
*
IN THE MATTER OF: *
*
ONDO CAPITAL MANAGEMENT LLC *
CRD NO. 325197 *
*
ONDO I LP *
*

STIPULATION AND AGREEMENT
MATTER NO. ST-M2024-22-S

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act (“Act”) and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”) promulgated under the Act;

WHEREAS, Ondo Capital Management LLC (“Ondo”) is a Delaware limited liability company that was formed on November 22, 2022, whose current principal place of business is located at 500 West Putnam Avenue, Suite 400, Greenwich, Connecticut 06830;

WHEREAS, Ondo I LP (“Ondo Fund”) is a Delaware limited partnership that was formed on November 22, 2022, whose current principal place of business is located at 500 West Putnam Avenue, Suite 400, Greenwich, Connecticut 06830;

WHEREAS, Ondo is the investment adviser/manager of Ondo Fund, an affiliated private fund under Section 3(c)(7) of the Investment Company Act of 1940 only available to Qualified Purchasers and sold in reliance on Rule 506(c) of Regulation D under the Securities Act of 1933;

WHEREAS, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking (“Department”) conducted an investigation of Ondo and

Ondo Fund (collectively, the “Respondents”) pursuant to Section 36b-26 of the Act to determine whether Ondo had violated, was violating or was about to violate any provision of the Act or any regulation or order under the Act (“Investigation”);

WHEREAS, in 2011 Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) exempting certain investment advisers (“Exempt Reporting Advisers” or “ERAs”) from registration with the Securities and Exchange Commission (“SEC”) if certain conditions concerning client base and assets under management were met;

WHEREAS, on July 11, 2011, the Commissioner issued an Order Governing Certain Investment Advisers Exempt from Federal Registration Following Passage of Dodd-Frank (“2011 Order”). The 2011 Order exempted ERAs from state registration as long as they “make the reports required by SEC Rule 204-4 available to the Commissioner in electronic format.” The 2011 Order was later amended in a March 2017 notice explaining that key portions of Form ADV would be required to fulfill the federal notice requirement and that federal filing requirements were set forth in 17 CFR 275.204-4;

WHEREAS, on May 17, 2023, Ondo filed with Connecticut an ERA notice indicating that it was exempt from federal investment adviser registration. The Connecticut ERA notice was filed through the Central Registration Depository (“CRD”). Ondo did not file an ERA notice with any other state, nor did it file an ERA notice with the SEC at the time;

WHEREAS, ten months later on March 29, 2024, Ondo filed as an ERA with the SEC. Ondo’s federal exemptive claim was based on its acting “solely as an adviser to private funds and . . . [having] assets under management, as defined in rule 203(m)-1, in the United States of less than \$150 million.” The same day, Ondo withdrew the ERA notice it had filed with Connecticut on May 17, 2023. Ondo did not make any subsequent ERA notice filings with Connecticut up to and including August 6, 2025, the date its federal investment adviser registration became effective and the date its filing under Section 36b-6(e) of the Act was made;

WHEREAS, on March 31, 2025, Ondo amended its March 29, 2024, federal exemptive claim by stating that its ERA exempt status was now based on its acting “solely as an adviser to private funds but

. . . no longer eligible to check box 2.B.(2) because you have assets under management, as defined in rule 203(m)-1, in the United States of \$150 million or more”;

WHEREAS, on June 30, 2025, Ondo filed with the SEC an application for investment adviser registration under the Investment Advisers Act of 1940. That form included a section indicating that the firm was also making a notice filing pursuant to Section 36b-6(e) of the Act. The Section 36b-6(e) notice filing required of SEC registered investment advisers is different from the ERA notice described in the Commissioner’s 2011 Order. Ondo’s SEC registration was amended, without material variance, on August 5, 2025;

WHEREAS, on August 6, 2025, Ondo’s SEC registration filing and its Connecticut Section 36b-6(e) notice filing became effective;

WHEREAS, as a result of the Investigation, the Division has reason to believe that Ondo failed to file with the Commissioner the prescribed Form ADV items required by the Commissioner in 2011 and 2017 for those advisers claiming exempt reporting status under federal law. Specifically, between May 17, 2023, and March 29, 2024, Ondo made no filings with the SEC claiming exempt reporting adviser status. The Division also has reason to believe that from at least May 17, 2023 when its questionable ERA form was filed with Connecticut until August 6, 2025, when Ondo’s notice filing under Section 36b-6(e) of the Act became effective, Ondo transacted business as an investment adviser absent compliance with Connecticut law.

WHEREAS, the Commissioner believes that the failure by Ondo to comply with the 2011 Order, as updated in 2017, and with Section 36b-6(e) of the Act, would support the imposition of administrative sanctions against Ondo pursuant to Section 36b-27 of the Act;

WHEREAS, as a result of the Investigation, the Division ascertained that on January 11, 2023, Ondo Fund filed a Form D (Notice of Exempt Offering of Securities) with the SEC pursuant to Rule 506(c) of Regulation D;

WHEREAS, Ondo Fund failed to make a Rule 506 notice filing with the Commissioner pursuant to Sections 36b-16 and 36b-21(e) of the Act;

WHEREAS, in connection with the Investigation, Division staff ascertained that there were at least ten investors in Ondo Fund;

WHEREAS, at the time of the offers and sales of the Ondo Fund from Connecticut, such securities were not registered in Connecticut under Section 36b-16 of the Act, nor were they the subject of a filed exemptive claim or claim of covered security status under Section 36b-21 of the Act;

WHEREAS, Section 36b-16 of the Act provides that “[n]o person shall offer or sell any security in this state unless (1) it is registered under sections 36b-2 to 36b-34, inclusive, (2) the security or transaction is exempted under section 36b-21, or (3) the security is a covered security provided such person complies with any applicable requirements in subsections (c), (d) and (e) of section 36b-21”;

WHEREAS, Section 36b-21(e) of the Act provides, in pertinent part, that “[a]ny person who offers or sells a security that is a covered security under Section 18(b)(4)(E) of the Securities Act of 1933 shall file a notice with the commissioner within fifteen days after the first sale of such a security in this state”;

WHEREAS, the Commissioner believes that the failure by the Ondo Fund to comply with Section 36b-16 of the Act in conjunction with the Ondo Fund offers and sales and the failure by the Ondo Fund to timely file the notice required by Section 36b-21(e) of the Act in connection with the Ondo Fund offers and sales would support the imposition of administrative sanctions against the Ondo Fund pursuant to Section 36b-27 of the Act;

WHEREAS, an administrative proceeding initiated under Section 36b-27 of the Act would constitute a “contested case” within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

WHEREAS, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations provide that a contested case may be resolved by stipulation or agreed settlement, unless precluded by law;

WHEREAS, Respondents cooperated with the Division and submitted documents and information in a timely and forthright manner;

WHEREAS, after the Division brought the alleged violation to Respondents' attention, Ondo Fund filed a Rule 506 notice filing with the Commissioner pursuant to Sections 36b-16 and 36b-21(e) of the Act on October 2, 2025;

WHEREAS, Respondents desire to settle the matters described herein and voluntarily enter into this Stipulation and Agreement;

WHEREAS, the Commissioner and the Respondents acknowledge that this Stipulation and Agreement is in lieu of any court action or administrative proceeding against the Respondents, their members, partners, officers, employees, agents, or representatives adjudicating any issue of fact or law on the matters described herein and is being made to settle only the matters described herein;

WHEREAS, without admitting or denying the allegations contained herein, Respondents expressly consent to the Commissioner's jurisdiction under the Act and to the terms of this Stipulation and Agreement;

WHEREAS, Respondents through their execution of this Stipulation and Agreement, voluntarily waive any rights they may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Stipulation and Agreement;

WHEREAS, Respondents acknowledge that they have had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Stipulation and Agreement and enters into this Stipulation and Agreement freely;

AND WHEREAS, Respondents specifically assure the Commissioner that the violations alleged in this Stipulation and Agreement shall not occur in the future.

NOW THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. Ondo Capital Management LLC, its members, partners, officers, representatives, agents, employees, affiliates, assigns and successors in interest shall refrain from engaging, either directly or through any person, organization or other, in conduct constituting or which would constitute a violation of the Act or any regulation, rule or order adopted or issued under the Act;
2. Ondo I LP, its partners, officers, representatives, agents, employees, affiliates, assigns and successors in interest shall refrain from engaging, either directly or through any person, organization or other, in conduct constituting or which would constitute a violation of the Act, or any regulation, rule or order adopted or issued under the Act;

3. No later than the date this Stipulation and Agreement is executed by the Commissioner Ondo Capital Management LLC shall remit to the Department, by cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", or by electronic funds transfer, the sum of one thousand dollars (\$1,000) as an administrative fine;
4. No later than the date this Stipulation and Agreement is executed by the Commissioner, Ondo I LP shall remit to the Department, by cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", or by electronic funds transfer, the sum of five hundred dollars (\$500) as an administrative fine;
5. Execution of this Stipulation and Agreement by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Respondents or their successors in interest based upon a violation of this Stipulation and Agreement or the basis for its entry if the Commissioner determines that compliance is not being observed with the terms hereof; and
6. This Stipulation and Agreement shall become binding when executed by Respondents and the Commissioner.

IN WITNESS WHEREOF, the undersigned have executed this Stipulation and Agreement on the dates indicated.

Dated at Hartford, Connecticut,
this 12th day of December 2025.

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_____/s/_____

Jorge L. Perez
Banking Commissioner

I, Lee Zasadowski, state on behalf of Ondo Capital Management LLC, that I have read the foregoing Stipulation and Agreement; that I know and fully understand its contents; that I am authorized to execute this Stipulation and Agreement on behalf of Ondo Capital Management LLC,; and that Ondo Capital Management LLC, agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein.

Ondo Capital Management LLC

By: _____/s/_____
Lee Zasadowski
Manager

State of: New Jersey

County of: Essex

On this the 26 day of November 2025, before me, the undersigned officer, personally appeared Lee Zasadowski, who acknowledged himself to be the manager of Ondo Capital Management LLC, a limited liability company, and that he, as such manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as manager.

In witness whereof I hereunto set my hand.

_____/s/_____

Notary Public / Commissioner of the Superior Court
Date Commission Expires: April 12, 2028

I, Lee Zasadowski, state on behalf of the Ondo I LP, that I have read the foregoing Stipulation and Agreement; that I know and fully understand its contents; that I am authorized to execute this Stipulation and Agreement on behalf of the Ondo I LP; and that the Ondo I LP agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein.

Ondo I LP

By: _____/s/_____
Lee Zasadowski
Manager Ondo I GP LLC
The General Partner of Ondo I LP

State of: New Jersey

County of: Essex

On this the 26 day of November, before me, the undersigned officer, personally appeared Lee Zasadowski, who acknowledged himself to be the manager of Ondo I GP LLC, the general partner of Ondo I LP, a limited partnership, and that he, as such manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited partnership by himself as manager of the general partner of Ondo I LP.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public / Commissioner of the Superior Court
Date Commission Expires: April 12, 2028