

1 **STATE OF CALIFORNIA**
2 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
3 **DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION**

4 TO: Focal Point Capital Management, LLC
5 Focal Point Financial Group, Inc.
6 Alfred K. Chan
7 1633 Bayshore Hwy, Suite 333
8 Burlingame, CA 94010
9

10 **DESIST AND REFRAIN ORDER**

11 **(For violations of sections 25235 and 25401 of the Corporations Code)**

12 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

13 1. At all relevant times, Focal Point Capital Management, LLC (CRD # 277160) was a
14 California limited liability company located at 1633 Bayshore Hwy, Suite 333, Burlingame,
15 California 94010. Focal Point Capital Management, LLC was an investment adviser registered with
16 the Commissioner.

17 2. At all relevant times, Focal Point Financial Group, Inc. was a California corporation
18 located at 1633 Bayshore Hwy, Suite 333, Burlingame, California 94010.

19 3. At all relevant times, Alfred K. Chan (Alfred Chan) (CRD # 4473594) was a control
20 person, manager and investment adviser representation of Focal Point Capital Management, LLC.
21 Also, Alfred Chan was a control person, director, and chief executive officer of Focal Point Financial
22 Group, Inc.

23 4. Beginning in at least March 2019, Focal Point Capital Management, LLC, Focal Point
24 Financial Group, Inc. and Alfred Chan offered or sold securities, in the form of investment contracts
25 which purported to be interests in a pooled investment vehicle called GPB Income Investment, in
26 California.

27 5. In connection with the offers and sales of securities, Focal Point Capital Management,
28 LLC, Focal Point Financial Group, Inc. and Alfred Chan represented to members of the public,

1 including investment advisory clients, that the GPB Income Investment was managed by GPB
2 Capital Holdings, LLC and that investor funds would be invested in GPB Income Investment. In fact,
3 investor funds given to Focal Point Capital Management, LLC, Focal Point Financial Group, Inc. and
4 Alfred Chan for the purpose of investing in GPB Income Investment were not invested in the GPB
5 Income Investment which was managed by GPB Capital Holdings, LLC.

6 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
7 or sold by Focal Point Capital Management, LLC, Focal Point Financial Group, Inc. and Alfred Chan
8 were offered or sold in this state by means of written or oral communication which included an
9 untrue statement of a material fact or omitted to state a material fact necessary in order to make the
10 statements made, in the light of the circumstances under which they were made, not misleading, in
11 violation of section 25401 of the Corporate Securities Law of 1968 (Corporations Code section
12 25000 et seq.). Pursuant to section 25532 of the Corporate Securities Law of 1968, Focal Point
13 Capital Management, LLC, Focal Point Financial Group, Inc. and Alfred Chan are hereby ordered to
14 desist and refrain from offering or selling or buying or offering to buy any security in the State of
15 California, including but not limited to investment contracts, by means of any written or oral
16 communication which includes an untrue statement of a material fact or omits to state a material fact
17 necessary in order to make the statement made, in light of the circumstances under which they were
18 made, not misleading.

19 Further, the Commissioner is of the opinion that Focal Point Capital Management, LLC and
20 Alfred Chan employed a device, scheme, or artifice to defraud investment advisory clients, engaged
21 in a transaction, practice, or course of business which operates as a fraud or deceit upon clients, or
22 engaged in an act, practice, or course of business which is fraudulent, deceptive, or manipulative in
23 violation of section 25235 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the
24 Corporate Securities Law of 1968, Focal Point Capital Management, LLC and Alfred Chan are
25 hereby ordered to desist and refrain from employing a device, scheme, or artifice to defraud
26 investment advisory clients, engaging in a transaction, practice, or course of business which operates
27 as a fraud or deceit upon clients, or engaging in an act, practice, or course of business which is
28 fraudulent, deceptive, or manipulative.

1 Pursuant to section 25403 of the Corporate Securities Law of 1968, any person who controls
2 or induces another person to violate a provision of the Corporations Securities Law of 1968, or any
3 person who provides substantial assistance to another person in the violation of the Corporations
4 Securities Law of 1968, shall be liable for the violation.

5 This Order is necessary, in the public interest, for the protection of investors and consistent
6 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

7 Dated: October 20, 2020
8 Sacramento, California

MANUEL P. ALVAREZ
Commissioner of Financial Protection and Innovation

9 By: _____
10 MARY ANN SMITH
11 Deputy Commissioner
12 Enforcement Division
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