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9
10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA

12 In the Matter of the Petition for Reinstatement) CRD No. 104020
of:)
13) ORDER DENYING PETITION FOR
14 GONOW SECURITIES, INC.) REINSTATEMENT
) (Govt. Code, § 11522)
15)
16)

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18 TO: GONOW SECURITIES, INC.
3580 Wilshire Boulevard, Floor 17
19 Los Angeles, California 90010
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GONOW SECURITIES, INC.
21 P.O. Box 931265
Los Angeles, California 90093
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XAVIER BECERRA
23 ATTORNEY GENERAL, STATE OF CALIFORNIA
California Department of Justice
24 P.O. Box 944255
25 Sacramento, California 94244-2550
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27
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1 Petitioner, GoNow Securities, Inc., filed a petition for reinstatement on April 17, 2020,
2 regarding the following orders issued by the Department of Financial Protection and Innovation or its
3 predecessors, the Department of Business Oversight or the Department of Corporations:

4 A. Order revoking broker-dealer certificate of GoNow Securities, Inc. effective December
5 20, 2011 pursuant to Corporations Code section 25212;

6 B. Order barring GoNow Securities, Inc. from any position of employment, management,
7 or control of any investment adviser, broker-dealer, or commodity adviser effective January 11, 2016
8 pursuant to Corporations Code sections 25232.1 and 25232.

9 The petition having been considered, this agency finds that Petitioner is not entitled to
10 reinstatement of employment, management, or control of any investment adviser, broker-dealer, or
11 commodity adviser, nor to reinstatement of its broker-dealer certificate, for the following reasons:

12 1. Petitioner has yet to understand the severity of the violations that led to the December
13 20, 2011, revocation of its broker-dealer certificate or accept full responsibility for its actions.
14 Petitioner was found to have (1) failed to file required annual financial reports and (2) made untrue
15 statements of material fact in notices and reports filed with the Commissioner. Petitioner
16 acknowledges that these were the grounds for revoking the certificate but makes no argument and
17 offers no evidence showing acceptance of responsibility.

18 2. Petitioner has yet to understand the severity of the violations that led to the January 11,
19 2016, order barring it from employment, management, or control of any investment adviser, broker-
20 dealer, or commodity adviser, or accept full responsibility for its actions. Petitioner was found, among
21 other things, to have misrepresented in its investment adviser application submitted to the
22 Commissioner on July 16, 2014, that no disciplinary action had been taken by a regulator against the
23 company in the past. This repeats the behavior for which Petitioner was previously disciplined,
24 making false statements to the Commissioner. The petition does not appear to address the bar order.

25 3. Petitioner continues to demonstrate contempt for the regulations that govern broker-
26 dealers and investment advisers. Petitioner's decision in its July 16, 2014, investment adviser
27 application to make false statements to the Commissioner after its broker-dealer certificate was
28 revoked in 2011 for making untrue statements of material fact to the Commissioner demonstrated a

1 gross disregard for the laws regulating broker-dealers and investment advisers in this state.

2 4. Petitioner shows further contempt because Petitioner has not complied with the order
3 barring it from investment adviser or broker-dealer activity, as first evidenced by Petitioner filing a
4 Form ADV with the Securities and Exchange Commission through the Investment Adviser
5 Registration Depository to claim a federal exemption from investment adviser licensure requirements
6 on or about November 11, 2016. This Form ADV, and ones filed on March 28, 2017, March 26, 2019,
7 and March 30, 2019, reported that Petitioner was an adviser to four venture capital funds holding gross
8 assets valued at \$400,000. Such activity is a violation of the bar order. The Form ADV filed on March
9 30, 2019, also reported that it was actively engaged in business as a broker-dealer, itself a violation of
10 the bar order. This activity has caused the Commissioner to seek a judicial injunction permanently
11 enjoining Petitioner and its control person, Felix Enukezie Ajegbo, from engaging in unlicensed and
12 prohibited broker-dealer and investment adviser activity.

13 5. Petitioner submitted no evidence of rehabilitation. The petition, in fact, seeks to
14 relitigate several administrative decisions by various states and by the Financial Industry Regulatory
15 Authority (FINRA) that were finally decided against it many years ago. No weight can be given to the
16 arguments and exhibits offered; they are irrelevant to the request for reinstatement.

17 6. Petitioner's capacity to do business in California was forfeited by the California
18 Franchise Tax Board on or about May 1, 2013. While Petitioner claims it is seeking to revive its
19 corporate status in California, it has been doing so at least since the Commissioner issued its bar order
20 effective January 11, 2016. Petitioner's corporate status remains forfeited to this day.

21 7. Finally, Petitioner was expelled from membership in FINRA on or about July 20, 2012,
22 and it remains expelled to this day.

23 WHEREFORE, IT IS ORDERED that the Petition be denied.

24 Dated: October 21, 2020
25 Sacramento, California

MANUEL P. ALVAREZ
Commissioner of Financial Protection
and Innovation

27 By: Mary Ann Smith
28 Deputy Commissioner
Enforcement Division