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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	CRD NOS.: 148328, 2031658
)	
THE COMMISSIONER OF BUSINESS OVERSIGHT,)	ACCUSATION TO:
)	
Complainant,)	1. REVOKE RESPONDENTS’ INVESTMENT ADVISER CERTIFICATES;
)	
v.)	2. BAR RESPONDENT MINGO; AND
)	
REGENT INVESTMENT ADVISORS, INC. and TIMOTHY CLARK MINGO,)	3. LEVY ADMINISTRATIVE PENALTIES
)	
Respondents.)	(Corp. Code sections 25232, 25232.1, and 25252)
)	
)	
)	

Manuel P. Alvarez, the Commissioner of Business Oversight (Commissioner) alleges and charges as follows:

I.
INTRODUCTION

1. The Commissioner brings this action to revoke the investment adviser certification of REGENT INVESTMENT ADVISORS, INC. (Regent) and the investment adviser representative certificate of TIMOTHY CLARK MINGO (Mingo, collectively Respondents) pursuant to Corporations Code (Corp.) section 25232. The Commissioner also

1 brings this action to bar Mingo from the securities industry pursuant to Corp. Code section
2 25232.1, and to levy administrative penalties pursuant to section 25252.

3 2. Regent is an investment adviser certified in 2009 by the Commissioner (CRD No.
4 148328), pursuant to the Corporate Securities Law of 1968 (CSL) as set forth in Corp. Code
5 section 25000 et seq., and accompanying regulations in California Code of Regulations (CCR),
6 title 10, section 260.000 et seq.¹

7 3. Regent is a Florida corporation and has its principal place of business located at
8 20900 N. E. 30th Avenue, 8th Floor, Suite 12, Aventura, Florida 33180.

9 4. Mingo is, and was at all times relevant herein, the president, chief compliance
10 officer, director, and sole owner of Regent, and is certified by the Commissioner as Regent's sole
11 investment adviser representative (CRD No. 2031658).

12 5. Mingo is, and was at all relevant times herein, an owner and director of Mingo
13 Affiliates Services, Inc. (Mingo Affiliates), which is also a Florida corporation and has its
14 principal place of business at the same location as Regent.

15 6. The Commissioner is authorized to administer and enforce the provisions of the
16 CSL and the rules adopted thereunder.

17 II.

18 STATEMENT OF FACTS

19 **A. Florida Disciplinary Action:**

20 7. In approximately September of 2013, the Florida Office of Financial Regulation
21 (Florida) commenced an examination of Respondents that resulted in a Stipulation and Consent
22 Agreement, Administrative Proceeding Nos. 0742-S-09/13 and 0742a-S-09/13. On November 6,
23 2014, Florida issued a Final Order adopting the Stipulation and Consent Agreement.

24 8. The Stipulation states that Florida determined that Respondents violated Florida
25 laws by (1) failing to maintain accurate financial statements, (2) failing to amend inaccurate
26 information on Regent's Form ADV, (3) charging excessive advisory fees, (4) charging
27 performance fees to unqualified clients, (5) failing to send invoices to clients while having
28 _____

¹ All further section and rule references are to the Corp. Code and title 10 of the CCR.

1 custody of client accounts and continuing to deduct advisory fees, (6) having custody of client
2 accounts and failing to file audited financial statements, (7) failing to maintain the required net
3 capital, (8) failing to notify Florida of Regent’s deficient net capital, and (9) failing to suspend
4 business operations as a consequence of Regent’s deficient net capital.

5 9. Under the terms of the Stipulation, Respondents were required to submit payment
6 of a total of \$20,000 in administrative fines. Respondents paid the initial \$5,000, but failed to
7 make any subsequent payments.

8 10. Respondents and Florida then entered into a second Stipulation and Consent
9 Agreement, Administrative Proceeding No. 62522-S. Florida issued a Final Order adopting the
10 second Stipulation and Consent Agreement in 2016.

11 11. Under the terms of the second Stipulation, Regent’s investment adviser certificate
12 and Mingo’s status as an investment adviser representative are suspended until the remaining
13 portion of the administrative fine, in the amount of \$15,000, is paid.

14 12. Respondents remain suspended in Florida.

15 **B. Regent Form ADV Nondisclosures:**

16 13. Form ADV is the uniform form used by investment advisers to register with both
17 the SEC and state securities authorities. Form ADV requires information about the investment
18 adviser’s business, ownership, clients, employees, business practices, affiliations, and any
19 disciplinary events of the adviser or its employees. Investment advisers are required to update
20 the Form ADV annually, as well as whenever certain material changes occur, such as a
21 disciplinary event.

22 14. Form ADV Item 11, titled “Disclosure Information,” asks in subsection D
23 whether a regulator has ever (1) found the licensee to have made false statements or omissions,
24 been dishonest, unfair, or unethical, (2) found the licensee to have caused a license suspension,
25 (3) entered an order against the licensee in connection with an investment-related activity, and
26 (4) suspended the licensee’s license.

27 15. Title 10 of the California Code of Regulations (“CCR”), section 260.230.1, titled
28 “Notice Filing Requirements for Investment Advisers Registered Under Section 203 of the

1 Investment Advisers Act of 1940,” requires that a registered investment adviser file an initial
2 Form ADV within thirty (30) days of conducting business in the state, that it file a Form ADV
3 annually, and that it file an amendment to the Form ADV whenever any changes to the
4 information contained therein occur.

5 16. After Florida issued the November 2014 Final Order, Mingo, on behalf of Regent,
6 filed six (6) annual Form ADVs. On each form, Respondents failed to disclose the Florida
7 actions. On each form, Respondents’ response to every inquiry in Item 11(D) was an erroneous
8 “No.”

9 17. Regent also did not file any amendments to its annual Form ADV filings to reflect
10 the information changes resulting from Florida’s November 2014 Final Order or its February
11 2016 Final Order.

12 **C. Mingo Form U4 Nondisclosures:**

13 18. Mingo incorporated Mingo Affiliates in Florida in 2003. At all times since its
14 incorporation, Mingo has been the president and a director of Mingo Affiliates. Since 2004,
15 Mingo has also been the registered agent for Mingo Affiliates. Mingo Affiliates’ principal
16 address and registered agent address are identical to Regent’s.

17 19. Form U4 is the uniform application for securities industry registration or transfer.
18 Investment adviser representatives are required to use Form U4 to register with any regulator in
19 the United States. Mingo has only twice filed a Form U4 – one in 2008 and one in 2009.

20 20. Form U4 Question 12, titled “EMPLOYMENT HISTORY,” asks for the
21 licensee’s complete employment history for the past 10 years, and requires a licensee to report
22 changes as they occur.

23 21. Form U4 Question 13, titled “OTHER BUSINESS,” asks if the licensee is
24 currently engaged in any other business as owner, partner, officer, director, or employee, and if
25 so, it asks the licensee to provide details regarding the other business name, address, and nature,
26 the licensee’s position, title, or relationship, and the licensee’s monthly time committed to it.

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1 months or revoke the certificate of, an investment adviser, if the commissioner
2 find that the censure, denial, suspension, or revocation is in the public interest and
the investment adviser . . . has done any of the following:

3 (a) Has willfully made or caused to be made in any application for a
4 certificate or any report filed with the commissioner under this division . .
5 . any statement which was at the time and in light of the circumstances
6 under which it was made false or misleading with respect to any material
fact, or has willfully omitted to state in the application or report any
material fact which is required to be stated therein.

7 [¶ . . . ¶]

8 (d) Is or has been subject to . . . (1) any order of . . . the securities administrator of
9 any other state denying or revoking or suspending his or her registration as
10 an investment adviser, or investment adviser representative

11 28. Respondents have been subject to a Florida order suspending Regent and Mingo’s
12 registrations as an investment adviser and an investment adviser representative, respectively, for
13 over four years. For more than five years, Respondents have failed to comply with the terms of
14 the stipulations. In that time, Respondents have also repeatedly and willfully failed to notify the
15 Commissioner (or the public) of the Florida disciplinary actions, Respondents’ Florida
16 suspensions, or Mingo’s other business relationships in their Form ADV and Form U4 filings as
17 required by California law. In doing so, Respondents have repeatedly and willfully made
18 material false statements and omitted required information.

19 29. Therefore, under Corp. Code sections 25232, revocation of Respondents’
20 investment adviser and investment adviser representative certificates is in the public interest and
21 good cause exists for the Commissioner to revoke them.

22 **IV.**

23 **Mingo Should Be Barred Because He Repeatedly and Willingly Made Material False
24 Statements and Omissions of Required Information to the Commissioner and the Public.**

25 30. Corp. Code section 25232.1 provides in pertinent part:

26 The commissioner may, after appropriate notice and opportunity for hearing, by
27 order . . . bar from any position of employment, management or control of any
28 investment adviser, broker-dealer or commodity adviser, any officer, director,
partner, employee of, or person performing similar functions for, an investment
adviser, or any other person, if he or she finds that the . . . bar is in the public
interest and that the person has committed any act or omission enumerated in

1 subdivision (a) . . . of Section 25232 . . . or is subject to any order specified in
2 subdivision (d) of Section 25232.

3 31. Mingo violated Corp. Code section 25232, subdivision (a), when he willfully
4 made material false statements or omitted required material facts as follows:

- 5 (a) Mingo failed to disclose his relationship with Mingo Affiliates on his 2008
6 Form U4 filing.
- 7 (b) Mingo failed to disclose his relationship with Mingo Affiliates on his 2009
8 Form U4 filing.
- 9 (c) When Mingo was first notified in writing in 2013 or 2014 of the Florida
10 investigations that culminated in the 2014 Final Order, he failed to update
11 his “No” responses to Form U4 Question 14G offered in his 2008 and
12 2009 filings, thereby rendering the responses false.
- 13 (d) When Florida entered a Final Order in 2014, Mingo failed to update his
14 “No” responses to Form U4 Question 14D(1)(d) offered in his 2008 and
15 2009 filings, thereby rendering them false.
- 16 (e) When Florida entered a Final Order in 2014, Mingo failed to update
17 Regent’s “No” responses to Form ADV Item 11 question D(4) offered in
18 his 2014 Form ADV filing and each subsequently filed Form ADV or
19 amendment, thereby rendering each of the responses false.
- 20 (f) When Florida issued a Final Order and suspended Respondents in 2016,
21 Mingo failed to update his “No” responses to Form U4 Questions
22 14D(1)(d) and (e) offered in his 2008 and 2009 filings, thereby rendering
23 them false.
- 24 (g) When Florida issued a Final Order and suspended Respondents in 2016,
25 Mingo failed to update Regent’s “No” responses to Form ADV Item 11
26 questions D(4) and (5) offered in his 2016 filing and each subsequently
27 filed Form ADV or amendment, thereby rendering each of the responses
28 false.

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3. Regent and Mingo be assessed administrative penalties of \$105,000 and \$75,000, respectively, or according to proof, under Corp. Code section 25252.

Dated: March 24, 2020
Sacramento, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____
NOAH M. BEAN
Counsel
Enforcement Division