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8
9 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
10 OF THE STATE OF CALIFORNIA

11 In the Matter of:) CRD NO.: 5838118
)
12 THE COMMISSIONER OF FINANCIAL) ACCUSATION IN SUPPORT OF ORDER
PROTECTION AND INNOVATION,) BARRING JOSEPH KIRKLAND FROM
13 Complainant,) ANY POSITION OF EMPLOYMENT,
) MANAGEMENT, OR CONTROL OF ANY
14) BROKER-DEALER OR INVESTMENT
v.) ADVISER
)
15)
16 JOSEPH KIRKLAND,) (Corp. Code, §§ 25212, 25213)
)
17 Respondent.)
18)

19
20 The Commissioner of the Department of Financial Protection and Innovation
21 (Commissioner) acting to protect the public, alleges and charges as follows:

22 **I.**
23 **Jurisdiction and Venue**

24 1. The Commissioner is authorized to administer and enforce the provisions of the
25 Corporate Securities Law (CSL) of 1968 (Corp. Code, § 25000 et seq.)¹ and the accompanying
26 regulations thereunder², which authority governs the licensure, examination, and regulation of

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28 ¹ See Cal. Corp. Code §§ 25000-25707. Unless otherwise indicated, all further statutory references are to the Corporations Code.

² See Cal. Code Regs. tit. 10, §§ 260.000-260.617.

1 investment advisers and broker-dealers. Under Financial Code section 326(a), the Commissioner is
2 authorized to administer and enforce the provisions of the CSL and the regulations promulgated
3 thereunder.

4 2. Pursuant to section 25213, the Commissioner brings this accusation to bar Joseph
5 Kirkland from any position of employment, management, or control of any broker-dealer or
6 investment adviser. The Commissioner finds that barring Joseph Kirkland for his violations under
7 section 25212, subdivisions (b), (d), and (e) is in the public interest.

8 II.

9 Statement of Facts

10 3. At all relevant times, Joseph Kirkland (Kirkland) was a registered broker-dealer agent
11 licensed with the Commissioner from November 15, 2010 through May 24, 2018. Kirkland was
12 registered through the Central Registration Depository (CRD)³ with CRD No. 5838118.

13 4. At all relevant times, Unionbanc Investment Services, LLC dba U.S. Bancorp
14 Advisors, LLC (UBIS),⁴ was an investment adviser and broker-dealer (CRD No. 14455) registered
15 with the U.S. Securities and Exchange Commission (SEC), the Financial Industry Regulatory
16 Authority, Inc. (FINRA), and the Commissioner.

17 5. From January 2015 through May 2017, Kirkland was a registered representative
18 affiliated with UBIS who worked in its branch office located in Santa Barbara, California.

19 6. On or around March 2016, Kirkland submitted a Brokerage Account application for
20 a new customer, Mayaguez Economic Development, Inc. (MEDI), a Puerto Rico for-profit
21 corporation. The Municipality of Mayaguez (Mayaguez), Puerto Rico created MEDI to hold
22 properties and assets. The Mayaguez municipal legislature allotted \$9,000,000.00 to MEDI for
23 investments to help improve infrastructure and economic development for the western region of
24 Puerto Rico. Kirkland worked with an investment adviser retained by MEDI.

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27 ³ The Central Registration Depository (CRD) is a licensing and registration database maintained by the Financial
28 Industry Regulatory Authority, Inc. (FINRA) for all firms and individuals involved in the U.S. securities industry. CRD
system contains the registration records, qualification, employment, and disclosure histories of registered securities and
broker firms, as well as individuals who provide investing and financial advice.

⁴ UnionBanc Investment Services, LLC (UBIS) changed its name to U.S. Bancorp Advisors, LLC in October 2024.

1 7. On or around March 29, 2016, Kirkland prepared a letter that promised MEDI that its
2 investment funds at UBIS would provide “a high rate of return of 8% to 10% per annum.” Based on
3 these representations, MEDI allowed Kirkland to establish a margin account and used the margin
4 facility to borrow and initiate transfers of loan proceeds out of MEDI’s account at UBIS. These
5 representations were false, and in fact, Kirkland did not invest MEDI’s principal with any investment
6 projects. Unbeknownst to UBIS, Kirkland and his co-conspirators converted the funds in the margin
7 account for their own personal use, in some instances providing UBIS with fraudulent documentation
8 in order to further this scheme.

9 8. On October 28, 2022, Kirkland pleaded guilty to one count of conspiracy to commit
10 wire fraud in violation of Title 18, U.S.C. sections 1349 and 1343 before the U.S. District Court for
11 the District of Puerto Rico in *United States v. Joseph Kirkland, et al.*, Criminal Case No. 3:21-cr-
12 00082-ADC-MDM (D.P.R) (*United States v. Joseph Kirkland*).

13 9. In his guilty plea, Kirkland stipulated that on or around March 2016 through June
14 2018, he conspired with others to defraud Mayaguez and its municipal enterprise, MEDI. Kirkland
15 and his co-conspirators admitted to using materially false and misleading statements to obtain
16 Mayaguez’s money and property. Kirkland acknowledged that he was the registered broker-dealer
17 agent responsible for MEDI’s brokerage account at UBIS, which held \$9,000,000.00 in funds
18 earmarked for improving a local trauma center.

19 10. Kirkland admitted that he made materially false statements to Mayaguez and MEDI
20 through electronic messages, falsely claiming that the principal of \$9,000,000.00 was invested at a
21 high rate of return. In reality, Kirkland and his co-conspirators had depleted his clients’ funds and
22 converted these monies for personal use.

23 11. On August 7, 2023, the court in *United States v. Joseph Kirkland* issued its criminal
24 felony judgment against Kirkland which included five years of probation, one hundred dollars in
25 criminal monetary penalties, and a forfeiture of \$7,200,000.00 to the U.S. government.

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1 17. The Commissioner seeks to bar Kirkland for his willful misconduct while employed
2 as a registered broker-dealer agent for UBIS; Kirkland violated section 25212, subdivisions (b), (d),
3 and (e) of the Corporations Code and defrauded his clients Mayaguez and MEDI.

4 **A. Joseph Kirkland Should be Barred for Violating Section 25212(b)**

5 18. Paragraphs 1 through 17 are hereby realleged and incorporated herein by reference as
6 if set forth in their entirety.

7 19. Section 25212(b) states:

8 Has been *either (1) convicted of . . . and the commissioner finds that*
9 *the felony . . .* (A) involved the purchase or sale of any security, (B)
10 arose out of the business of a broker-dealer or investment adviser, (C)
11 involved theft, or *(D) involved the violation of Section 1341, 1342, or*
12 *1343 of Title 18 of the United States Code.*

12 (Emphasis is added.)

13 20. On August 7, 2023, Kirkland pled guilty and was convicted for conspiracy to
14 commit wire fraud in violation of Title 18, U.S.C. sections 1349 and 1343 in *United States v.*
15 *Joseph Kirkland*. The conduct underlying Kirkland’s criminal felony conviction occurred while
16 he was employed as a registered broker-dealer agent for UBIS; Kirkland made materially false
17 statements to his clients, Mayaguez and MEDI, in order to steal their monies and property.
18 Pursuant to section 25212(b) and section 25213, cause exists to bar Kirkland from any position of
19 employment, management or control of any broker-dealer or investment adviser.

20 **B. Joseph Kirkland Should be Barred for Violating Section 25212(d)**

21 21. Paragraphs 1 through 20 are hereby realleged and incorporated herein by reference
22 as if set forth in their entirety.

23 22. Section 25212(d) states:

24 Is or has been subject to . . . (2) any order of any national securities
25 association or national securities exchange (registered under the
26 Securities Exchange Act of 1934) suspending or expelling that person
27 from membership in the association or exchange or from association
28 with any member thereof, or (3) any other order of the commission or
 any administrator, association, or exchange referred to in this
 subdivision which is or has been necessary for the protection of any
 investor.

1 23. On April 4, 2023, Kirkland entered in an SEC Order that precluded him from
2 associating with any broker, dealer, investment adviser, municipal securities dealer, municipal
3 advisor, transfer agent, or nationally recognized statistical rating organization under section 15(b)(6)
4 of the Exchange Act and section 203(f) of the Advisers Act. The SEC Order also prohibited Kirkland
5 from participating in any offering of a penny stock, including acting as a promoter, finder, consultant,
6 agent or other person who engages in activities with a broker, dealer or issuer for purposes of the
7 issuance or trading in any penny stock or inducing the purchase or sale of any penny stock
8 pursuant to section 15(b)(6) of the Exchange Act. Pursuant to section 25212(d) and section
9 25213, cause exists to bar Kirkland from any position of employment, management or control of
10 any broker-dealer or investment adviser.

11 **C. Joseph Kirkland Should be Barred for Violating Section 25212(e)**

12 24. Paragraphs 1 through 23 are hereby realleged and incorporated herein by reference
13 as if set forth in their entirety.

14 25. Section 25212(e) states:

15 Has willfully violated any provision of the Securities Act of 1933, *the*
16 *Securities Exchange Act of 1934*, the Investment Adviser Act of
17 1940, . . . *or Title 4 (commencing with Section 25000)*, including the
18 Franchise Investment Law, Division 5 (commencing with Section
19 31000), or the California Commodity Law of 1990, Division 4.5
20 (commencing with Section 29500), *or any rule or regulation under*
21 *those statutes, or any order of the commissioner which is or has been*
22 *necessary for the protection of any investor.*

21 (Emphasis is added.)

22 26. The SEC promulgated Rule 10b-5 under section 10(b) of the Exchange Act, which
23 authorizes the SEC to regulate securities fraud. Rule 10b-5 states:

24 [I]t shall be unlawful for any person . . . (a) [t]o employ any device,
25 scheme, or artifice to defraud, (b) [t]o make any untrue statement of a
26 material fact or to omit to state a material fact . . . or (c) to engage in
27 any act, practice, or course of business which operates or would
28 operate as a fraud or deceit upon any person, in connection with the
 purchase or sale of any security.

17 CFR § 240.10b-5.

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IV.

Conclusion

Based on the foregoing, the Commissioner finds that grounds exist, and that it is in the public interest to enter an order barring Joseph Kirkland from participation in the securities industry as set out above pursuant to section 25213. The Commissioner hereby notifies Joseph Kirkland of his intention to make such order final. This Order is necessary, in the public interest, for the protection of investors, and consistent with the purposes, policies, and provisions of the CSL.

Dated: March 27, 2025

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation



By _____
Vanessa T. Lu
Senior Counsel
Enforcement Division