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AUSTIN, TEXAS 78711-3167

## Texas State Securities Board

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IN THE MATTER OF  
THEHEDGEFUND.COM, L.L.C. §  
§

Order No. IC04-CDO-06

TO: Kapil V. Sabharwal, Manager  
TheHedgeFund.com, L.L.C.  
707 East Monroe Street, Suite B  
Austin, Texas 78704-3131

### CEASE AND DESIST ORDER

Be it remembered that TheHedgeFund.com, L.L.C. ("Respondent") by and through Kapil V. Sabharwal its Manager, appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order"), and the Findings of Fact and the Conclusions of Law contained herein.

### FINDINGS OF FACT

1. Respondent has waived (a) Respondent's rights to notice and hearing in this matter; (b) Respondent's rights to appear and present evidence in this matter; (c) Respondent's rights to appeal this Order; and (d) all other procedural rights granted to Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2004) ("Texas Securities Act") and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2000 & Supp. 2004) ("Administrative Procedure Act").
2. Respondent is a Texas limited liability company with a known address of 707 East Monroe Street, Suite B, Austin, Texas 78704-3131.
3. From on or about September 1, 2001 to on or about December 31, 2003, Respondent for compensation, rendered investment advisory services in Texas.
4. At all times relevant to this Order, Respondent has not been registered with the Securities Commissioner as an investment adviser, as required by Section 12.B of the Texas Securities Act, or notice filed as provided by Section 12-1 of the Texas Securities Act, or otherwise exempt under the Texas Securities Act.
5. Pursuant to Section 12.B of the Texas Securities Act, as amended effective September 1, 2001, a person may not render services as an investment adviser in this state unless the person is registered under the Texas Securities Act, submits

a notice filing as provided by Section 12-1 of the Texas Securities Act, or is otherwise exempt under the Texas Securities Act.

6. Respondent brought the above violation to the attention of the staff of the Securities Commissioner (the "Staff"), has cooperated in the inquiry conducted by the Staff concerning the violation, and has shown efforts to prevent future occurrences of the violation. Respondent has also represented to the Staff that Respondent voluntarily ceased rendering investment adviser services for compensation in Texas on December 31, 2003.

### CONCLUSIONS OF LAW

1. Respondent violated Section 12.B of the Texas Securities Act by rendering services as and by acting as an investment adviser for compensation in Texas at a time or times when Respondent was not so registered under the Texas Securities Act, had not submitted a notice filing as provided by Section 12-1 of the Texas Securities Act, and was not otherwise exempt under the Texas Securities Act.
2. Pursuant to Section 23.B(2) of the Texas Securities Act, the foregoing violation constitutes basis for the issuance of a cease and desist order prohibiting Respondent from acting as an investment adviser in Texas in violation of the Texas Securities Act.
3. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violation constitutes basis for the issuance of an order assessing an administrative fine against an investment adviser found to have engaged in an act or practice that violates the Texas Securities Act.

### ORDER

1. It is therefore ORDERED that TheHedgeFund.com, L.L.C. CEASE AND DESIST and is prohibited from acting as an investment adviser in Texas until TheHedgeFund.com, L.L.C. becomes registered as an investment adviser with the Securities Commissioner as required by Section 12.B of the Texas Securities Act, has submitted a notice filing as provided by Section 12-1 of the Texas Securities Act, or is otherwise exempt under the Texas Securities Act.
2. It is further ORDERED that TheHedgeFund.com, L.L.C. is ASSESSED AN ADMINISTRATIVE FINE in the amount of Twelve Thousand Dollars (\$12,000.00). Payment shall be made by delivery of a cashier's check to the Securities

Commissioner in the amount of Twelve Thousand Dollars (\$12,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 25<sup>th</sup> day  
of March, 2004.



DENISE VOIGT CRAWFORD  
Securities Commissioner

RESPONDENT:

*Kapil Sabharwal*

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Kapil V. Sabharwal, Manager  
TheHedgeFund.com, L.L.C.

Approved as to Form:

*Edward H. Molter*

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Edward H. Molter  
Brown McCarroll L.L.P.  
Representing TheHedgeFund.com, L.L.C.

*Benette Zivley*

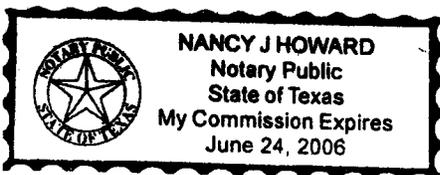
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Benette Zivley  
Director  
Inspections and Compliance Division

**ACKNOWLEDGMENT**

On the 23<sup>rd</sup> day of March, 2004, TheHedgeFund.com, L.L.C. ("Respondent") appeared by and through Kapil V. Sabharwal, its Manager, executed the foregoing Order, and acknowledged that:

1. Kapil V. Sabharwal is duly authorized to enter into the foregoing Order on behalf of Respondent;
2. Kapil V. Sabharwal has read the foregoing Order;
3. Respondent has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained herein; and,
5. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.



[affix notary seal here]

Nancy J Howard  
Notary Public in and for  
The State of Texas

My commission expires on: 6/24/06