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

In the Matter of:

THE COMMISSIONER OF FINANCIAL
PROTECTION AND INNOVATION,

Complainant,

v.

AFH ASSET MANAGEMENT, INC.,

Respondent.

CRD NO.: 118805

SETTLEMENT AGREEMENT

The Commissioner of Financial Protection and Innovation (Commissioner) and AFH Asset Management, Inc. Name (AFH), (collectively, the Parties), enter into this Settlement Agreement with respect to the following facts:

I.

RECITALS

A. The Commissioner of Financial Protection and Innovation (Commissioner) regulates California investment advisers and broker-dealers under the Corporate Securities Law of 1968 (CSL)¹. Under Financial Code section 326(a), the Commissioner is authorized to administer and enforce the provisions of the CSL and the regulations promulgated thereunder².

¹ See Cal. Corp. Code §§ 25000-25707. Unless stated otherwise, all section references are to the California Corporations Code.

² See Cal. Code Regs. tit. 10, §§ 260.000-260.617. All further references will employ the format of 10 C.C.R. [section #].

B. AFH, is a California corporation with its principal place of business at 8383 Wilshire Blvd., Suite 348, Beverly Hills, CA 90211.

C. On August 29, 2001, the Commissioner issued an investment adviser certificate to AFH (Central Registration Depository No. 118805)³, pursuant to CSL.

D. Joseph Michael Accardo (CRD No. 2649153) and Svetlana Faynblut (CRD No. 2581056) are the owners and officers of AFH.

E. On December 29, 2023, after conducting a routine examination of AFH under section 25241 (Examination), the Commissioner sent a regulatory examination report (Report) by electronic mail, identifying various violations of laws and regulations related to investment advisers. The Commissioner instructed AFH to submit a written response with the information requested by the Commissioner no later than January 19, 2024.

F. On February 29, 2024, March 07, 2024, March 13, 2024, March 18, 2024, March 27, 2024, August 07, 2024, and August 13, 2024, the Commissioner sent follow-up letters by electronic mail, requesting that AFH submit a written response addressing each section of the Report with a corresponding response.

G. On August 15, 2024, The Commissioner sent a follow-up letter by certified mail, return receipt, and electronic mail. The Commissioner instructed AFH to submit a written response no later than 10 days after August 15, 2024. The Commissioner informed AFH that non-compliance with the examination and the Commissioner's requests in the Report would result in an enforcement action.

H. As of September 12, 2024, AFH has not responded with the information requested by the Commissioner. On September 12, 2024, the Commissioner sent a final demand letter by certified mail, return receipt, and by electronic mail. The Commissioner informed AFH that non-compliance with the examination and the Commissioner's requests in the Report would result in the issuance of an enforcement action.

I. On April 17, 2025, the Commissioner issued an Accusation in Support of Order Revoking Investment Adviser Certificate of AFH Asset Management, Inc. (Accusation), and served it by

³ The Central Registration Depository (CRD) and Investment Adviser Registration Depository (IARD) are databases maintained by Financial Industry Regulatory Authority (FINRA) since 2007. They are used to store and maintain information on registered securities and broker firms, as well as individuals who dispense investing and financial advice.

certified mail, return receipt, and electronic mail.

J. AFH timely requested a hearing to challenge the Accusation.

K. AFH admits to the jurisdiction of the Department of Financial Protection and Innovation (Department) and it is the intention of the Parties to resolve this matter without the necessity of a hearing and/or other litigation.

L. The Commissioner finds this action is appropriate, in the public interest, necessary for the protection of investors, and is consistent with the purposes fairly intended by the CSL.

NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set forth herein, the Parties agree as follows:

II.

TERMS

1. Purpose: This Settlement Agreement resolves the issues before the Commissioner described above in a manner that avoids the expense of a hearing and other possible court proceedings, protects consumers, is in the public interest, and is consistent with the purposes and provisions of the CSL.

2. Order to Discontinue Violations: AFH hereby agrees, and the Commissioner orders, that in accordance with section 25249, AFH will immediately discontinue violating section 25241, 10 C.C.R. 260.241(a)(2), and 10 C.C.R. 260.241.4(d)-(e).

3. Filings: AFH understands and agrees that the Commissioner will file a Form U6 on Investment Adviser Registration Depository (IARD) that will describe the terms of this Settlement Agreement and identify it as a regulatory action.

4. Waiver of Hearing Rights: AFH hereby waives the right to any hearings, and to any reconsideration, appeal, or other right to review which may be afforded pursuant to the CSL, the California Administrative Procedure Act (APA), the California Code of Civil Procedure (CCP), or any other provision of law. AFH further expressly waives any requirement for the filing of an Accusation pursuant to Government Code section 11415.60 (b). By waiving such rights, AFH effectively consents to this Settlement Agreement and all the terms becoming final.

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5. Failure to Comply with Settlement Agreement: AFH agrees that if they fail to meet any requirement of this Settlement Agreement, the Commissioner may, in addition to all other available remedies he may invoke under the CSL, immediately revoke the investment adviser certificate of AFH. AFH hereby waives any notice and hearing rights to contest the immediate revocation which may be afforded under the CSL, APA, CCP, or any other provision of law in connection therewith.

6. Information Willfully Withheld or Misrepresented: This Settlement Agreement may be revoked and the Commissioner may pursue any and all remedies available under law against AFH if the Commissioner discovers that AFH knowingly or willfully withheld or misrepresented information used for and relied upon in this Settlement Agreement.

7. Future Actions by the Commissioner: If AFH fails to comply with any terms of the Settlement Agreement, the Commissioner may institute proceedings for any and all violations otherwise resolved under this Settlement Agreement. The Commissioner reserves the right to bring any future actions against AFH, or any of its partners, owners, officers, shareholders, directors, affiliates, employees, or successors for any and all unknown violations of the CSL.

8. Assisting Other Agencies: Nothing in this Settlement Agreement limits the Commissioner's ability to assist any other government agency (whether city, county, state, or federal) with any administrative, civil, or criminal action brought by that agency against AFH or any other person based upon any of the activities alleged in this matter or otherwise.

9. Headings: The headings to the paragraphs of this Settlement Agreement are inserted for convenience only and will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof.

10. Binding: This Settlement Agreement is binding on all heirs, assigns, and/or successors in interest.

11. Reliance: Each of the Parties represents, warrants, and agrees that in executing this Settlement Agreement, it has relied solely on the statements set forth herein and the advice of its own counsel. Each of the Parties further represents, warrants, and agrees that in executing this Settlement Agreement, it has placed no reliance on any statement, representation, or promise of any other party,

or any other person or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to make any statement, representation, or disclosure of anything whatsoever. The Parties have included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this Settlement Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Settlement Agreement.

12. Waiver, Amendments, and Modification: No waiver, amendment, or modification of this Settlement Agreement will be valid or binding unless it is in writing and signed by each of the Parties. The waiver of any provision of this Settlement Agreement will not be deemed a waiver of any other provision. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Settlement Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

13. Full Integration: This Settlement Agreement is the final written expression and the complete and exclusive statement of all the agreements, conditions, promises, representations, and covenant between the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements, negotiations, representations, understandings, and discussions between and among the Parties, their respective representatives, and any other person or entity, with respect to the subject matter covered hereby.

14. Governing Law: This Settlement Agreement will be governed by and construed in accordance with California law. Each of the Parties hereto consents to the jurisdiction of such court, and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

15. Counterparts: This Settlement Agreement may be executed in one or more separate counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall together constitute a single document.

16. Effect Upon Future Proceedings: If AFH applies for any license, permit or qualification under the Commissioner's current or future jurisdiction, or are the subject of any future action by the Commissioner to enforce this Settlement Agreement, then the subject matter hereof shall be admitted for the purpose of such application(s) or enforcement proceedings(s).

17. Voluntary Agreement: AFH enters into this Settlement Agreement voluntarily and without coercion and acknowledges that no promises, threats, or assurances have been made by the Commissioner or any officer, or agent thereof, about this Settlement Agreement. The Parties each represent and acknowledge that he, she, or it is executing this Settlement Agreement completely voluntarily and without any duress or undue influence of any kind from any source.

18. Independent Legal Advice: Each of the Parties represents, warrants, and agrees that it has received or been advised to seek independent legal advice from its attorneys with respect to the advisability of executing this Settlement Agreement.

19. No Presumption Against Drafting Party: Each party acknowledges that it has had the opportunity to draft, review, and edit the language of this Settlement Agreement. Accordingly, the Parties intend that no presumption for or against the drafting party will apply in construing any part of this Settlement Agreement. The Parties waive the benefit of Civil Code section 1654 as amended or corresponding provisions of any successor statute, which provide that in cases of uncertainty, language of a contract should be interpreted most strongly against the party that caused the uncertainty to exist.

20. Notice: Any notice required under this Settlement Agreement shall be provided to each party at the following addresses:

To Respondent: AFH Asset Management, Inc.
Joseph Accardo, Secretary
8383 Wilshire Blvd. Suite 348
Beverly Hills, CA 90211
jaccardo@osaicwealth.com

To the Commissioner: Ryan M. Cassidy, Counsel
Department of Financial Protection and Innovation
651 Bannan Street, Suite 300
Sacramento, CA 95811
Ryan.Cassidy@dfpi.ca.gov

21. Signatures: A fax or electronic mail signature shall be deemed the same as an original signature.

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22. Public Record: AFH hereby acknowledges that this Settlement Agreement will be a matter of public record.

23. Effective Date: This Settlement Agreement shall become final and effective when signed by all Parties and delivered by the Commissioner's agent by email to Joseph Accardo at jaccardo@osaicwealth.com.

24. Authority to Sign: Each signator hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Settlement Agreement and undertake the obligations set forth herein.

Dated: July 2, 2025



KHALIL MOHSENI
Commissioner of Financial Protection and Innovation

By

MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: July 2, 2025

AFH ASSET MANAGEMENT, INC.

By

JOSEPH ACCARDO, Secretary