

1 MARY ANN SMITH  
Deputy Commissioner  
2 SEAN ROONEY  
Assistant Chief Counsel  
3 UCHE L. ENENWALI (State Bar No. 235832)  
Senior Counsel  
4 Department of Business Oversight  
5 320 West 4<sup>th</sup> Street, Suite 750  
6 Los Angeles, California 90013-2344  
Telephone: (213) 576-7586  
7 Facsimile: (213) 576-7181

8  
9 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
11 OF THE STATE OF CALIFORNIA

|                                 |   |                                  |
|---------------------------------|---|----------------------------------|
| 12 In the Matter of:            | ) | CRD NO. 283002                   |
| 13 THE COMMISSIONER OF BUSINESS | ) |                                  |
| 14 OVERSIGHT,                   | ) | ORDER DENYING APPLICATION FOR AN |
| 15 Complainant,                 | ) | INVESTMENT ADVISER CERTIFICATE   |
| 16 v.                           | ) | PURSUANT TO CORPORATIONS CODE    |
| 17 ROBERT JOHN CENKO; And       | ) | SECTION 25232                    |
| 18 NORTHWESTERN WEALTH          | ) |                                  |
| 19 MANAGEMENT, INC.,            | ) |                                  |
| 20 Respondent.                  | ) |                                  |

21 The Commissioner of Business Oversight (Commissioner) finds that:

- 22 1. Northwestern Wealth Management, Inc. (NWWM) is, or was, a California limited
- 23 liability company formed on April 9, 2015, with a principal place of business located at 8322
- 24 Clairemont Mesa Boulevard, Suite 110, San Diego, California 92111.
- 25 2. Robert John Cenko (Cenko) is, or was, the managing director of NWWM.
- 26 3. The Commissioner is authorized to administer and enforce the provisions of the
- 27 Corporate Securities Law of 1968, Corporations Code section 25000 et seq. (CSL) and the
- 28 regulations thereunder at Title 10, California Code of Regulations (CCR).

1           4. Pursuant to Corporations Code section 25232, the Commissioner may deny the  
2 application for an investment adviser certificate if, among other provisions, the denial is in the public  
3 interest and the applicant has violated any provision of the CSL or similar regulatory scheme of the  
4 State of California.

5           5. On February 26, 2016, NWWM, through its officer, Cenko, filed an application with  
6 the Commissioner for an investment adviser certificate through the Investment Adviser Registration  
7 Depository (IARD). NWWM’s application listed Cenko as the sole owner and managing director of  
8 NWWM.

9           6. The IARD also disclosed that on or about June 14, 2016, Cenko’s previous employer,  
10 Northwest Asset Management, LLC terminated Cenko’s employment for “borrowing money from a  
11 client.”

12           7. On August 11, 2016, the Commissioner made written demand on Cenko to clarify  
13 and/or provide documents relating to his discharge from Northwest Asset Management, LLC.  
14 Cenko responded to the Commissioner’s request by letter dated August 19, 2016, in which he stated  
15 that he borrowed money from his client, and provided a promissory note dated May 12, 2016  
16 evidencing the loan.

17           8. Corporations Code section 25238 provides in pertinent part:

18                   No investment adviser licensed under this chapter and no natural person  
19                   associated with the investment adviser shall engage in investment advisory  
20                   activities, or attempt to engage in investment advisory activities, in this  
21                   state in contradiction of such rules as the commissioner may prescribe  
22                   designed to promote fair, equitable and ethical principles....

23           9. California Code of Regulations section 260.238 (f) designates, as an activity that does  
24 not promote fair, equitable or ethical principles, “ borrowing money or securities from a client unless  
25 the client is a broker-dealer, an affiliate of the adviser, or a financial institution engaged in the  
26 business of loaning funds or securities....”

27           10. Further, Corporations Code section 25232 provides that:

28                   The commissioner may, after appropriate notice and opportunity for  
hearing, by order ..., deny a certificate to... an investment adviser, if the  
commissioner finds that the ... denial, ... is in the public interest and that  
the investment adviser, whether prior or subsequent to becoming such, or

1 any partner, officer or director thereof or any person performing similar  
2 functions or any person directly or indirectly controlling the investment  
3 adviser, whether prior or subsequent to becoming such, or any employee  
4 of the investment adviser while so employed has done any of the  
5 following:

6 ....

7 (h) Has violated any provision of this division or the rules thereunder or,  
8 in the case of an applicant only, any similar regulatory scheme of the State  
9 of California or a foreign jurisdiction.

10 11. Based on the foregoing, Cenko violated California Code of Regulations, Title 10,  
11 section 260.238 (f) by borrowing money from a client who is not a broker, dealer, NWWM's  
12 affiliate, or a financial institution engaged in the business of loaning funds or securities. Cenko is, or  
13 was, at all material times, the sole owner, managing director, and control person responsible for  
14 NWWM's activities in this state. Therefore, NWWM's officer violated a provision of the CSL or  
15 the rules thereunder.

16 12. On November 17, 2016, the Commissioner initiated an administrative action to deny  
17 NWWM's application for an investment adviser certificate by issuing the following against  
18 NWWM: Notice of Intention to Issue Order Denying Application for an Investment Adviser  
19 Certificate Pursuant to Corporations Code section 25232; Statement of Issues in Support of Notice of  
20 Intention to Issue Order Denying Application for an Investment Adviser Certificate Pursuant to  
21 Corporations Code section 25232; Statement to Respondent; Government Code Sections 11507.5,  
22 11507.6 and 11507.7; and a blank form Notice of Defense (Denial Pleadings).

23 13. On November 22, 2016, the Commissioner's agent personally served the Pleadings  
24 on Cenko at NWWM's principal place of business located at 8322 Clairemont Mesa Boulevard,  
25 Suite 110, San Diego, California 92111. The Commissioner did not receive a request for hearing  
26 from NWWM on this matter, and the time period to request a hearing has elapsed.

27 14. WHEREFORE, based upon the foregoing, the Commissioner finds it is in the public  
28 interest to deny an investment adviser certificate to NWWM pursuant to section 25232 in light of  
Cenko's violation California Code of Regulations, Title 10, section 260.238 (f) as specified in  
section 25232(e).

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GOOD CAUSE APPEARING THEREFOR, IT IS ORDERED that Northwestern Wealth Management, Inc.'s Application for an Investment Adviser Certificate is denied pursuant to Corporations Code Section 25232. This order is effective as of the date hereof.

Dated: January 17, 2017  
Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
MARYANN SMITH  
Deputy Commissioner  
Enforcement Division