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9	Attorneys for Complainant	
10	BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT	
11	OF THE STATE OF CALIFORNIA	
12	In the Matter of:)
	THE COMMISSIONER OF BUSINESS) CRD No.: 283002
13	OVERSIGHT,	STATEMENT OF ISSUES IN SUPPORT OF
14	Complainant,	NOTICE OF INTENTION TO ISSUE ORDER DENYING APPLICATION FOR AN
15	V.	\(\) INVESTMENT ADVISER CERTIFICATE
16	ROBERT JOHN CENKO; And	\
17	NORTHWESTERN WEALTH	}
18	MANAGEMENT, INC.,	}
19	Respondent.	
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22	Complainant, the Commissioner of Business Oversight ("Commissioner") is informed and	
23	believes, and based upon such information and belief, alleges and charges Respondent Northwestern	
	Wealth Management, Inc. ("NWWM") as follows:	
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25	Introduction	
26	1. NWWM is, or was, a California limited liability company formed on April 9, 2015,	
27	with a principal place of business located at 8322 Clairemont Mesa Blvd, Suite 110, San Diego,	
28	California 92111.	
	1 STATEMENT OF ISSUES IN SUPPORT OF NOTICE OF INTENTION TO ISSUE ORDER	
	I STATEMENT OF ISSUES IN SUPPORT (OF NOTICE OF INTENTION TO ISSUE ORDER

DENYING APPLICATION FOR AN INVESTMENT ADVISER CERTIFICATE

- 2. Robert John Cenko ("Cenko") is, or was, the managing director of NWWM.
- 3. The Commissioner is authorized to administer and enforce the provisions of the Corporate Securities Law of 1968, Corporations Code section 25000 et seq. ("CSL")¹ and the regulations thereunder at Title 10, California Code of Regulations ("CCR").
- 4. Pursuant to section 25232, the Commissioner may deny the application for an investment adviser certificate if, among other provisions, the denial is in the public interest and the applicant has violated any provision of the CSL or similar regulatory scheme of the State of California.
- 5. This Statement of Issues is submitted in support of the Commissioner's Notice of Intent to deny NWWM's application for an investment adviser certificate pursuant to section 25232 on the grounds that an officer has violated California Code of Regulation section 260.238 (f) by unlawfully borrowing money from a client.

II

Statement of Facts

- 6. On February 26, 2016, NWWM, through its officer, Cenko, filed an application with the Commissioner for an investment adviser certificate through the Investment Adviser Registration Depository ("lARD"). NWWM's application listed Cenko as the sole owner and managing director of NWWM.
- 7. The IARD also disclosed that on or about June 14, 2016, Cenko's previous employer, Northwest Asset Management, LLC terminated Cenko's employment for "borrowing money from a client."
- 8. On August 11, 2016, the Commissioner made written demand on Cenko to clarify and/or provide documents relating to his discharge from Northwest Asset Management, LLC. Cenko responded to the Commissioner's request by letter dated August 19, 2016, in which he confirmed that he borrowed money from his client, and provided a promissory note dated May 12, 2016 evidencing the loan.

¹ All further references are to the Corporations Code unless otherwise stated.

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Authority to Deny NWWM's Application for an Investment Adviser Certificate

9. Corporations Code section 25238 provides in pertinent part:

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

10. California Code of Regulations section 260.238 (f) provides in pertinent part:

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.

11. Corporations Code section 25232 provides, in pertinent part:

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 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:

...

- (h) Has violated any provision of this division or the rules thereunder or, in the case of an applicant only, any similar regulatory scheme of the State of California or a foreign jurisdiction.
- 12. The Commissioner finds that Cenko has violated California Code of Regulations, Title 10, section 260.238 (f) by borrowing money from a client who is not a broker, dealer, NWWM's affiliate, or a financial institution engaged in the business of loaning funds or securities. Cenko is, sole owner, managing director, and control person responsible for NWWM's activities in this state. Therefore, NWWM's officer has violated a provision of the CSL or the rules thereunder.

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). WHEREFORE, IT IS PRAYED that Respondent Northwestern Wealth Management, Inc. be denied an investment adviser certificate pursuant to section 25232. Dated: November 17, 2016 JAN LYNN OWEN Commissioner of Business Oversight By UCHE L. ENENWALI Senior Counsel **Enforcement Division**

WHEREFORE, based upon the foregoing, the Commissioner finds it is in the public interest