

# **BROCHURE SUPPLEMENT**

Part 2B of Form ADV

November 2, 2023

**Paul Henry Heckler**

**Yosemite Capital Management, LLC**

5120 Birch Street, Suite 100

Newport Beach, CA 92660

Phone: (714) 730-3310

Fax: (714) 730-3311

**[www.yosemitcapital.com](http://www.yosemitcapital.com)**

**This brochure supplement provides information about Paul Henry Heckler that supplements the Yosemite Capital Management, LLC's ("YCM" or the "Firm") Brochure, of which you should have received a copy. Please contact our Chief Compliance Officer at (714) 730-3310 if you did not receive the Firm's Brochure or if you have any questions about the contents of this supplement. Thank you.**

**Additional information about Paul Henry Heckler is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**Name:** Paul Henry Heckler

**Date of Birth:** 1958

**Educational Background:**

University of Southern California (“USC”)  
B.S. in Business Administration (1987)

**Business Background:**

Yosemite Capital Management, LLC - Managing Director and Chief Compliance Officer  
(04/2001- Present)

## ITEM 3: DISCIPLINARY INFORMATION

YCM is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of each of the Firm’s investment persons, including Paul Henry Heckler, providing advice to you. Mr. Heckler has applicable legal or disciplinary events required to be disclosed under this Item.

In anticipation of a public administrative and cease-and-desist proceedings by the U.S. Securities and Exchange Commission (“SEC” or the “Commission”) against Mr. Heckler and YCM, Mr. Heckler and YCM submitted Offers of Settlement, which the Commission determined to accept on March 17, 2010. Without admitting or denying the findings, Mr. Heckler and YCM consented to the entry of an Order Instituting Administrative and Cease-and-Desist Proceedings pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), which is summarized below.

### SUMMARY

The above-referenced Order relates to the SEC’s findings that YCM and its Managing Director, Paul H. Heckler, failed to disclose to clients that their promised due diligence had encountered significant problems. YCM, through Mr. Heckler, placed \$3.25 million of four of its clients’ funds through a “feeder fund,” Ashton Investments LLC (“Ashton”), into purported bridge loans arranged by Norman Hsu (“Hsu”) and Next Components, Ltd. (“Next”) Instead of being placed in bridge loans, however, the monies were part of Hsu’s and Next’s \$60 million Ponzi scheme.

As a result, the SEC found that Mr. Heckler and YCM failed to conduct adequate due diligence and willfully<sup>1</sup> violated Section 206(2) of the Advisers Act, for which Mr. Heckler caused YCM’s violations of Section 206(2) of the Advisers Act.<sup>2</sup> Mr. Heckler and YCM were ordered to cease

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<sup>1</sup> A willful violation of the securities laws means merely “that the person charged with the duty knows what he is doing.” *Wonsover v. SEC* 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor also be aware that he is violating one of the Rules or Acts.” *Id.* (quoting *Gearhart & Otis, Inc. v. SEC*, 348 F.2d 798, 803 (D.C. Cir. 1965)).

<sup>2</sup> Rule 206(2) of the Advisers Act prohibits any investment adviser from engaging in any transaction, practice, or course of business, which operates as a fraud or deceit on any client or prospective client.

and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act, were censured and Mr. Heckler was ordered to pay a civil penalty of \$26,000. Details relating to the Order, IA Release No. 3005, may be found at <http://www.sec.gov/litigation/admin/2010/ia-3005.pdf>. Please click on the link provided or contact (714) 730-3310 to obtain a copy.

In 2003 while registered with Syndicated Capital Inc., a registered broker-dealer and member of FINRA/SIPC, Mr. Heckler allegedly sold a client, interests in promissory notes issued by Saveonline, a company in which Heckler was CFO. The client alleged that Mr. Heckler engaged in private securities transactions, made unsuitable recommendations, breached his fiduciary duty and made material misrepresentations and omissions. Consequently, in 2010, Mr. Heckler was ordered by FINRA to pay claimants compensatory damages of \$200,000.

Additional information can be found on the Investment Adviser Public Disclosure (“IAPD”) website. The IAPD link is [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To access the Firm’s disciplinary information, click on the link above and follow the instructions to access the IARD system.

#### **ITEM 4: OTHER BUSINESS ACTIVITIES**

Outside of his activities at Yosemite Capital Management, LLC, Mr. Heckler is the Manager of Yosemite Properties, LLC a commercial real estate, a New Hampshire limited liability company, Mr. Heckler spends less than .5% of his time on this activity.

Mr. Heckler also is the controlling owner of APHD I, LLC, a minority member of INTRUST Investment Management, LLC, a California limited liability company. INTRUST Investment Management, LLC serves as the Manager to IIM Harrison Partners, LLC (“IIM Fund”), as well as to IPG Monica Partners, LLC (“IPG Fund”), which are direct private real estate funds. In this capacity, and only for the IIM Fund and IPG Fund, Mr. Heckler, through his company APHD I, LLC, acts on behalf of INTRUST Investment Management, LLC and receives compensation for his efforts. Important disclosures and material information are provided in each fund’s respective offering documents, which all investors are encouraged to carefully review prior to investing. Both the IIM Fund and IPG Fund are closed to new capital and investors. When suitable and appropriate, the IIM Fund and the IPG Fund were offered to YCM investors who were deemed suitable to invest. In this capacity, Mr. Heckler spends less than 5% of his time on this activity.

#### **ITEM 5: ADDITIONAL COMPENSATION**

In addition to the compensation Mr. Heckler may earn from his employment at YCM, as an equity owner of YCM, Mr. Heckler shares in the profits and losses of the Firm.

Through his company APHD I, LLC (that is a minority member of INTRUST Investment Management, LLC which serves as Manager to the IIM Fund and IPG Fund), Mr. Heckler will participate and receive a percentage of the overall promote compensation in the form of a one-time acquisition fee in the amount of 2% of the purchase price of the property, a one-time disposition fee of 1% of the sales price, and a recurring manager fee along with expense reimbursements for startup expenses, including construction management fees in the case of the IPG Fund, , and other fees as more fully detailed in the Funds’ offering documents. Please note that in the case of the IIM Fund, such fees will not be paid unless such payments are made solely

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out of excess cash flow and until all debt service and reserves are paid in relation to any loan secured by the property and all other operating expenses related to the property have been paid. Please refer to the IIM Fund offering materials for important additional information.

## **ITEM 6: SUPERVISION**

Paul H. Heckler is the Managing Director and Chief Compliance Officer of Yosemite Capital Management, LLC. As such, Mr. Heckler oversees all advice provided to clients. Mr. Heckler may be contacted at (714) 370-3310 or [pheckler@yosemitecapital.com](mailto:pheckler@yosemitecapital.com).