

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 JOHNNY VUONG (CA BAR NO. 249570)
Corporations Counsel
4 Department of Corporations
320 West 4th Street, Ste. 750
5 Los Angeles, California 90013-2344
Telephone: (213) 576-7585
6 Fax: (213) 576-7181

7 Attorneys for Complainant

8
9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

11 In the Matter of the Accusation of THE) CRD No.: 104020
12 CALIFORNIA CORPORATIONS)
13 COMMISSIONER,)
14 Complainant,)
15 vs.) **ACCUSATION TO REVOKE GONOW**
16 GONOW SECURITIES, INC.,) **SECURITIES, INC.’S BROKER DEALER**
17 Respondent.) **CERTIFICATE**
18)

19
20 The Complainant is informed and believes, and based upon such information and belief,
21 alleges and charges Respondent as follows:

22 **I.**
23 **FACTUAL BACKGROUND**

24 Respondent GoNow Securities, Inc. (“GoNow”) is a broker-dealer licensed by the California
25 Department of Corporations (“Department”) pursuant to the Corporate Securities Law of 1968
26 (hereinafter referred to as “CSL,” California Corporations Code section 25000 et seq.), with its
27 licensed place of business at 3580 Wilshire Blvd., 17th Floor, Los Angeles, CA 90010.

28 In 2009, the Department received a complaint from the public alleging that GoNow was

1 submitting false financial reports with regulatory agencies. In response to the complaint, the
2 Department reviewed its records and discovered that GoNow had failed to submit its audited annual
3 financial report (“Report”) for the years 2004-2007, as required under California Code of
4 Regulations (“C.C.R.”), title 10, section 260.241.2 (a).

5 On October 22, 2009, the Department sent a letter to GoNow informing GoNow that they
6 failed to file their Reports for 2004-2007 and requested that they file the missing Reports, and in
7 particular, the Report for the year ending on December 31, 2006.

8 On November 3, 2009, the Department received a copy of GoNow’s Report for the year
9 ending in December 31, 2006. The Report indicated that the certified public accountant (“Joshua
10 Group CPA”) providing the opinion letter in the Report was affiliated with The Joshua Group.
11 However, the CPA opinion letter contained in the Report was for the year ending on December 31,
12 2007, and not for the year ending on December 31, 2006. The 2007 CPA opinion letter was signed
13 by the Joshua Group CPA.

14 Subsequently, the Department sent another letter to GoNow on November 9, 2009,
15 requesting that GoNow provide the correct CPA opinion letter for the year ending on December 31,
16 2006. On December 7, 2009, the Department received from GoNow a CPA opinion letter for the
17 year ending on December 31, 2006. The 2006 CPA opinion letter was also signed by the same
18 Joshua Group CPA.

19 Shortly thereafter, the Department conducted a licensing search for The Joshua Group and
20 the Joshua Group CPA through the official government website of the California Board of
21 Accountancy (“Board”), the agency responsible for licensing certified public accountants in
22 California. The online records search reflected that The Joshua Group was not a licensed CPA firm.
23 However, the Joshua Group CPA, the signatory of the 2006 and 2007 CPA opinion letters for
24 GoNow was a licensed California CPA.

25 On October 6, 2010, the Department sent a letter to the Joshua Group CPA to verify that the
26 CPA conducted the audits for GoNow and signed the 2006 and 2007 CPA opinion letters.
27
28

1 On October 21, 2010, the Department received a letter from the Joshua Group CPA stating
2 that he did not conduct any audits for GoNow and furthermore, has never had any affiliation with
3 The Joshua Group.

4 **II.**

5 **APPLICABLE LAW**

6 Corporations Code section 25212 provides, in relevant part:

7 The commissioner may, after appropriate notice and opportunity for
8 hearing, by order ... revoke the certificate of, any broker-dealer if the
9 commissioner finds that the ... revocation is in the public interest and that
10 the broker-dealer, whether prior or subsequent to becoming a broker-
11 dealer ... has done any of the following:

12 (a) Has willfully made or caused to be made ... in any report required
13 to be filed with the commissioner under this law ... any statement which
14 was at the time and in the light of the circumstances under which it was
15 made false or misleading with respect to any material fact ...

16 (i) Has violated any provision of this division or the rules thereunder ...

17 Corporations Code section 25245 provides, in relevant part:

18 It is unlawful for any person willfully to make any untrue
19 statement of a material fact in any application, notice, or report
20 filed with the commissioner under this part ...

21 C.C.R., title 10, section 260.241.2 (a) provides, in relevant part:

22 Subject to the provisions of subsection (c) of this section, every licensed
23 broker-dealer ... shall file an annual financial report ...

24 **III.**

25 **ORDER REVOKING BROKER-DEALER CERTIFICATE**

26 GoNow violated Corporations Code sections 25212 (a) and (i) and 25245 by submitting
27 annual financial reports to the Department which contained statements representing that the CPA
28 named in their annual financial reports had audited GoNow's financials, when in fact, the CPA never
audited GoNow's financials and was not affiliated with GoNow. Furthermore, the annual financial
reports contained CPA opinion letters that were purportedly issued and signed by the CPA, when in
fact, the CPA did not issue or sign any letters on behalf of GoNow. Finally, GoNow also violated

1 C.C.R, title 10, section 260.241.2 (a) by failing to file its annual financial reports for the years 2004-
2 2007 with the Department.

3 By virtue of the foregoing, Complainant finds that GoNow Securities, Inc. has violated
4 Corporations Code sections 25212 (a) and (i) and 25245 and C.C.R., title 10, section 260.241.2 (a)
5 and it is in the best interest of the public to revoke the broker-dealer certificate of GoNow Securities,
6 Inc.

7 WHEREFORE, IT IS PRAYED that the broker-dealer certificate of Respondent GoNow
8 Securities, Inc. be revoked.

9
10 Dated: June 20, 2011
11 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

12
13
14 By _____
15 Johnny Vuong
16 Corporations Counsel
17 Enforcement Division
18
19
20
21
22
23
24
25
26
27
28