

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)
5 Counsel
6 Department of Financial Protection and Innovation
2101 Arena Boulevard
7 Sacramento, CA 95834
8 Telephone: (916) 764-8358
Attorneys for Complainant

9
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.

DESIST AND REFRAIN ORDER

AND

CLAIM FOR ANCILLARY RELIEF

(Cal. Corp. Code § 25532)

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 **INTRODUCTION**

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.

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

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

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

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

5 **II.**

6 **FACTUAL BACKGROUND**

7 6. Beginning in or about December 2014, Respondents engaged in the business of
8 effecting transactions in securities, in California, for the accounts of others.

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

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

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

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

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

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

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

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

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

28 ///

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

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

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

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

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

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

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

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

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

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

26 12. From December 2014 through November 2017, two clients sustained significant
27 losses, totaling \$319,649.70, equivalent to approximately a 50% loss.

28 ///

1 **III.**

2 **DESIST AND REFRAIN ORDER**

3 **A. Corporations Code section 25210**

4 13. Based on the foregoing findings, the Commissioner is of the opinion that PV Wealth
5 Advisors LLC, Daniel Cunningham, and Christopher Leach has conducted business as a broker-
6 dealer in this state without first securing from the Commissioner a certificate, authorizing them to do
7 so, in violation of Corporations Code section 25210.

8 14. Pursuant to California Corporations Code section 25532, PV Wealth Advisors LLC,
9 Daniel Cunningham and Christopher Leach is hereby ordered to desist and refrain from acting as a
10 broker-dealer in the State of California unless and until he has first applied for and secured from the
11 Commissioner a certificate, authorizing them to act as a broker-dealer, or unless exempt.

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

13 15. Further, the Commissioner is of the opinion that PV Wealth Advisors LLC, Daniel
14 Cunningham, and Christopher Leach effected securities transactions by means of a manipulative,
15 deceptive or other fraudulent scheme, device, or contrivance, in violation of Corporations Code
16 section 25216.

17 16. Pursuant to Corporations Code section 25532, PV Wealth Advisors LLC and Daniel
18 Cunningham and Christopher Leach are hereby ordered to desist and refrain from effecting securities
19 transactions by means of any manipulative, deceptive or other fraudulent scheme, device, or
20 contrivance.

21 **C. Corporations Code section 25401**

22 17. Further, the Commissioner is of the opinion that PV Wealth Advisors LLC, and
23 Daniel Cunningham, and Christopher Leach effected securities transactions, in this state, by means of
24 written or oral communications which included untrue statements of material fact or omitted to state
25 material facts necessary in order to make the statements made, in the light of the circumstances under
26 which they were made, not misleading, in violation of Corporations Code section 25401.

27 18. Pursuant to Corporations Code section 25532, PV Wealth Advisors LLC, Daniel
28 Cunningham, and Christopher Leach are hereby ordered to desist and refrain from offering or selling

1 or buying or offering to buy any security in the State of California, by means of any written or oral
2 communication which includes an untrue statement of a material fact or omits to state a material fact
3 necessary in order to make the statements made, in the light of the circumstances under which they
4 were made, not misleading.

5 19. Pursuant to Corporations Code section 25403, any person who controls or induces
6 another person to violate a provision of the Corporate Securities Law of 1968, or any person who
7 provides substantial assistance to another person in violation of the Corporate Securities Law of
8 1968, shall be liable for the violations.

9 **IV.**

10 **CLAIM FOR ANCILLARY RELIEF IN THE FORM OF RESTITUTION**

11 Complainant re-alleges and reincorporates by reference, as set forth fully above in
12 paragraphs 1 to 19.

13 Corporations Code section 25532 authorizes the Commissioner to seek ancillary relief on
14 behalf of any person injured by violations of any provision of the Corporations Code and any rules
15 promulgated thereunder.

16 Based on the foregoing findings, the Commissioner finds that at least two clients sustained
17 significant losses, totaling \$319,649.70, equivalent to approximately a 50% loss. These losses were
18 sustained after the investors were solicited, by an unregistered broker-dealer, by means of a
19 manipulative, deceptive or other fraudulent scheme, device, or contrivance, and by means of written or
20 oral communication which includes an untrue statement of a material fact or omits to state a material
21 fact necessary in order to make the statements made.

22 WHEREFORE, IT IS PRAYED, for an order of ancillary relief pursuant to Corporation Code
23 section 25532, individually, jointly and severally against Respondents as follows:

- 24 a. Full Restitution, consisting of the total losses suffered by investors totaling
25 \$319,649.79, or according to proof.

26 ///
27 ///
28 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

V.

CONCLUSION

Based upon the foregoing, the Commissioner finds that grounds exist, and that it is in the public interest, to issue the following orders: (1) desist and refrain order against PV Wealth Advisors LLC, Daniel Cunningham, and Christopher Leach; and (2) claim for ancillary relief against PV Wealth Advisors LLC, Daniel Cunningham, and Christopher Leach, in the form of restitution totaling \$319,649.79.

The Commissioner hereby notifies PV Wealth Advisors LLC, Daniel Cunningham, and Christopher Leach of her intention to make such orders final.

These Orders are necessary, in the public interest, for the protection of investors, and consistent with the purposes, policies, and provisions of the CSL.

DATED: April 17, 2024
Sacramento, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division