggest to David Wells or anyone else at Peraza the frequency or volume of trading that should be done at Peraza?

A No.

Q Did you ever observe anyone who was not registered with Peraza directing any trades on the Peraza system?

A I observed? No.

Q Did you ever observe anyone who was not registered with Peraza direct David Wells as to what trades should be entered at Peraza?

A No.

Q Did you ever tell anyone at Peraza while you were not registered what securities to buy or sell?

A No.

Q How often did you speak to Sam Lewis after you ceased being registered at Peraza?

A Very rarely. Not much.

Q After you ceased being registered at Peraza, did you ever tell anyone at Peraza -- Sam Lewis, David Wells, anyone -- as to who should be registered or who should not be registered at Peraza?

A No.

Q Did you have access to the Peraza trading platform after you ceased being registered there?

A No.

Q Did you ever attempt to gain access to the Peraza trading platform after you ceased being

EXHIBIT C

SECURITIES AND EXCHANGE COMMISSION
ATLANTA REGIONAL OFFICE
3475 Lenox Road, Suite 500
Atlanta, Georgia 30326-1232

September 12, 2011

Mr. Brad Friedlander, Managing Member
Angel Oak Capital Advisors, LLC
3060 Peachtree Road NW, Suite 1080
Atlanta, Georgia 30305

WITH COPY TO:
Ms. Tina Patel, Chief Compliance Officer

Re: **Angel Oak Capital Advisors, LLC**
SEC File No.: 801-70670

Dear Mr. Friedlander:

The staff conducted an examination of Angel Oak Capital Advisors, LLC ("Registrant") pursuant to Section 204 of the Investment Advisers Act of 1940 ("Advisers Act"), with on-site review on December 3, 2010, and January 15 through 23, 2011. The examination evaluated compliance with certain provisions of the federal securities laws. The examination identified the deficiencies and weaknesses that are described in this letter, which were discussed with Mr. Brad Friedlander ("Friedlander") and Mr. John Hsu ("Hsu") on April 28, 2011.

Unregistered Broker-Dealer

Section 15(a)(1) of the Exchange Act requires that any person acting as a broker or dealer who makes use of the mails or any means of interstate commerce to effect transactions in any security, or to induce or attempt to induce the purchase or sale of any security, be registered with the Commission. Section 3(a)(4) of the Exchange Act defines "broker" as "any person engaged in the business of effecting transactions in securities for the account of others." A person may be found to be acting as a broker if he regularly participates in securities transactions "at key points in the chain of distribution." Among the most relevant factors in determining whether a person is a broker is whether that person solicits investors to purchase securities.

A broker is generally defined as "any person engaged in the business of effecting transactions in securities for the account of others," and a dealer as "any person engaged in the business of buying and selling securities for his own account, through a broker or otherwise." A person may be "engaged in the business," by receiving compensation tied

to the successful completion of a securities transaction.[1] Indeed, the receipt of transaction-based compensation often indicates that such a person is engaged in the business of effecting transactions in securities. Registration helps to ensure that persons who have a "salesman's stake" in a securities transaction operate in a manner that is consistent with customer protection standards governing broker-dealers and their associated persons.

Registrant received transaction based compensation in the form of commissions paid by a registered broker dealer, Peraza. Commissions were paid by Peraza to Mr. David Wells ("Wells") to Registrant, which then paid-out a portion of the commissions to the registered representatives ("RRs") at the Peraza branch office. A portion of the commission for each trade was retained by Registrant as an administrative fee. Registrant's receipt of transaction based compensation for effecting securities transactions resulted in Registrant operating as an unregistered broker dealer. Subsequent to the RAVE exam of December 2010, Registrant stopped its practice of paying commissions to the RRs; instead Peraza paid Angel Partners, which then paid the RRs of Peraza. Registrant operated a broker-dealer during the examination period because it received transaction based compensation.

From January 1, 2010, through October 31, 2010, Registrant received $440,080 in commissions indirectly from Peraza for effecting securities transactions and paid out $323,794 to its employees who are RRs of Peraza. Registrant retained $116,286 for its administrative services.

As a result of the conduct described above, Registrant failed to comply with Section 15(a)(1) of the Exchange Act by operating as an unregistered broker.

Breach of Fiduciary Duty - Valuation

Sections 206(1) and (2) of the Advisers Act make it unlawful for an investment adviser, either directly or indirectly, to engage in any transaction, practice, or course of business that operates as a fraud or deceit upon any client or prospective client. Under Section 206, investment advisers have a fiduciary duty to act in the best interest of their clients and furnish unbiased advice, providing full and fair disclosure of any material information that is pertinent to the advisory relationship.

Registrant invests client assets primarily in mortgage backed securities. Mortgage backed securities trade on a limited basis, and can be difficult to value. Therefore, valuation is a significant risk faced by clients. This risk should be fully and adequately addressed in Registrant's Compliance Manual ("Manual"). Registrant's Manual does not contain any policies or procedures with respect to stale pricing or significant price

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[1] See Strengthening the Commission's Requirements Regarding Auditor Independence, Exchange Act Release No. 47265, n.82 (Jan. 28, 2003) (noting that a person may be "engaged in the business," among other ways, by receiving transaction-related compensation).

movements. These are significant, particularly with respect to mortgage backed securities that may have very little trading volume. While you stated that Registrant does review prices for large moves, as well as for the failure of prices to change from month to month, you could not document that this is the case. In addition, the staff believes you do not understand what stale prices are, or why an unchanged price over an extended period of time may be a concern. The fact that the Mr. Friedlander, Chief Compliance Officer at the examination, is unable to understand the pricing risks of the securities that Registrant invests client assets in is a significant concern. The staff is concerned that Registrant will not be able to implement adequate pricing policies and procedures if key personnel do not understand valuation.

Registrant provided a spreadsheet for Debt Recovery Fund and Structured Income Fund that showed the pricing of each position held in each fund for each month during the examination period. The spreadsheet shows that Registrant's prices change very little from month to month. Given that prices from Bloomberg for the same securities changed significantly month to month over the same time period, the staff is concerned that Registrant's policies and procedures over valuation are insufficient. Additionally, as the result of a September 2010 court decision that affected banks' ability to pursue foreclosure in certain situations, many mortgage backed securities dropped significantly in price between September and October 2010. Registrant's valuations do not reflect this change, even though Bloomberg's valuations do. Therefore, the staff is concerned that Registrant is not taking material events into account when pricing securities.

Registrant does not comply with of Section 206(1) and Section 206(2) because Registrant has not fulfilled its fiduciary obligation to its clients with regard to the accurate valuations of positions held in their accounts.

Custody

Rule 206(4)-2 under the Advisers Act ("the Custody Rule") states that an adviser has custody of client funds or securities if it "hold[s], directly or indirectly, client funds or securities, or [has] any authority to obtain possession of them." Further, the rule specifies that advisers acting as the general partner to limited partnerships or in a similar capacity with respect to other types of pooled investment vehicles (e.g., managing members of a limited liability company) are considered to have custody of the limited partnerships' or pooled investment vehicles' assets.

The Custody Rule was recently amended and the amendments were effective on March 12, 2010 ("the Amended Custody Rule").[2] The Amended Custody Rule requires an investment adviser with custody of client securities or funds to maintain those assets in a separate account with a qualified custodian and have a reasonable basis, after due inquiry, for believing that the qualified custodian sends an account statement, at least

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[2] See Custody of Funds or Securities of Clients by Investment Advisers, Advisers Act Release No. 2968 (December 30, 2009, *available at* http://www.sec.gov/rules/final/2009/ia-2968.pdf.

quarterly, to each client for which it maintains funds or securities. Investment advisers that have custody of client funds or securities because the adviser or a related person is a general partner, managing member, or holds a comparable position for a pooled investment vehicle, may still comply with the Amended Custody Rule by having the pooled investment vehicle audited at least annually. The audit, however, must be conducted by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules.

As stated earlier, the general partner or managing member of the private funds is Angel Oak Capital Partners, LLC. The officers of Registrant are the managing members of the general partners. As a related party, Registrant has access to client funds and securities through its role as the general partner to the private funds. As such, Registrant is deemed to have custody of client assets and must comply with certain sections of Rule 206(4)-2. Specifically, the general partner must deliver audited financial statements to the limited partners within 120 days of the Fund's fiscal year-end.

The examination revealed that Registrant had custody of its private investments. Registrant's closed-end fund the Deep Credit Fund[3] was not audited by an independent public accountant for the year-ending December 31, 2009. The general partner provided a waiver for the audit for 2008. According to Mr. Hsu, the waiver was to be for years ending 2008 and 2009. Registrant's failure to comply with the requirements of the custody rule is not consistent with compliance of Rule 206(4)-2 under the Advisers Act.

Start Up Costs

The staff noted that Debt Recovery Fund's financial statements for the year ended December 31, 2009 indicate that Debt Recovery Fund's start up costs of $15,748 are being amortized over 60 months rather than expensed. This amount has an immaterial impact on NAV, however, AICPA Statement of Position 98-5, titled "Reporting the Costs of Start-Up Activities," states that partnership organizational costs should be expensed as incurred after the effective date of June 30, 1998. Additionally, "Commission Staff Accounting Bulletin No. 99, Materiality," discusses *qualitative materiality* and suggests that financial statements should include data (presented according to GAAP) that may be otherwise deemed immaterial in certain circumstances (n4). Therefore, materiality is not the basis for determining that the Funds' organizational expense can be amortized under GAAP. Because the Funds' organizational expenses are improperly amortized, its financial statements are not prepared in accordance with GAAP and, therefore, Registrant may not rely on the exemption provided by Rule 206(4)-2(b)(3).

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[3] The Angel Oak Deep Credit Fund, LP Agreement dated March 4, 2009 on pages 24 and 25; and the Private Placement Memorandum on page 36 states that partnerships will be audited each fiscal year.

Marketing and Performance

Rule 206(4)-1(a)(2) of the Advisers Act states that it will constitute a fraudulent, deceptive, or manipulative act, practice or course of business for any adviser, directly or indirectly, to publish, circulate, or distribute any advertisement which, among other things, refers, directly or indirectly, to past specific recommendations of such adviser which were or would have been profitable to any person. Provided, however, that this shall not prohibit an advertisement which sets out or offers to furnish a list of all recommendations made by the adviser within the immediately preceding period of not less than one year if such advertisement, and such list if it is furnished separately: (i) State the name of each such security recommended, the date and nature of each such recommendation (e.g., whether to buy, sell or hold), the market price at that time, the price at which the recommendation was to be acted upon, and the market price of each such security as of the most recent practicable date, and (ii) contain the following cautionary legend on the first page thereof in print or type as large as the largest print or type used in the body or text thereof: "it should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list."

An adviser can prepare and present security recommendations in the manner described in the *Franklin Management, Inc.* no-action letter (publicly available December 10, 1998), which generally provides for the use of an objective, non-performance based criteria to select the securities, such as the largest positions held during the quarter by client accounts. Also, the SEC no-action letter, *Investment Counsel Association of America, Inc.* (publicly available March 1, 2004, allows an adviser to present past specific recommendations in response to an unsolicited request by a client, prospective client or consultant for specific information, and to existing clients about past specific recommendations concerning securities that are or were recently held by each of those clients.

Rule 206(4)-1(a)(5) states that it is unlawful for an investment adviser to directly or indirectly publish, circulate or distribute any advertisement which contains any untrue statement of material fact or which is otherwise false or misleading. Rule 206(4)-1(b) defines the term advertisement, among other things, as any notice, circular, letter or other written communication addressed to more than one person, which offers any investment advisory service with respect to securities. As a general matter, whether any advertisement is deemed to be false or misleading will depend on the particular facts and circumstances surrounding it use, including (1) the form as well as the content of the advertisement, (2) the implications or inferences arising out of the advertisement in its total context, and (3) the sophistication of the prospective client (no-action letters *Anametrics Investment Management*, available May 5, 1977; *Edward O'Keefe*, available April 13, 1978; and *Covato/Lipsitz, Inc.*, available October 23,1981).

Registrant's marketing materials do not include disclosures recommended in Clover. For example, the fact sheets do not disclose whether or not dividends and

income are reinvested. In addition, the fact sheets do not disclose all facts materially relevant to the index comparison used in the advertisements. Furthermore, on one advertisement (Angel Oak Structured Income Fund I, October 2010), Registrant failed to include the statement that "Past performance is not indicative of future performance." Disclosing the possibility of loss is a required disclosure. Registrant's failure to include the disclosures recommended in Clover mentioned above is inconsistent with Registrant's disclosure obligations under Rule 206(4)-1(a)(2) and 206(4)-1(a)(5).

Compliance Policies and Procedures

The "Compliance Rule" (Advisers Act Rule 206(4)-7) requires advisers to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act. Each adviser should identify conflicts and other compliance factors creating risk exposure for the firm and its clients in light of the firm's particular operations, and then design policies and procedures that address those risks. The Commission expects that an adviser's policies and procedures, at a minimum, should address a standard set of operations to the extent that they are relevant to the adviser. (See *Compliance Programs of Investment Companies and Investment Advisers*, Advisers Act Release No. 2004 (December 17, 2003) ("Compliance Rule Release") available at http://www.sec.gov/rules/final/ia-2204.htm.) Advisers must review those policies and procedures at least annually for their adequacy and the effectiveness of their implementation, and designate a chief compliance officer to be responsible for administering their policies and procedures.

Registrant's Manual is not reasonably designed to prevent violations of the Advisers Act in that it is not adequately tailored to its business practices. For example, Registrant does not: (1) engage in principal or cross transactions in advisory accounts; (2) participate in any soft dollar activities; or (3) vote proxies for advisory clients according to you. In addition, the staff suggests that Registrant update it's Manual and consider when conducting its annual review the risk of sharing office space with non-employees as well as instituting procedures to ensure unauthorized persons cannot access client information. Also, Registrant invests the assets of the Funds in numerous securities for which there are no readily available market quotations, which is a critical risk for clients because advisory and performance fees are based on those fair values. The annual review should consider these risks as well.

Registrant stated that certain policies and procedures were included in the Manual to address potential compliance risk factors for the future. We remind Registrant that: (1) the compliance rule requires compliance policies and procedures adopted by the firm to be implemented; and (2) the compliance policies and procedures adopted by the firm should be relevant to its investment advisory operations.

Registrant's failure to adopt and implement reasonable and relevant written policies and procedures designed to prevent violations of the Advisers Act is not consistent with the requirements of Rule 206(4)-7(a).

Regulation S-P

Regulation S-P, which became effective on November 13, 2000, and required compliance by July 1, 2001, obligates investment advisers to protect the financial privacy of their customers and consumers. Regulation S-P requires an investment adviser to assess what nonpublic, personal financial information it collects from clients, assess what nonpublic personal information is shared with affiliates and non-affiliated third parties, establish procedures to protect non-public personal information, notify clients of the collection, disclosure, and protection of such information, and provide an option to clients to forego participating in such processes, referred to as an "opt out" option. Regulation S-P requires that investment advisers deliver: (i) an initial privacy notice to new customers not later than when the customer relationship is established, and (ii) an annual privacy notice to all customers.

In addition to requiring investment advisers to send privacy notices to their clients annually, Regulation S-P specifically requires advisers to adopt internal policies and procedures that address administrative, technical, and physical safeguards for the protection of customer records and information. These policies and procedures must be reasonably designed to:

I. Ensure the security and confidentiality of customer records and information;

II. Protect against any anticipated threats or hazards to the security or integrity of customer records and information; and

III. Protect against unauthorized access to or use of customer records or information that could result in substantial harm or inconvenience to any customer.

Registrant may have failed to comply with the provisions of Regulation S-P, which requires that registrants adopt appropriate procedures to protect customer information. Registrant currently subleases office space to the Privet Fund and West Club Capital. Registrant's trading desk is located in what appears to be a bull pen which is easily accessible by anyone within the office. Friedlander and Hsu indicated that they discuss the strategies for clients including the Funds. The presence of the Privet Fund and West Club Capital employees in Registrant's office, at a minimum raises issues concerning client privacy, conflicts of interest, front-running, and insider trading concerns. In addition, Registrant maintains its computer server and telephone lines in a room that includes its coffee break room which is open and accessible to persons within the office, including the employees of the Privet Fund and West Club Capital.

Registrant failed to adopt and employ any specific polices or procedures in its Manual to address the above potential concerns. A failure to adopt and maintain

adequate policies and procedures addressing the protection of sensitive data from alteration and/or deletion does not comply with the requirements of Regulation S-P.

Form ADV

Registered investment advisers are required to amend their registration forms (Form ADV) at least annually, within 90 days of their fiscal year end and more frequently if required by the instructions to the form. Updates to Part 1A of Form ADV must be filed annually through FINRA's Investment Adviser Registration Depository ("IARD"). In addition to making annual filings, advisers must promptly file an amendment to its Form ADV whenever certain information contained in its Form ADV becomes inaccurate. Although Part II is not currently required to be delivered to the Commission, it must be maintained and amended as necessary in accordance with Rule 204-1 under the Advisers Act for presentation to current and prospective clients. Form ADV filing requirements are specified in Rule 204-1 under the Advisers Act and in the General Instructions to Form ADV.

Registrant failed to comply with Rule 204-1 because it's most recent Form ADV contained omissions, inconsistencies, and/or inaccuracies with respect to the following item:

Part 1A:

Item 9.B Registrant should amend this item to indicate that it has custody of client accounts.

Schedule D

Section 7.B Registrant should amend this section to include all the private funds managed.

Part II –

Item 9.E Registrant should amend this item to indicate that the Code of Ethics will be provided upon request.

Schedule F

Item 1.D Registrant should amend to include more disclosure regarding performance fees and the nature of their conflicts, and its solicitation arrangement. In addition, Registrant should amend Schedule F to include that you are the Chief Compliance Officer.

With respect to the above item, Registrant failed to amend its Form ADV in a timely manner as required by Rule 204-1 under the Advisers Act.

The staff is bringing the deficiencies and weaknesses described above and discussed in our exit interview to your attention for immediate corrective action, without regard to any other action(s) that may result from the examination. The deficiencies and weaknesses identified above are based on the staff's examination and are not findings or conclusions of the Commission. Also, references to deficiencies or weaknesses are made in the context of an examination by the staff, are not the result of an adjudicative process and do not constitute conclusive findings of fact for the purposes of liability. You should not assume: that the firm's activities discussed in this letter do not constitute deficiencies or weaknesses under any other federal securities law or other applicable rules and regulations not discussed above; or that the firm's activities not discussed in this letter are in full compliance with federal securities laws or other applicable rules and regulations.

Note that the descriptions of the law and related interpretations in this letter may be paraphrased, abbreviated, or incomplete. You can find complete information related to these regulatory requirements on our website at http://www.sec.gov/divisions.shtml.

Please respond in writing to each matter described above within thirty (30) days of the date of this letter, describing the steps you have taken or intend to take with respect to each of these matters. In addition, and without limiting other necessary actions, Registrant is specifically directed to provide this office with documentation demonstrating its implementation of reasonable and appropriate written policies and procedures that, at a minimum, address the requirements of Rule 206(4)-7(a) under the Advisers Act.

The Staff asks that Registrant apprise us of what steps, if any, it intends to take with respect to the transaction-based compensation charged to customers, whereby Registrant acted as an unregistered broker-dealer. If Registrant intends to reimburse customers and others, please provide documentation. Please also advise the staff of what steps Registrant has taken to register as a broker-dealer.

Registrant is also directed to provide this office with a revised copy of its compliance manual, marketing materials, Form ADV, and Regulation S-P procedures.

Please direct your response to the attention of Satyan Singh, Branch Chief. In addition, a copy of your reply, together with copies of any enclosures, should be sent to the following person:

Ms. Ragni Walker
Office of Compliance Inspections and Examinations
U.S. Securities and Exchange Commission
100 F Street, N.E. (Mail Stop 7030)
Washington, DC 20549-7030

Thank you for your cooperation. If you have any questions, please contact Satyan Singh at (404) 842-7681.

Sincerely,

Askari Foy
Associate Regional Director

By: _____
Satyan Singh, Branch Chief

cc: Askari Foy, Associate Regional Director
Ragni Walker, OCIE

EXHIBIT D

Atlanta OSJ

Branch Support Allocation

	2009	2010	2011	2012	2013	2014	TOTALS
Gross Annual Revenues	-	821,145.49	1,960,383.35	2,608,176.30	3,011,672.14	3,104,657.00	11,506,034.28
Commissions to ATL branch	-	753,323.37	1,686,987.58	2,249,660.88	2,677,782.68	2,616,573.90	9,984,328.41
Revenues less Commissions Paid	-	67,822.12	273,395.77	358,515.42	333,889.46	488,083.10	1,521,705.87
% paid to branch	-	0.92	0.86	0.86	0.89	0.84	
Finders Fees to Bill Baer	-	90,000.00	54,405.00	-	-	-	
Legal, Professional & Consulting Fees (Kevin carreno, Sander Ressler, Jim Sallah, RRS)	17,426.04	72,233.00	86,030.00	16,228.00	24,023.69	46,433.00	
Accounting (xiomara perez's support)	1,387.50	21,855.00	55,475.00	60,380.00	68,900.00	114,573.00	
Professional Fees (michael lewis, Michael Barbosa, Lauren Lee, Marissa Cesana, Ashley Russell)	35,175.74	94,225.00	123,054.07	242,692.00	115,500.00	30,000.00	
Occupancy and Equipment Allocation at 10%	16,810.00	24,521.41	33,708.80	35,915.02	21,982.34	18,629.83	
	70,799.28	302,834.41	352,672.87	355,215.02	230,406.03	209,635.83	1,521,563.44
Net Annual Profits	(70,799.28)	(235,012.29)	(79,277.10)	3,300.40	103,483.43	278,447.27	142.43

EXHIBIT i PLTF.
WITNESS X. Perez DEFT.
CONSISTING OF 1 PAGES
DATE 5-17-17
BEHMKE REPORTING AND VIDEO SERVICES, INC.