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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. STELLA ADVISORS LLC, JOHN GILBERT MARSHALL, JR., SETH WILLIAM CHANDLER, STELLA CAPITAL, LLC, and STELLA SENIOR LIVING, LLC, Respondents.	CRD Nos. 165464, 2219233, 2182871, 153463 1. ACCUSATION TO REVOKE INVESTMENT ADVISER CERTIFICATE OF STELLA ADVISORS LLC; 2. ACCUSATION TO BAR JOHN GILBERT MARSHALL, JR. AND SETH WILLIAM CHANDLER FROM ANY POSITION OF EMPLOYMENT, MANAGEMENT OR CONTROL OF ANY INVESTMENT ADVISER, BROKER DEALER OR COMMODITY ADVISER; 3. NOTICE OF INTENTION TO LEVY ADMINISTRATIVE PENALTIES; AND 4. DESIST AND REFRAIN ORDER (Corp. Code §§ 25232, 25232.1, 25252, 25532)

State of California – Department of Financial Protection and Innovation

The Commissioner of the Financial Protection and Innovation (Commissioner), acting to protect the public, alleges and charges:

I.

Jurisdiction and Venue

1. The Commissioner is authorized to administer and enforce the provisions of the Corporate Securities Law (CSL) of 1968 (Corp. Code, § 25000 et seq.)[1] and the regulations promulgated thereunder,[2] which authority governs the licensure, examination, and regulation of investment advisers and broker-dealers. The Commissioner is also authorized to administer and enforce the provisions of the CSL and the regulations promulgated thereunder pursuant to Financial Code section 326(a).

2. Pursuant to section 25232, subdivisions (e) and (h), the Commissioner brings this accusation to revoke the investment adviser certificate of Stella Advisors LLC (Stella Advisors). The Commissioner finds that revoking the investment adviser certificate of Stella Advisors for violations of section 25235, subdivisions (b) and (d); section 25238; 10 California Code of Regulations (Cal. Code of Regs.) section 260.237(a)(5)(B)(1)-(2), 10 Cal. Code Regs. section 260.238(f); and 10 Cal. Code Regs. section 260.238(o) is in the public interest.

3. Pursuant to section 25232.1, the Commissioner brings this accusation to bar John Gilbert Marshall, Jr. (Marshall) from any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser. Pursuant to section 25403, the Commissioner finds that Marshall knowingly provided substantial assistance to and/or induced Stella Advisors, Seth William Chandler (Chandler), Stella Capital, LLC (Stella Capital) and Stella Senior Living, LLC (SSL) to commit violations of the CSL. The Commissioner finds that barring Marshall for willful violations under section 25235, subdivisions (b) and (d); section 25238; 10 Cal. Code of Regs. section 260.237(a)(5)(B)(1)-(2); 10 Cal. Code Regs. section 260.238(f); and 10 Cal. Code Regs. section 260.238(o) is in the public interest.

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[1] Unless otherwise indicated, all further statutory references are to the Corporations Code.

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

4. Pursuant to section 25232.1, the Commissioner brings this accusation to bar Seth William Chandler (Chandler) from any position of employment, management, or control of any investment adviser, broker-dealer or commodity adviser. Pursuant to section 25403, the Commissioner finds that Chandler knowingly provided substantial assistance to and/or induced Stella Advisors, Marshall, Stella Capital, and SSL to commit violations of the CSL. The Commissioner finds that barring Chandler for willful violations of section 25232(d); section 25235, subdivisions (b) and (d); section 25238; 10 Cal. Code Regs. section 260.237(a)(5)(B)(1)-(2); 10 Cal. Code Regs. section 260.238(f); and 10 Cal. Code Regs. section 260.238(o) is in the public interest.

5. Pursuant to section 25532(d), the Commissioner orders Stella Advisors, Marshall, Chandler, Stella Capital, and SSL to desist and refrain from willful violations of section 25235, subdivisions (b) and (d); section 25238 10 Cal. Code of Regs. section 260.237(a)(5)(B)(1)-(2); 10 Cal. Code Regs. section 260.238(f); and 10 Cal. Code Regs. section 260.238(o). Pursuant to section 25403, the Commissioner finds that Marshall, Chandler, Stella Capital and SSL knowingly provided substantial assistance to Stella Advisors to commit violations under the CSL.

6. Pursuant to section 25252(b), the Commissioner hereby provides notice of his intent to levy administrative penalties, individually, jointly and severally, against Stella Advisors, Marshall, Chandler, Stella Capital, and SSL for willful violations of section 25235, subdivisions (b) and (d); section 25238; 10 Cal. Code of Regs. section 260.237(a)(5)(B)(1)-(2); 10 Cal. Code of Regs. section 260.238(f); and 10 Cal. Code of Regs. section 260.238(o).

II.

Statement of Facts

The Players

7. Marshall and Chandler, operating by, with and through a complex web of entities they controlled, although principally Stella Advisors and Stella Capital, illegally transferred over almost sixteen million dollars of investor money out of pooled investment vehicles (referred to herein as Funds) and into other entities Marshall and Chandler controlled. Marshall and Chandler also misappropriated almost $750,000.00 of investor money to pay for personal expenses such as mortgage and car payments.

8. The illegal transfers, executed via various mechanisms including loans, lines of credit and equity swaps, were generally made under the discretionary authority of Stella Advisors and Stella Capital, in derogation of the investment parameters authorized in the controlling Private Placement Memorandums (PPM) and in violation of the CSL as described above. The principal conduit of these transfers was SSL, a limited liability company majority owned and controlled by Marshall and Chandler.

9. Stella Advisors is a registered investment adviser (IA) with the Central Registration Depository (CRD) [3] number 165464. The Commissioner issued an investment adviser certificate to Stella Advisors under section 25230 on April 11, 2013. Stella Advisors served as the Managing Member of all Funds at issue here. Between September 12, 2012 and December 30, 2022, Stella Advisors was a California limited liability company that operated at 3776 Fillmore Street, San Francisco, CA 94123 and 30 Sunny Oaks Drive, San Rafael, CA 94903. On December 30, 2022, Marshall filed a certificate of cancellation for Stella Advisors with the California Secretary of State.

10. At all relevant times, Marshall is and was the chief operating officer, control person, and the managing member of Stella Advisors. Marshall was registered under CRD No. 2219233 as the investment adviser representative (IAR) for Stella Advisors. Marshall submitted forms to the Commissioner for Stella Advisors where he agreed to comply with all provisions, statutes, rules, regulations, and the record keeping requirements of California.

11. At all relevant times, Stella Capital was a California limited liability company located at 2299 Lombard Street, San Francisco, CA 94123. From June 24, 2010 through September 14, 2012, prior to the principal events at issue here, Stella Capital operated as a Securities and Exchange Commission (SEC) registered investment adviser under CRD No. 153463. Stella Capital previously operated as the General Partner or equivalent for the four pooled investment vehicles: Stella Capital Offshore Fund, Ltd.; Stella Capital Partners, L.P.; Stella Capital Real Estate Opportunity Fund, L.P. and Stella Capital Real Estate Opportunity Fund, Ltd. (Funds 1-4). This role was transferred to Stella Advisors on or around June 1, 2013. At all relevant times, Stella Capital was the Fund

[3] 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.

Administrator for Funds 1-4. Stella Capital was responsible for the Funds' accounting, financial reporting, net asset value (NAV) calculation, capital calls, distributions, investor communications, and other functions carried out in support of the Funds.

12. At all relevant times, Chandler was the owner and managing member of Stella Capital. Chandler was also a control person and registered agent of process for both Stella Advisors and Stella Capital. Chandler was registered under CRD No. 2182871. On or around April 9, 2007, Chandler entered into a Letter of Acceptance, Waiver, and Consent (AWC) with the National Association of Securities Dealers (NASD), the self-regulatory agency that preceded the Financial Industry Regulatory Authority (FINRA).[4] The AWC barred Chandler from associating with any member of NASD in any capacity.

13. SSL is a limited liability company controlled by Marshall and Chandler operating at 429 Meridian Avenue, San Jose, California 95126. On or around January 21, 2020, Marshall filed a Statement of Information with the California Secretary of State that described SSL's business as "real estate development."

The Self-Dealing Transactions

Self-Dealing Transaction Number One (Fund 2 and SSL)

14. Stella Capital Partners, L.P. (Fund 2) was a pooled investment vehicle with Stella Advisors as its Managing Member and Stella Capital as its Fund Administrator. It operated under a PPM stating that its purpose was to generate superior rates of return over the long term through investments in a diversified pool of "market neutral" hedge funds. Stella Advisors and Marshall did not adhere to the investment objectives represented in Fund 2's PPM and borrowed money from their advisory clients. During a 2019 non-routine examination of Stella Advisors, the Commissioner obtained Subscription Agreements for advisory clients C.L., E.L., S.M., and S.C. who invested in Fund 2. Stella Advisors' and Marshall's advisory clients began investing in Fund 2 in 2006.

15. During the 2019 non-routine examination, examiners found a loan between Fund 2 and SSL. Stella Advisors and Marshall provided copies of the loan agreement, the promissory note,

[4] FINRA was formed by a consolidation of the member regulation, enforcement, and arbitration operations of the New York Stock Exchange (NYSE), NYSE Regulation, Inc., and NASD.

and the General Ledger (2019 General Ledger) to the Commissioner. On July 1, 2016, SSL borrowed $3,834,350.65 million from Fund 2 pursuant to a loan agreement and promissory note of the same date. The loan agreement and promissory note provided an interest rate of 2.16 percent compounded monthly and required payment due on January 1, 2020. The 2019 General Ledger showed that $234,443.59 in interest has accrued on this loan. Marshall and Chandler owed Fund 2 an outstanding balance of $4,068,794.24 as of March 31, 2019. SSL, by and through the actions of Marshall and Chandler, executed a loan agreement and promissory note dated July 1, 2016 that borrowed $3,834,350.65 from Fund 2. Stella Advisors, SSL, Marshall and Chandler all colluded in actions designed to transfer investor money to entities controlled by Marshall and Chandler for their personal benefit.

Self-Dealing Transaction Number Two (Fund 3 and SSL)

16. Stella Capital Real Estate Opportunity Fund, L.P. (Fund 3) was a pooled investment vehicle with Stella Advisors as its Managing Member and Stella Capital as its Fund Administrator. It operated under a PPM stating that its purpose is "to generate superior, risk-adjusted returns by investing primarily in distressed real estate." Stella Advisors and Marshall did not adhere to the investment objectives set out in Fund 3's PPM and borrowed money from their clients. During the 2019 non-routine examination, the Commissioner obtained the Q1 2019 quarterly statements for Fund 3. The Q1 2019 quarterly statements showed that Stella Advisors' advisory clients (G.R & S.R.; Fund 2; and Y.H. & T.H. Living Trust) invested in Fund 3.

17. On July 1, 2016, SSL borrowed $3,975,739.51 from Fund 3 pursuant to a loan agreement and promissory note of the same date. Stella Advisors, as the Managing Member for Fund 3, executed this loan. The loan agreement and promissory note provided an interest rate of 2.16 percent compounded monthly and required payment due on January 1, 2020. Stella Advisors, SSL, Marshall and Chandler all colluded in the transaction which was for the personal benefit of Marshall and Chandler. The 2019 General Ledger showed that $131,558.00 in interest has accrued on this loan. SSL, through Marshall and Chandler, owed Fund 3 an outstanding balance of $4,107,297.51 as of March 31, 2019.

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Self-Dealing Transaction Number Three (Fund 4 sub-entity and SSL)

18. Stella Capital Real Estate Opportunity Fund, Ltd. (Fund 4) was a pooled investment vehicle with Stella Advisors as the Managing Member and Stella Capital as the Fund Administrator. It operated under a PPM stating that its purpose is "to generate superior, risk-adjusted returns by investing primarily in distressed real estate." Stella Advisors and Marshall did not adhere to the investment objectives set out in Fund 4's PPM and borrowed money from their advisory clients.

19. Meridian Avenue Investors, LLC (MAI I) is a Delaware incorporated limited liability company with Marshall and Chandler as its managing members. On September 9, 2013, MAI I purchased real estate located at 415 and 449 Meridian Avenue, San Jose, California (these properties are collectively referred to herein as Sonnet Hill). Meridian Avenue Investors II, LLC (MAI II), is also a Delaware incorporated limited liability company with Chandler as its managing member. MAI II is a sub-entity under Fund 4; MAI II owned MAI I and MAI I owned Sonnet Hill. On October 1 2014, MAI II conveyed its equity interest in MAI I to SSL and in exchange for a 14.45 percent stake in SSL.

20. On December 31, 2015, MAI II agreed to exchange its equity interest in SSL for a "line of credit balance." On January 1, 2016, MAI II agreed with SSL to "exchange the Equity Interest for a loan . . . equal to the Equity Interest (the 'Outstanding Line of Credit Balance')." On that same day, SSL borrowed $4,737,707.53 from MAI II. On December 1, 2016, MAI II loaned SSL $4,737,707.53 pursuant to a loan agreement. The 2019 General Ledger showed $312,273.82 in interest have accrued on this loan. SSL, through Marshall and Chandler, owed MAI II an outstanding balance of $2,344,129.35 as of March 31, 2019.

21. SSL, by and through the actions of Marshall and Chandler, borrowed $4,737,707.53 from MAI II on January 1, 2016. The loan agreement and promissory note provided an interest rate of 2.62 precent, compounded monthly and payment due on January 1, 2020. Stella Advisors and Marshall provided the Q1 balance sheet for MAI II to the Commissioner. The 2019 Q1 Balance Sheet showed advisory clients invested in MAI II (M.L; Stella Capital Offshore Fund, Ltd.; Stella Capital; V.P; VR1; VR VR3; VS1 and VS2). The 2019 General Ledger showed $312,273.82 in

interest have accrued on this loan. SSL, through Marshall and Chandler, owed MAI II an outstanding balance of $2,344,129.35 as of March 31, 2019.

Self-Dealing Transaction Number Four (Fund 3 and Stella Capital)

22. Stella Capital Real Estate Opportunity Fund, L.P. (Fund 3) was a pooled investment vehicle with Stella Advisors as its Managing Member and Stella Capital as its Fund Administrator. It operated under a PPM stating that its purpose is "to generate superior, risk-adjusted returns by investing primarily in distressed real estate." Stella Advisors and Marshall did not adhere to the investment objectives set out in Fund 3's PPM. The 2019 Q1-Q4 statements showed that Stella Advisors' advisory clients (G.R & S.R; Fund 2; and Y.U. & T.H. Living Trust) invested in Fund 3. From January 1, 2016 to December 21, 2016, Fund 3 and Stella Capital entered into a Line of Credit Agreement (2016 LOC Agreement). The 2016 LOC Agreement allowed Stella Capital to have a rolling line of credit which gave it the ability to withdraw money at any time from Fund 3. According to the 2016 LOC Agreement, Stella Capital as the "payor" promised that the proceeds "will be used solely for operational expenses of the Payor in accordance with" the PPM of Fund 3. The 2016 LOC provided a fixed rate of 5 percent per annum. Stella Capital borrowed $3,320,397.40 from Fund 3 and accrued an outstanding interest of $136,459.05. As of March 31, 2019, the line of credit balance was $3,456,856.46.

23. In their response to the Commissioner's Request for Information during the 2019 non-routine examination (2019 Regulatory Response) Stella Advisors and Marshall stated that the "line of credit facility was used for the benefit of Sonnet Hill" which contradicted the investment objectives of Fund 3's PPM. The examiners identified suspicious transactions in the 2019 General Ledger that resembled personal use of investor funds by Marshall and Chandler contrary to the PPM's representations.

24. The Commissioner retrieved bank records and supporting documents from Wells Fargo Bank, N.A. for bank accounts associated with Marshall, Stella Advisors, Stella Capital, Chandler, and other affiliated entities to conduct an analysis of Stella Capital's Business Checking Account (Stella Capital Acct. 9962). Bank records indicated when Stella Capital drew from the 2016 LOC Agreement. An online transfer of funds was made from Fund 3's Business Checking

Account 9939 (Fund 3 Acct. 9939) and deposited to Stella Capital Acct. 9962 on or around December 8, 2016.

25. The Department of Financial Protection and Innovation examiner assigned to undertake the 2019 non-routine exam (Examiner) reviewed bank statements and accompanying documents (check images) dated between December 8, 2016 and March 11, 2019. This time frame covered all known withdrawals from Fund 3 Acct. 9939 on the 2016 LOC Agreement. The examiner evaluated the bank records to: (1) identify and trace the bank transactions that were sourced from the 2016 LOC Agreement; (2) analyze the use of the 2016 LOC Agreement and identify all receiving parties (payees) and (3) identify transactions using the 2016 LOC Agreement that showed improper use of funds (i.e., personal expenditures). The first withdrawal on the 2016 LOC Agreement occurred on December 8, 2016 when Stella Capital withdrew $75,000 from Stella Capital Acct. 9962 and sent this to Chandler's Personal Checking Account 4482.

26. The Stella Capital Acct. 9962 received funds from the 2016 LOC Agreement and from other legitimate sources. The Examiner used the Lowest Intermediate Balance Rule (LIB Rule) to trace and isolate transactions that could be attributable to the 2016 LOC Agreement. The LIB Rule is applied to analyze banking activity of a fiduciary with access to investor funds and to identify improper commingling of investor funds for personal use. The LIB Rule assumes that where a bank account contains investor funds the account holder will spend his own funds before spending the investor funds. Conservatively, the LIB Rule assumes all funding from legitimate sources must be exhausted before an expenditure was funded from a questionable source (i.e., investor funds).

27. After applying the LIB Rule to Stella Capital Acct. 9962, the Examiner determined that Stella Capital (Fund Administrator) withdrew a total of $1.9 million from the 2016 LOC Agreement. The Examiner traced roughly $1.8 million in expenditures (657 transactions) that were sourced from the 2016 LOC Agreement. $747,638.86 out of the $1.8 million in expenditures (41.44%) were disbursements flagged as inappropriate and a misuse of investor funds – i.e., disbursements unrelated to Fund 3's investment objectives as stated in its PPM—investments in distressed real estate. The actions described above resulted in the issuance of a loan from the

investors in Fund 3 to Stella Capital, an entity controlled by Chandler. Stella Capital, as the Fund Administrator, executed this loan. Stella Advisors, Stella Capital, Marshall and Chandler all colluded in actions designed to misappropriate investor money for the benefit of Marshall and Chandler personally.

28. The Commissioner interviewed investors who stated they did not know that the 2016 LOC Agreement existed and would not have invested in Fund 3 if they had known investor funds would go into the personal accounts of Marshall and Chandler to pay for their personal expenses. The investors confirmed that had they known that Stella Advisors, Marshall, Stella Capital, SSL, and Chandler would issue self-dealing loans and misappropriate investor funds, these investors would not have invested in Funds 2-4.

The 2019 Non-Routine Examination

29. On or around June 17, 2019, the Commissioner commenced a non-routine examination of Stella Advisors. On or around October 31, 2019, the Commissioner sent a Regulatory Examination Report (2019 RER) to Stella Advisors and Marshall. The 2019 RER requested Stella Advisors and Marshall to address the following identified violations: multiple self-dealing transactions, borrowing money from clients, and the investment adviser's failure to act in accordance with the PPMs for Funds 1- 4.

30. On or around November 27, 2019, Stella Advisors and Marshall provided a response to the Commissioner's 2019 RER. However, Stella Advisors and Marshall failed to address the Commissioner's concerns that the notes receivable from SSL and Stella Capital bearing low-interest rates did not align with the investment objectives in the PPMs.

31. On or around January 17, 2020, Marshall filed an application to surrender the registration and investment adviser certificate of Stella Advisors (Form ADV-W) on CRD. The Commissioner did not approve Stella Advisors' Form ADV-W on CRD. On or around January 21, 2020, the Commissioner issued an Order Imposing Conditions on the Surrender of Certificate to Stella Advisors and Marshall.

32. On March 30, 2020 and April 10, 2020, Stella Advisors and Marshall filed two amendments to its Form ADV Part 1 on CRD that removed information regarding the private funds

and regulatory assets under management. The Form ADV Part 1 stated that Stella Advisors and Marshall no longer provided any investment advisory services. On or around June 16, 2020, the Commissioner sent a Follow-Up Regulatory Examination Report (June 2020 RER) requesting Stella Advisors and Marshall to address the outstanding examination deficiencies and provide additional documents.

33. On or around July 15, 2020, Stella Advisors and Marshall filed documents and a response to the Commissioner's June 2020 RER. The Commissioner determined their responses failed to address the violations cited in the 2019 RER and June 2020 RER. On or around November 20, 2020, the Commissioner sent a Follow-up Regulatory Examination Report (November 2020 RER) requesting Stella Advisors and Marshall to address whether Funds 1-4 had been liquidated and/or reassigned to another investment adviser; and to file an updated Form ADV that disclosed the status of Funds 1-4.

34. On or around December 11, 2020, Stella Advisors and Marshall filed a response stating that "SA has not liquidated any of the Funds" and has "not charged advisory fees to the Funds since December 31, 2016." Stella Advisors and Marshall stated:

> ***To protect investors the Funds exchanged equity for notes of credit*** to eliminate the inherent volatility of NAV during construction of the Project. . . At some point in the future Stella Capital Partners, L.P. expects that all of the Funds will unwind and distribute to clients . . . ***The Funds and SA are doing everything possible to communicate these risks to the Fund investors.***

(Emphasis is added.) Stella Advisors and Marshall informed the Commissioner that they planned to amend their Form ADV to show that Fund 2 was managing the Sonnet Hill investment.

35. On or around June 22, 2021, the Commissioner sent a Follow-Up Regulatory Examination Report (2021 RER) advising Marshall that Stella Advisors had an active IA license, maintained clients, and as a General Partner/Managing Member of Funds 1-4, provided investment advice through its management of the Funds. The Commissioner requested Stella Advisors and Marshall to address outstanding items, including ***"a written representation of the current status of all loans borrowed from the Funds to support the Sonnet Hill project . . . and time line to repay all outstanding loans in full with interest."*** (Emphasis is added.)

36. On or around July 9, 2021, Stella Advisors and Marshall filed their response that they had not assigned the Funds to another investment advisor and had not liquidated the Funds; they stated that "[l]imited partners of both Funds receive periodic updates from Stella Capital Partners, L.P. [Fund 2]." As for the outstanding loans, they stated that "John Marshall and Seth Chandler remain personally obligated as guarantors." They further indicated that it was unknown whether Fund 2 would manage Sonnet Hill, refinance, or sell the investment project.

37. The Commissioner's investigation showed that Marshall and Chandler also borrowed investor capital to fund an outside commercial project called Sonnet Hill San Jose, LLC (Sonnet Hill). On or around October 2, 2014, SSL through Stella Senior Housing Holdings, LLC, obtained properties located at 415 and 449 Meridian Avenue, San Jose, CA 95150 with the intent to develop properties into an assisted living facility. The Sonnet Hill San Jose, LLC investment was not undertaken for the benefit of the Funds but was undertaken as an investment for the benefit of Marshall and Chandler.

38. Through various loans and at least one line of credit, Marshall and Chandler, through Stella Advisors, Stella Capital, and SSL borrowed a total of $15,868,195.10 from its advisory clients. At least $502,460.62 in interest has accrued on these borrowed funds. To date, it appears that approximately $16,370,655.74 in principal and interest is still owed to advisory clients from the borrowed funds.

III.

Accusation to Revoke Stella Advisors LLC's Investment Adviser Certificate Under Section 25232, Subdivisions (e) and (h)

39. Paragraphs 1-38 are hereby realleged and incorporated herein by reference as if set forth in their entirety.

40. CSL section 25232, subdivisions (e) and (h), provides that the Commissioner may revoke an investment adviser certificate for violations of the CSL, which is found in Title 4 of the Corporations Code, or any of its rules. Subdivisions (e) and (h) of section 25232 provides:

> (e) Has willfully violated . . . Title 4 (commencing with Section 25000), including the Franchise Investment Law, Division 5 (commencing with Section 31000) or the California Commodity Law of 1990, Division 4.5 (Commencing with Section 29500), or of any

> rule or regulation under any of those statutes, or any order of the commissioner which is or has been necessary for the protection of any investor. (Footnotes omitted)
> . . .
> (h) Has violated any provision of this division [.]

A. Stella Advisors Willfully Borrowed Money from Clients

41. Section 25238 provides, in relevant part:

> No investment adviser licensed under this chapter and no natural person associated with the investment adviser shall engage in . . . investment advisory activities, in this state in contradiction of such rules as the commissioner may proscribe designed to promote fair, equitable, and ethical principles.

42. 10 Cal. Code of Regs. section 260.238(f) states:

> The following activities do not promote "fair equitable or ethical principles as that phrase is used in Section 25238 of the Code:
> . . .
> (f) Borrowing money or securities from a client unless the client is a broker-dealer, an affiliate of the adviser, or a financial institution engaged in the business of loaning funds or securities.

43. Funds 2-4 were not a broker-dealer, not an affiliate of the adviser, nor a financial institution engaged in the business of loaning funds or securities.

44. Stella Advisors willfully borrowed money from clients in violation of section 25238 and 10 Cal. Code Regs. section 260.238(f) in the following self-dealing transactions:

a. No. 1 (Fund 2 and SSL) referenced in paragraphs 14-15 and 36-38;

b. No. 2 (Fund 3 and SSL) referenced in paragraphs 16-17;

c. No. 3 (Fund 4 sub-entity and SSL) referenced in paragraphs 18-21; and

d. No. 4 (Fund 3 and Stella Capital) referenced in paragraphs 22-28.

45. Stella Advisors, by and through the actions of Marshall and Chandler, willfully borrowed money from advisory clients in violation of section 25238 and 10 Cal. Code Regs. section 260.238(f). Therefore, cause exists to revoke Stella Adviser's investment certificate under section 25232, subdivisions (e) and (h).

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B. Stella Advisors Willfully Made Material Misrepresentations and Omissions to Clients

46. Paragraphs 1-45 are hereby realleged and incorporated herein by reference as if set forth in their entirety.

47. 10 Cal. Code of Regs. section 260.238(o) states:

> The following activities do not promote "fair equitable or ethical principles as that phrase is used in Section 25238 of the Code:
> . . .
> (o) Making any untrue statement of a material fact or omitting a statement of material fact necessary in order to make the statements made, in light of the circumstances under which they made, not misleading in the solicitation of advisory clients.

48. Section 25238 and 10 Cal. Code of Regs. section 260.238(o) prohibits an investment adviser from making any untrue statement of material fact or omission in solicitation of advisory clients. Stella Advisors and Marshall have an affirmative duty to render their service in the best interests of their clients, prioritizing the client's financial well-being above their own or their firm's interests. As fiduciaries, Stella Advisors and Marshall are required to disclose material conflicts of interest to their advisory clients. Stella Advisors and Marshall must provide this standard of care at all times to their advisory clients.

49. Stella Advisors willfully made untrue statements of material facts and material omissions in the solicitation of advisory clients by failing to adhere to the investment objectives stated in the PPMs. Stella Advisors willfully violated section 25238 and 10 Cal. Code Regs. section 260.238(o) in the following self-dealing transactions with clients:

a. No. 1 (Fund 2 and SSL) referenced in paragraphs 14-15 and 36-38;

b. No. 2 (Fund 3 and SSL) referenced in paragraphs 16-17;

c. No. 3 (Fund 4 sub-entity and SSL) referenced in paragraphs 18-21; and

d. No. 4 (Fund 3 and Stella Capital) referenced in paragraphs 22-28.

50. The PPM for Fund 2 states its investment objective is "to generate superior absolute rates of return over the long term through investments in a diversified pool of 'market neutral' hedge funds." The Commissioner reviewed the investment portfolio of Fund 2. Fund 2 held only two assets: a note receivable issued to SSL for $3,834.350.65 and a subscription to Fund 3 for

$1,635.892.47.

51. The investment objectives in the PPMs for Fund 3 and Fund 4 were "to generate superior, risk-adjusted returns by investing primarily in distressed real estate." The balance sheet of Fund 3 revealed a note receivable issued to Stella Capital for $3,957,739.51. The 2019 General Ledger showed that MAI II (Fund 4 sub-entity) had a note receivable issued to SSL for $4,737,707.53. Stella Advisors breached its fiduciary duty to Funds 2-4 by selecting investments primarily in unsecured note receivables from SSL and Stella Capital with low interest rates. This conduct was undertaken in willful violation of section 25238 and 10 Cal. Code Regs. section 260.238(o). Therefore, cause exists to revoke Stella Adviser's investment certificate under section 25232, subdivisions (e) and (h).

C. Stella Advisors Failed to Use an Independent Fund Administrator (Gatekeeper)

52. Paragraphs 1-51 are hereby realleged and incorporated herein by reference as if set forth in their entirety.

53. Section 25235, subdivisions (b) and (d), states:

> It is unlawful for any investment adviser, directly, or indirectly, in this state:
> . . .
> (b) To engage in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon any client or prospective client.
> . . .
> (d) To engage in any act, practice, or course of business which is fraudulent, deceptive, or manipulative. The commissioner, shall for the purposes of this subdivision, by rule define and prescribe means reasonably designed to prevent such acts, practices, and courses of business as are fraudulent, deceptive, or manipulative.

54. 10 Cal. Code Regs. section 260.237(a)(5)(B)(1)-(2) states:

> (a) Safekeeping required. It is unlawful and deemed to be fraudulent, deceptive, or manipulative act, practice or course of business within the meaning of Section 25235 of the Code for an investment adviser licensed or required to be licensed, to have custody of client funds or securities, unless:
> . . .
> (B) The Investment Adviser:
> 1. Enters into a written agreement with an independent party who is

> obligated to act in the best interest of the limited partners, members, or other beneficial owners to review all fees, expenses, and capital withdrawals from the pooled accounts.
> 2. Sends all invoices or receipts to the independent party detailing the amount of fee, expenses or capital withdrawal and the method of calculation such that the independent party can: (a) determine that the payment is in accordance with the pooled investment vehicle standards (generally the partnership or membership agreement), and (b) forward to the qualified custodian approval for payment of the invoice, with a copy to the investment adviser.

55. During the 2019 non-routine examination, Marshall represented to the examiners that Stella Capital's and Chandler's involvement was limited to being the Fund Administrator. But bank records and check images show that in 2015, Chandler executed a signature card application and signed multiple checks. Chandler had control, custody, and the ability to access or move the Funds' monies. Fund Administrator Chandler and Stella Capital should not have had signature authority over the Funds' bank accounts and should not have had the ability to commingle investor funds.

56. Stella Advisors willfully failed to use an independent fund administrator (gatekeeper) in violation of section 25235, subdivisions (b) and (d), and 10 Cal. Code section 260.237(a)(5)(B)(1)-(2) in the following self-dealing transactions with clients:

a. No. 1 (Fund 2 and SSL) referenced in paragraphs 14-15 and 36-38;

b. No. 2 (Fund 3 and SSL) referenced in paragraphs 16-17;

c. No.3 (Fund 4 sub-entity and SSL) referenced in paragraphs 18-21; and

d. No. 4 (Fund 3 and Stella Capital) referenced in paragraphs 22-28.

Therefore, cause exists to revoke Stella Adviser's investment adviser certificate under section 25232, subdivisions (e) and (h).

D. Stella Advisors Willfully Engaged in a Fraudulent, Deceptive and Manipulative Course of Business With its Advisory Clients

57. Paragraphs 1-56 are hereby realleged and incorporated herein by reference as if set forth in their entirety.

58. Stella Advisors willfully engaged in a fraudulent, deceptive, and manipulative course of business with its advisory clients in violation of section 25235, subdivisions (b) and (d) in the

following self-dealing transactions:

a. No. 1 (Fund 2 and SSL) referenced in paragraphs 14-15 and 36-38;

b. No. 2 (Fund 3 and SSL) referenced in paragraphs 16-17;

c. No.3 (Fund 4 sub-entity and SSL) referenced in paragraphs 18-21; and

d. No. 4 (Fund 3 and Stella Capital) referenced in paragraphs 22-28.

Therefore, cause exists to revoke Stella Advisor's investment adviser certificate under section 25232, subdivisions (e) and (h).

Pursuant to section 25232, subdivisions (e) and (h), the Commissioner finds that revoking the investment adviser certificate of Stella Advisors for willful violations of section 25235, subdivisions (b) and (d); section 25238; 10 Cal. Code of Regs. section 260.237(a)(5)(B)(1)-(2); 10 Cal. Code Regs. section 260.238(f); and 10 Cal. Code Regs. section 260.238(o) is in the public interest.

IV.

Accusation to Bar John Gilbert Marshall, Jr. from Any Position of Employment, Management, or Control of any Investment Adviser, Broker Dealer, or Commodity Adviser

59. Paragraphs 1-58 are hereby realleged and incorporated herein by reference as if set forth in their entirety.

60. Section 25232.1 provides, in relevant 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, . . . is in the public interest and that person has committed any act or omission enumerated in subdivision (a), (e), (f), or (g), of Section 25232[.]

61. Subdivision (e) of section 25232 provides:

> (e) Has willfully violated . . . Title 4 (commencing with Section 25000), including the Franchise Investment Law, Division 5 (commencing with Section 31000) or the California Commodity Law of 1990, Division 4.5 (Commencing with Section 29500), or of any rule or regulation under any of those statutes, or any order of the commissioner which is or has been necessary for the protection of any investor. (Footnotes omitted)

62. Section 25403 provides, in relevant part:

> (a) Every person who with knowledge directly or indirectly controls and induces any person to violate any provision of this division or any rule or order thereunder shall be deemed to be in violation of that provision, rule, or order to the same extent as the controlled and induced person.
> (b) Any person that knowingly provides substantial assistance to another person in violation of any provision of this division or any rule or order thereunder shall be deemed to be in violation of that provision, rule or order thereunder shall be deemed to be in violation of that provision, rule, or order to the same extent as the person to whom the assistance was provided.
> (c) It shall be unlawful for any person directly or indirectly to do any act or thing which would be unlawful for that person to do under any provision of this division or any rule or order thereunder through or by any other person. . . .

63. In accordance with section 25232.1, the Commissioner may bar from any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser, any officer, director, partner, employee or person performing similar functions for, an investment adviser. Pursuant to section 25403, subdivisions (a) and (b), the Commissioner finds that Marshall knowingly provided substantial assistance to and/or induced Stella Advisors, Chandler, Stella Capital, and SSL to commit willful violations of the CSL as stated in paragraphs 7-10, 13-24, 27, and 24-38. The Commissioner finds that barring Marshall pursuant to section 25232.1 for willful violations under section 25235, subdivisions (b) and (d); section 25238; 10 Cal. Code of Regs. section 260.237(a)(5)(B)(1)-(2); 10 Cal. Code Regs. section 260.238(f); and 10 Cal. Code Regs. section 260.238(o) is in the public interest.

V.

Accusation to Bar Seth Wiliam Chandler from Any Position of Employment, Management, or Control of any Investment Adviser, Broker Dealer, or Commodity Adviser

64. Paragraphs 1-63 are hereby realleged and incorporated herein by reference as if set forth in their entirety.

65. Section 25232.1 provides, in relevant 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, . . . is in the public interest and that person has committed any act or omission enumerated in subdivision (a), (e), (f), or (g), of Section 25232 or has been convicted of any offense or held liable in any civil action specified in subdivision (b) of Section 25232 or is enjoined from any act, conduct or practice specified in subdivision (c) of Section 25232 or is subject to any order specified in subdivision (d) of Section 25232.

66. Section 25232(d) provides, in relevant part:

> The commissioner may, after appropriate notice and opportunity for hearing, by order censure, deny a certificate to, or suspend for a period not exceeding 12 months or revoke the certificate of, an investment adviser, if the commissioner finds that the censure, denial, suspension, or revocation is in the public interest and that the investment adviser, whether prior or subsequent to becoming such, or any partner, officer or director thereof or any person performing similar functions or any person directly or indirectly controlling the investment adviser, whether prior or subsequent to becoming such, or any employee of the investment adviser while so employed has done any of the following:
> . . .
> (d) Is or has been subject to (1) any order of the Securities and Exchange Commission or the securities administrator of any other state denying or revoking or suspending his or her registration as an investment adviser, or investment adviser representative, or as a broker or dealer or agent, (2) any order of any national securities association or national securities exchange (registered under the Securities Exchange Act of 1934) suspending or expelling him or her from membership in that association or exchange or from association 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.

67. As stated in paragraph 12, Chandler entered into an AWC with NASD (predecessor to FINRA) on April 9, 2007 that barred him from associating with any member in any capacity. The Commissioner finds the AWC barring Chandler constitutes an order under section 25232(d) and was an order necessary for the protection of investors. Pursuant to section 25232.1, the Commissioner finds that barring Chandler for his violation of section 25232(d) is in the public interest.

68. Pursuant to section 25403, subdivisions (a) and (b), the Commissioner finds that Chandler knowingly provided substantial assistance to and/or induced Stella Advisors, Marshall,

Stella Capital, and SSL to commit willful violations of the CSL as stated in paragraphs 7-8, 11-25, 27-28, and 34-38. The Commissioner finds that barring Chandler pursuant to section 25232.1 for willful violations under section 25235, subdivisions (b) and (d); section 25238; 10 Cal. Code of Regs. section 260.237(a)(5)(B)(1)-(2); 10 Cal. Code Regs. section 260.238(f); and 10 Cal. Code Regs. section 260.238(o) is in the public interest.

VI.

Notice of Intention to Issue Order Leving Administrative Penalties

69. NOTICE IS HEREBY GIVEN, pursuant to Corporations Code section 25233, of the intention of the Commissioner to issue an order levying administrative penalties individually, jointly and severally, against Stella Advisors, Marshall, Chandler, Stella Capital, and SSL for the statutory amount of five thousand dollars ($5,000.00) for the first violation, ten thousand dollars ($10,000.00) for the second violation, and fifteen thousand dollars ($15,000.00) for each subsequent violation, or according to proof, for the violations of the CSL described above.

70. The Commissioner re-alleges and incorporates, by reference, paragraphs 1 to 38, as though fully set forth herein.

71. Section 25252(b) authorizes the Commissioner to issue an order levying administrative penalties against any person for willful violations of any provision of CSL and any rules promulgated thereunder.

72. Based on the foregoing findings, the Commissioner finds that Stella Advisors willfully borrowed money from advisory clients in violation of section 25238 and 10 Cal. Code Regs. section 260.238(f) in the following self-dealing transactions:

a. No. 1 (Fund 2 and SSL) as described in paragraphs 14-15 and 36-38;

b. No. 2 (Fund 3 and SSL) as described in paragraphs 16-17;

c. No. 3 (Fund 4 sub-entity and SSL) as described in paragraphs 18-21; and

d. No. 4 (Fund 3 and Stella Capital) as described in paragraphs 22-28.

73. Further, the Commissioner finds that Stella Advisors willfully made untrue statements of material facts and omissions in the solicitation of advisory clients by failing to adhere to the investment objectives stated in the PPMs. Stella Advisors willfully violated section 25238 and

10 Cal. Code Regs. section 260.238(o) in the following self-dealing transactions:

a. No. 1 (Fund 2 and SSL) as described in paragraphs 14-15 and 36-38;

b. No. 2 (Fund 3 and SSL) as described in paragraphs 16-17;

c. No. 3 (Fund 4 sub-entity and SSL) as described in paragraphs 18-21; and

d. No. 4 (Fund 3 and Stella Capital) as described in paragraphs 22-28.

74. Further, the Commissioner finds that Stella Advisors willfully failed to use an independent fund administrator (gatekeeper). Stella Advisors willfully violated section 25235, subdivisions (b) and (d), and 10 Cal. Code section 260.237(a)(5)(B)(1)-(2) in the following self-dealing transactions:

a. No. 1 (Fund 2 and SSL) as described in paragraphs 14-15 and 36-38;

b. No. 2 (Fund 3 and SSL) as described in paragraphs 16-17;

c. No.3 (Fund 4 sub-entity and SSL) as described in paragraphs 18-21; and

d. No. 4 (Fund 3 and Stella Capital) as described in paragraphs 22-28.

75. Further, the Commissioner finds that Stella Advisors willfully engaged in a fraudulent, deceptive, and manipulative course of business with its advisory clients. Stella Advisors willfully violated section 25235, subdivisions (b) and (d), in the following self-dealing transactions:

a. No. 1 (Fund 2 and SSL) as described in paragraphs 14-15 and 36-38;

b. No. 2 (Fund 3 and SSL) as described in paragraphs 16-17;

c. No.3 (Fund 4 sub-entity and SSL) as described in paragraphs 18-21; and

d. No. 4 (Fund 3 and Stella Capital) as described in paragraphs 22-28.

76. WHEREFORE, good cause showing, and pursuant to section 25252(b), the Commissioner intends to issue an order levying administrative penalties, individually, jointly and severally, against Stella Advisors, Marshall, Chandler, Stella Capital, and SSL, as follows:

a. That pursuant to section 25252(b), the Commissioner levy administrative penalties of $5,000.00 for the first violation of section 25238 and 10 Cal. Code Regs. section 260.238(f) and $10,000.00 for the second violation of section 25238 and 10 Cal. Code Regs. section 260.238(f), and $15,000.00 for each subsequent violation, as listed below for a total amount of $45,000.00 or according to proof:

i. First violation: $5,000.00 for borrowing money from a client as described in paragraph 72(a);

ii. Second violation: $10,000.00 for borrowing money from a client as described in paragraph 72(b); and

iii. Additional violations: $30,000.00 for borrowing money from clients as described in paragraph 72, subdivisions (c) and (d).

b. That pursuant to section 25252(b), the Commissioner levy administrative penalties of $15,000.00 for each violation of section 25238 and 10 Cal. Code Regs. section 260.238(o), as listed below, for a total of $60,000.00, or according to proof:

i. $15,000.00 for the misrepresentation as described in paragraph 73(a);

ii. $15,000.00 for the misrepresentation as described in paragraph 73(b);

iii. Additional violations: $30,000.00 for misrepresentations as described in paragraph 73, subdivisions (c) and (d).

c. That pursuant to section 25252(b), the Commissioner levy administrative penalties of $15,000.00 for each violation of section 25235, subdivisions (b) and (d), and 10 Cal. Code section 260.237(a)(5)(B)(1)-(2), as listed below, for a total of $60,000.00, or according to proof:

i. $15,000.00 for failing to use an independent fund administrator as described in paragraph 74(a);

ii. $15,000.00 for failing to use an independent fund administrator as described in paragraph 74(b);

iii. Additional violations: $30,000.00 for failing to use an independent fund administrator as described in paragraph 74, subdivisions (c) and (d).

d. That pursuant to section 25252(b), the Commissioner levy administrative penalties of $15,000.00 for each violation of section 25235, subdivisions (b) and (d), as listed below, for a total of $60,000.00, or according to proof:

i. $15,000.00 for willful manipulative conduct upon clients as described in paragraph 75(a);

ii. $15,000,00 for willful manipulative conduct upon clients as described in paragraph 75(b);

iii. Additional violations: $30,000.00 for willful manipulative conduct upon clients as described in paragraph 75, subdivisions (c) and (d).

The total amount of administrative penalties for willful violations of section 25235, subdivisions (b) and (d); section 25238; 10 Cal. Code of Regs. section 260.237(a)(5)(B)(1)-(2); 10 Cal. Code Regs. section 260.238(f); and 10 Cal. Code Regs. section 260.238(o) is at least $225,000.00, or according to proof.

VII.

Desist and Refrain Order

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

78. The Commissioner re-alleges and incorporates, by reference, paragraphs 1 to 38, as though fully set forth herein.

A. Section 25235, subdivisions (b) and (d)

79. Based on the foregoing findings, the Commissioner is of the opinion that Stella Advisors, willfully engaged in a fraudulent, deceptive, and manipulative course of business upon its advisory clients in violation of section 25235, subdivisions (b) and (d). Pursuant to 25403, the Commissioner is of the opinion that Marshall, Chandler, Stella Capital, and SSL knowingly provided substantial assistance to and/or induced Stella Advisors to commit willful violations of section 25235, subdivisions (b) and (d).

80. Pursuant to section 25532(d), Stella Advisors LLC, John Gilbert Marshall Jr., Seth William Chandler, Stella Capital, LLC, and Stella Senior Living, LLC are hereby ordered to desist and refrain from engaging in conduct that would operate as a fraudulent, deceptive, and manipulative course of business upon its advisory clients.

B. Section 25238 and 10 Cal. Code Regs. Section 260.238(f)

81. Based on the foregoing findings, the Commissioner is of the opinion that Stella

Advisors willfully borrowed money from advisory clients in violation of section 25238 and 10 Cal. Code Regs., section 260.238(f). Pursuant to 25403, the Commissioner is of the opinion that Marshall, Chandler, Stella Capital, and SSL knowingly provided substantial assistance to and/or induced Stella Advisors to commit willful violations of section 25238 and 10 Cal. Code Regs. section 260.238(f).

82. Pursuant to section 25532(d), Stella Advisors LLC, John Gilbert Marshall Jr., Seth William Chandler, Stella Capital, LLC, and Stella Senior Living, LLC are hereby ordered to desist and refrain from borrowing money from advisory clients.

C. Section 25238 and 10 Cal. Code Regs. Section 260.238(o)

83. Based on the foregoing findings, the Commissioner is of the opinion that Stella Advisors willfully made untrue statements of material facts and omissions in the solicitation of advisory clients in violation of section 25238 and 10 Cal. Code Regs. section 260.238(o). Pursuant to 25403, the Commissioner is of the opinion that Marshall, Chandler, Stella Capital, and SSL knowingly provided substantial assistance to and/or induced Stella Advisors to commit willful violations of section 25238 and 10 Cal. Code Regs., section 260.238(o).

84. Pursuant to section 25532(d), Stella Advisors LLC, John Gilbert Marshall Jr., Seth William Chandler, Stella Capital, LLC, and Stella Senior Living, LLC are hereby ordered to desist and refrain from making untrue statements of material facts and omissions in the solicitation of advisory clients.

D. Section 25235, subdivisions (b) and (d), and 10 Cal. Code section 260.237(a)(5)(B)(1)-(2)

85. Based on the foregoing findings, the Commissioner is of the opinion that Stella Advisors willfully failing to use an independent fund administrator (gatekeeper) when managing pooled investment vehicles in violation of section 25235, subdivisions (b) and (d), and 10 Cal. Code section 260.237(a)(5)(B)(1)-(2). Pursuant to 25403, the Commissioner is of the opinion that Marshall, Chandler, Stella Capital, and SSL knowingly provided substantial assistance to and/or induced Stella Advisors to commit willful violations of section 25235, subdivisions (b) and (d), and 10 Cal. Code section 260.237(a)(5)(B)(1)-(2).

86. Pursuant to section 25532(d), Stella Advisors LLC, John Gilbert Marshall Jr., Seth

William Chandler, Stella Capital, LLC, and Stella Senior Living, LLC are hereby ordered to desist and refrain from failing to use an independent fund administrator (gatekeeper) when managing pooled investment vehicles.

VIII.

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) an order revoking the investment adviser certificate of Stella Advisors LLC pursuant to section 25232, subdivisions (e) and (h); (2) orders barring John Gilbert Marshall, Jr. and Seth William Chandler from any position of employment, management, or control of any investment adviser, broker dealer, or commodity adviser pursuant to section 25232.1; (3) an order levying administrative penalties, individually, jointly and severally against Stella Advisors LLC, John Gilbert Marshall, Jr., Seth William Chandler, Stella Capital, LLC and Stella Senior Living, LLC, totaling at least $225,000.00 or according to proof pursuant to section 25252(b); and (4) a desist and refrain order against Stella Advisors LLC, John Gilbert Marshall, Jr., Seth William Chandler, Stella Capital, LLC, and Stella Senior Living, LLC pursuant to section 25532. The Commissioner notifies Stella Advisors LLC, John Gilbert Marshall, Jr., Seth William Chandler, Stella Capital, LLC, and Stella Senior Living, LLC of his intention to make his orders final.

This Order is necessary, in the public interest, for the protection of consumers, and consistent with the purposes, policies, and provisions of the CSL. This Order shall remain in full force and effective until further order of the Commissioner.

Dated: August 5, 2025

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division