

1 CLOTHILDE V. HEWLETT
Commissioner
2 MARY ANN SMITH
Deputy Commissioner
3 DANIEL P. O'DONNELL
Assistant Chief Counsel
4 RYAN M. CASSIDY (State Bar No. 340274)
Counsel
5
6 Department of Financial Protection and Innovation
2101 Arena Boulevard
7 Sacramento, CA 95834
8 Telephone: (916) 764-8358
Attorneys for Complainant

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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
OF THE STATE OF CALIFORNIA

11 In the Matter of:

12 THE COMMISSIONER OF FINANCIAL
13 PROTECTION AND INNOVATION,

14 Complainant,

15 v.

16 PV WEALTH ADVISORS LLC, DANIEL
17 CUNNINGHAM, and CHRISTOPHER LEACH,

18 Respondents.

ACCUSATION IN SUPPORT OF ORDER
BARRING DANIEL CUNNINGHAM
AND CHRISTOPHER LEACH FROM
ANY POSITION OF EMPLOYMENT,
MANAGEMENT OR CONTROL OF ANY
INVESTMENT ADVISER, BROKER-
DEALER OR COMMODITY ADVISER

(Cal. Corp. Code § 25232.1)

19 The Commissioner of Financial Protection and Innovation (Commissioner) is informed and
20 believes, and based upon such information and believe, alleges and charges as follows:

21 I.

22 **JURISDICTION AND VENUE**

23 1. The Commissioner is authorized to administer and enforce the provisions of the
24 Corporate Securities Law of 1968 (Cal. Corp. Code §§ 25000-25707) (CSL), and the regulations
25 promulgated thereunder at title 10 of the California Code of Regulations (CCR), which includes the
26 licensure, examination, and regulation of investment advisers and broker-dealers.

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ACCUSATION IN SUPPORT OF ORDER BARRING DANIEL CUNNINGHAM AND
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MANAGEMENT OR CONTROL OF ANY INVESTMENT ADVISER, BROKER-DEALER OR
COMMODITY ADVISER

2. The Commissioner brings this action to issue an order barring Daniel Cunningham (Cunningham) and Christopher Leach (Leach) (Central Registration Depository No. 5604046)¹ from any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser pursuant to Corporations Code sections 25232 and 25232.1, and the rules and regulations promulgated thereunder.

II.

STATEMENT OF FACTS

3. At all relevant times, PV Wealth Advisors LLC (PV Wealth) is and was a California limited liability company located at 30021 Avenida Esplindida, Rancho Palos Verdes, CA 90275.

4. At all relevant times, Cunningham is and was the managing member and Chief Executive Officer of PV Wealth.

5. At all relevant times, Leach is and was an agent of PV Wealth.

6. PV Wealth, Cunningham, and Leach are collectively referred to as Respondents.

III.

THE COMMISSIONER HAS GROUNDS TO BAR DANIEL CUNNINGHAM AND CHRISTOPHER LEACH FROM ANY POSITION OF EMPLOYMENT, MANAGEMENT OR CONTROL OF ANY INVESTMENT ADVISER, BROKER-DEALER, OR COMMODITY ADVISER

7. Corporations Code section 25232.1 provides, in pertinent part:

The commissioner may, after appropriate notice and opportunity for hearing...bar from any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser, any officer, director, partner, employee of, or person performing similar functions for, an investment adviser, or any other person, if he or she finds that the...bar is in the public interest and that the person has committed any act or omission enumerated in subdivision...(e)...of Section 25232.... [Emphasis added.]

(Cal. Corp. Code, § 25232.1)

¹ The Central Registration Depository (CRD) is a database maintained by the Financial Industry Regulatory Authority (FINRA) since 2007 for all firms and individuals involved in the U.S. securities industry. It is used to store and maintain information on registered securities and broker firms, as well as individuals who dispense investing and financial advice.

1 8. Corporations Code section 25232, in relevant part, provides:

2 (e) *Has willfully violated any provision of... Title 4* (commencing with Section
3 25000)... [Emphasis added.]

4 (Cal. Corp. Code, § 25232 (e))

5 In accordance with Corporations Code section 25232.1, the Commissioner may bar any
6 officer or employee of an investment adviser, based on willful violations of sections of the CSL or
7 rules adopted thereunder. In this case, Cunningham and Leach willfully violated multiple CSL codes
8 and regulations including: (1) Corporations Code 25210, by conducting business as a broker-dealer in
9 this state without first securing from the Commissioner a certificate, authorizing them to do so; (2)
10 Corporations Code 25216 (a) and CCR 260.216 (a), by effecting securities, by means of any
11 manipulative, deceptive or other fraudulent scheme, device, or contrivance; and (3) Corporations
12 Code 25401, by effecting transactions in securities by means of written or oral communications
13 which included untrue statements of material fact or omitted to state material facts necessary in order
14 to make the statements made, in the light of the circumstances under which they were made, not
15 misleading.

16 **A. Corporations Code section 25210**

17 9. Beginning in or about December 2014, Respondents engaged in the business of
18 effecting transactions in securities, in California, for the accounts of others.

19 10. Between December 2014 through November 2017, Respondents effected securities
20 transactions, for at least two clients, residing in California and elsewhere.

21 11. At all relevant times, neither the Department nor the United States Securities and
22 Exchange Commission have issued a broker-dealer certificate to PV Wealth, Cunningham, or Leach.

23 12. Corporations Code section 25210 prohibits a broker-dealer from conducting business
24 as a broker-dealer in this state without first securing from the Commissioner a certificate, then in
25 effect, authorizing them to do so or unless they are exempt.

26 13. Based on the foregoing findings, the Commissioner is of the opinion that PV Wealth,
27 Cunningham, and Leach conducted business as a broker-dealer in this state without first securing

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1 from the Commissioner a certificate, authorizing them to do so, in violation of Corporations Code
2 section 25210.

3 **B. Corporations Code section 25216 and CCR section 260.216**

4 14. In connection with effecting transactions in securities, Respondents engaged in the
5 following manipulative, deceptive or other fraudulent schemes, including that:

6 a. Cunningham impersonated a client, in order to attempt to remove trading
7 restrictions on a client's account, from the custodian of the brokerage account, Charles Schwab &
8 Co., Inc. (Schwab).

9 b. Cunningham impersonated a client, by using the client's username and
10 password, in order to trade in the client's brokerage account, held at Schwab.

11 c. Cunningham instructed the client to lie to Schwab, the custodian of the
12 brokerage account, to obtain option trading approval.

13 d. Cunningham provided false information on a client's account application to
14 obtain option trading approval from Schwab, the custodian of the brokerage account.

15 e. Cunningham told a client to shred documents from Schwab, the custodian of
16 the brokerage account.

17 f. Cunningham told the client to ignore the letters from Schwab, the custodian of
18 the brokerage account, because according to Cunningham, Schwab was "wrong."

19 g. Leach told a client "You are gaining about a thousand dollars a day. He
20 [Cunningham] is being very conservative with you." In fact, the client lost 47% of her portfolio.

21 15. Corporations Code section 25216 prohibits the offer or sale of securities in this state
22 by means of any manipulative, deceptive or other fraudulent scheme, device, or contrivance. CCR
23 section 260.216 prohibits any act, practice, or course of business which operates or would operate as
24 a fraud or deceit upon any person.

25 16. Based on the forgoing findings, the Commissioner is of the opinion that the
26 Respondents effected securities transactions by means of a manipulative, deceptive or other
27 fraudulent scheme, device, or contrivance, in violation of Corporations Code section 25216 (a) and
28 CCR section 260.216 (a).

1 **C. Corporations Code section 25401**

2 17. Respondents and their agents solicited investors and prospective investors through
3 virtual meetings, telephone calls, and email correspondence.

4 18. In connection with the offers and sales of securities, Respondents made, or caused to
5 be made, misrepresentations of material fact to investors and potential investors, including that:

6 a. Respondents would invest the portfolio conservatively to hedge risk and
7 generate revenue. In fact, Respondents invested the client’s portfolio in highly speculative securities
8 with significant risk.

9 b. Cunningham touted himself as having extensive knowledge in trading stocks,
10 including 20 years of trading experience and that he averaged around 1,000 trades per year, with
11 about \$20,000.00 per transaction. In fact, Cunningham later admitted that prior to 2014, he did not
12 even know how to open a brokerage account, let alone trade.

13 c. Cunningham touted himself as having extensive knowledge in trading options,
14 including 4 years of trading experience and that he averaged around 500 option trades per year, with
15 about \$10,000.00 per transaction. In fact, Cunningham later admitted that prior to 2014, he did not
16 even know how to open a brokerage account, let alone trade. In addition, Leach indicated that his
17 own knowledge and experience about options was “little to none.”

18 d. Leach was an investment adviser representative. In fact, at the time of such
19 representation, he was not registered as an investment adviser representative.

20 e. Leach promised that the client would never lose her “Nest Egg.” In fact, the
21 Respondents directly caused the client’s portfolio to lose 47% of its value.

22 19. In addition, in connection with the offers and sales of securities, Respondents made, or
23 caused to be made, omissions of material fact to investors and potential investors, including that:

24 a. Respondents failed to disclose any risks associated with Options.

25 b. Respondents failed to disclose that they were not registered as either a broker-
26 dealer or an investment adviser.

27 20. Corporations Code section 25401 prohibits the offer or sale of securities in this state
28 by means of written or oral communications that include untrue statements of material fact or omit

1 materials facts necessary in order to make the statements made, in light of the circumstances under
2 which they were made, not misleading. The omissions and misrepresentations of the Respondents are
3 material facts necessary in order to make the statements made, in the light of the circumstances under
4 which they were made, not misleading.

5 21. Based on the foregoing findings, the Commissioner is of the opinion that the
6 Respondents effected securities transactions, in this state, by means of written or oral
7 communications which included untrue statements of material fact or omitted to state material facts
8 necessary in order to make the statements made, in the light of the circumstances under which they
9 were made, not misleading, in violation of Corporations Code section 25401.

10 **D. Corporations Code section 25403**

11 22. Leach interacted with clients and prospective clients by: (1) personally communicating
12 with investors and prospective investors; (2) attending meetings with prospective investors; (3)
13 identifying himself as an investment adviser representative and founder of PV Wealth Advisors LLC;
14 and (4) personally sending questionnaires and investment plans to investors.

15 23. Pursuant to Corporations Code section 25403, any person who controls or induces
16 another person to violate a provision of the CSL, or any person who provides substantial assistance to
17 another person in violation of the CSL, shall be liable for the violations.

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IV.

CONCLUSION

Based upon the foregoing, the Commissioner finds that grounds exist, and that it is in the public interest, to enter an order barring Daniel Cunningham and Christopher Leach from any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser pursuant to Corporations Code section 25232.1.

The Commissioner hereby notifies Daniel Cunningham and Christopher Leach of her intention to make such orders final.

DATED: April 17, 2024
Sacramento, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

By: _____
Ryan M. Cassidy
Counsel
Enforcement Division