

**STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF BUSINESS OVERSIGHT**

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TO: Scott Allensworth
Capital Growth Group Associates
25115 Avenue Stanford, #130
Valencia, California 91350

David Weddle
3404 Woodhaven Drive
Somerset, Kentucky 42503

**DESIST AND REFRAIN ORDER
(For violations of sections 29520 and 29536 of the Corporations Code)**

The Commissioner of Business Oversight (Commissioner) finds that:

- 1. At all relevant times, Scott Allensworth (Allensworth) conducted business as Capital Growth Group Associates (CGGA), a tax preparation business located at 25115 Avenue Stanford #130, Valencia, California 91355. Allensworth is and was the sole shareholder of CGGA.
- 2. At all relevant times, David Weddle (Weddle) is and was a resident of the state of Kentucky. His last known business address is at 3404 Woodhaven Drive, Somerset, Kentucky 42503.
- 3. Beginning in at least January of 2016, Allensworth, CGGA and Weddle solicited investors, most of whom were clients of CGGA, into an investment program that was supposed to generate profits from the day trading of Weddle, specifically buying and selling “contracts in commodities and crude oil.” In or around February of 2016, Allensworth, CGAA, and Weddle held an investor meeting in Valencia, California where they explained the program and introduced investors to one another. Weddle gave a Power Point presentation at the meeting. Prior to, during, or subsequent to the meeting, investors also received a one-page advertisement with the following

1 headings: “Why we trade as we do?”; “Our method of trading is very simple. Risk a little and make a
2 littleEvery day”; and “Our philosophy is simple.”

3 4. Allensworth, CGGA, and Weddle raised approximately \$1.3 million from at least five
4 California residents.

5 5. The written agreements between investors and CGGA stated, among other things, that
6 the money they invested would be “placed in a brokerage account.” The investors’ rate of return
7 ranged between 5 to 25 percent. Additionally, investors would be free to withdraw their funds after
8 90 days of their initial investment.

9 6. None of the investors have received a return of their principal investment as promised.

10 7. At all relevant times, Allensworth, CGGA, and Weddle were not registered or licensed
11 to sell or purchase or offer to sell or purchase any commodity under any commodity contract or under
12 any commodity option, or offer to enter into, or enter into, as seller or purchaser any commodity
13 contract or any commodity option. Furthermore, Allensworth, CGGA, and Weddle were not exempt
14 from sections 29530, 29531 and 29532 of the California Commodity Law of 1990 (Corp. Code, §
15 29500 et seq.)

16 8. In connection with these solicitations, offers, and sales, Allensworth, CGGA, and
17 Weddle made untrue statements of material fact or omitted to state material facts necessary in order
18 to make the statements made, in the light of the circumstances under which they were made, not
19 misleading:

- 20 a. It was misrepresented to the investors that the investor’s rate of return would be
21 5 to 25 percent;
- 22 b. Allensworth, CGGA, and Weddle failed to disclose the risks involved in trading
23 in commodities; and
- 24 c. Allensworth, CGGA, and Weddle failed to disclose the risks associated with
25 day trading.

26 Based on the foregoing findings, the Commissioner of Business Oversight is of the opinion
27 that Scott Allensworth, Capital Growth Group Associates, and David Weddle sold or purchased,
28 offered to sell or purchase commodity contracts or options, or offered to enter into, or entered into as

1 a seller or purchaser commodity contracts or options in violation of section 29520 of the California
2 Commodity Law of 1990. Under section 29542 of the California Commodity Law of 1990, Scott
3 Allensworth, Capital Growth Group Associates, and David Weddle are hereby ordered to desist and
4 refrain from the further sale or purchase or offer to sell or purchase any commodity contract or under
5 any commodity option, including, but not limited to, contracts and from the further offer to enter into,
6 or entering into, as sellers or purchasers of any commodity contract or any commodity option in the
7 state of California.

8 Furthermore, the Commissioner of Business Oversight is of the opinion that Scott Allensworth,
9 Capital Growth Group Associates, and David Weddle willfully made untrue statements of material fact
10 or omitted to state material facts necessary in order to make the statements made, in the light of the
11 circumstances under which they were made, not misleading in violation of section 29536 of the
12 California Commodity Law of 1990. Pursuant to section 29542 of the California Commodity Law of
13 1990, Scott Allensworth, Capital Growth Group Associates, and David Weddle are hereby ordered to
14 desist and refrain from purchasing or selling, offering to sell or to purchase, offering to enter into, or
15 entering into a commodity, commodity contract or commodity option in the state of California,
16 including but not limited to trading in commodity contracts or oil and gas, by making any untrue
17 statement of a material fact, or omitting to state a material fact necessary in order to make statements
18 made, in light of the circumstances under which they were made, not misleading.

19 This Order is necessary, in the public interest, for the protection of investors and consistent
20 with the purposes, policies, and provisions of the California Commodity Law of 1990.

21 Dated: September 18, 2017
22 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

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24 By _____
25 MARY ANN SMITH
26 Deputy Commissioner
27 Enforcement Division
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