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Deputy Commissioner
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Attorneys for Complainant

BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
OF THE STATE OF CALIFORNIA

In the Matter of:)	FILE NO.: Exam-8033
)	
THE COMMISSIONER OF FINANCIAL)	
PROTECTION AND INNOVATION,)	STATEMENT OF ISSUES TO BAR
)	STEFANIE SHACKELFORD A.K.A.
Complainant,)	STEPHANIE SHACKELFORD FROM ANY
v.)	POSITION OF EMPLOYMENT,
)	MANAGEMENT OR CONTROL OF ANY
STEFANIE SHACKELFORD A.K.A.)	INVESTMENT ADVISER, BROKER-
STEPHANIE SHACKELFORD,)	DEALER OR COMMODITY ADVISER
)	(CORPORATIONS CODE SECTION 25232.1)
Respondent.)	
)	
)	

Manuel P. Alvarez, the Commissioner of Financial Protection and Innovation
(Commissioner), is informed and believes, and based on such information and belief, alleges and
charges Respondent Stefanie Shackelford also known as Stephanie Shackelford (Shackelford) as
follows:

I.

Jurisdiction

1. The Commissioner is authorized to administer and enforce the provisions of the

1 Corporate Securities Law of 1968 (Corporations Code section 25000 et seq.) and the
2 regulations promulgated thereunder at Title 10, California Code of Regulations (CCR).

3 2. The Commissioner brings this action to bar Nancy Shackelford (Shackelford) from
4 any position of employment, management or control of any investment adviser, broker-dealer or
5 commodity adviser under Corporations Code section 25232.1 because Shackelford violated section
6 25238 of the Corporations Code and CCR 260.238 by borrowing money from one of her employer's
7 clients.

8 II.

9 Statement of Facts

10 3. From December 30, 2016 through October 30, 2018, Shackelford was employed by
11 Meyers Financial Services, Inc. (Meyers Financial). Meyers Financial is an investment adviser entity
12 registered with the Department of Financial Protection and Innovation (Department), formerly known
13 as the Department of Business Oversight¹, since January 1, 2006. Lillian Meyers (L. Meyers) is the
14 owner and investment adviser representative of Meyers Financial.

15 4. Shackelford was employed by Meyers Financial and L. Meyers in an administrative
16 position, providing assistance, including secretarial duties and event planning, to Meyers Financial
17 and L. Meyers. Shackelford, as an employee of Meyers Financial, had access to and was aware of the
18 firm's clients' financial accounts and amounts held therein as a part of the confidential information
19 held by Meyers Financial.

20 5. On August 22, 2018, the Department conducted a regulatory examination (2018
21 Exam) of Meyers Financial at its principal place of business located at 670 West Napa Street, Suite
22 C, Sonoma, California. During the 2018 Exam, the Department found that Shackelford, while an
23 employee of Meyers Financial, convinced one of the firm's clients (the Client) to lend her money on
24 two occasions – \$30,000.00 in April of 2018 and \$480,000.00 in August of 2018, amounting to a
25 total of \$510,000.00, as discussed in more detail below. Shackelford, while an employee of Meyers
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28 ¹ As of September 30, 2020, the Department of Business Oversight has been renamed the Department of Financial Protection and Innovation pursuant to AB No. 107. All references in law to the Department of Business Oversight is to be a reference to the Department of Financial Protection and Innovation.

1 Financial and having access to the confidential information held by Meyers Financial, was aware of
2 the Client's financial accounts and the amounts held in those financial accounts.

3 6. In April of 2018, Shackelford, while an employee of Meyers Financial, went to the
4 Client's home and told the Client that she needed money because she had a loan on her home and she
5 could not make the payments anymore. Shackelford persuaded the Client to lend her \$30,000.00 at 3-
6 percent interest, with monthly payments of \$90.00 until the principal and interest were paid in full,
7 commencing on the first day of May 2018. Shackelford memorialized the loan arrangement by
8 executing a written promissory note (Promissory Note).

9 7. On April 20, 2018, Shackelford received the \$30,000.00 loan by check, drawn from
10 the Client's Bank of America account.

11 8. In August of 2018, Shackelford, while an employee of Meyers Financial, again asked
12 to borrow money from the Client so that she could pay an existing hard money loan which she had
13 taken out in March 2017 secured by her personal residence located at 17600 Sunset Way, Sonoma,
14 California. Shackelford told the Client that the interest rate on her existing loan was too high. In light
15 of the loan request from Shackelford and Shackelford's influence, the Client withdrew all of his
16 funds from Meyers Financial and invested it with Morgan Stanley in order to obtain a loan. The loan
17 obtained by the Client from Morgan Stanley was subsequently lent to Shackelford. Moreover, prior to
18 withdrawing his funds from Meyers Financial, Shackelford persuaded the Client to tell L. Meyers
19 that he was withdrawing his money from Meyers Financial to help a friend who lost her home in a
20 fire when in fact, the Client invested his money with another investment firm, Morgan Stanley, to
21 obtain a loan so that he could lend the funds needed by Shackelford.

22 9. On or about August 28, 2019, the Client gave Shackelford a second loan for
23 \$480,000.00 as reflected by the check he provided to Shackelford.

24 10. On or about November 30, 2018, a few months after Shackelford received the second
25 loan from the Client, Shackelford executed the Installment Note (Interest Only Payments) to
26 memorialize the \$480,000.00 loan. The loan carried a 3.99-percent interest rate, beginning August 24,
27 2018, payable monthly in interest only payments on the 24th day of each month, commencing
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1 September 24, 2018 and monthly thereafter until August 24, 2021, at which time the entire unpaid
2 balance of principal and interest would be due and payable.

3 11. On March 14, 2019, the Client filed a civil action against Meyers Financial, L. Meyers
4 and Shackelford in Sonoma County Superior Court, Case No. SCV-264114. The allegations included
5 Shackelford's breach of contract, breach of fiduciary duties and financial elder abuse. L. Meyers and
6 Meyers Financial were dismissed from the lawsuit on August 6, 2019.

7 III.

8 **Respondent Shackelford Should Be Barred from Any Position of Employment, Management** 9 **Or Control of Any Investment Adviser, Broker-Dealer Or Commodity Adviser**

10 12. Corporations Code section 25232.1 provides, in pertinent part:

11 The commissioner may, after appropriate notice and opportunity for
12 hearing ... bar from any position of employment, management or
13 control of any investment adviser, broker-dealer or commodity adviser,
14 any officer, director, partner, employee of, or person performing similar
15 functions for, an investment adviser, or any other person, if he or she
16 finds that the censure, suspension or bar is in the public interest and
17 that the person has committed any act or omission enumerated in
18 subdivision (a), (e), (f), or (g) of Section 25232 ... or is subject to any
19 order specified in subdivision (d) of Section 25232.

20 13. Corporations Code section 25232, subdivision (e) provides, in pertinent part:

21 Has willfully violated any provision of the Securities Act of 1933, the
22 Securities Exchange Act of 1934, the Investment Advisers Act of 1940,
23 the Investment Company Act of 1940, the Commodity Exchange Act,
24 or Title 4 (commencing with Section 25000), including the Franchise
25 Investment Law, Division 5 (commencing with Section 31000), or the
26 California Commodity Law of 1990, Division 4.5 (commencing with
27 Section 29500), or of any rule or regulation under any of those statutes,
28 or any order of the commissioner which is or has been necessary for the
protection of any investor.

14. Corporations Code section 25238 provides:

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

1 commissioner may prescribe designed to promote fair, equitable and
2 ethical principles.

3 15. California Code of Regulations section 260.238 provides, in pertinent part:
4 The following activities do not promote “fair, equitable or ethical
5 principles,” as that phrase is used in Section 25238 of the Code:

6 (f) Borrowing money or securities from a client unless the client is a
7 broker-dealer, an affiliate of the adviser, or a financial institution
8 engaged in the business of loaning funds or securities.

9 16. As discussed in Paragraph 4 above, Shackelford was employed in an administrative
10 position at Meyers Financial where she had access to the firm’s clients’ confidential information,
11 including their financial status.

12 17. As discussed in Paragraphs 5 through 10, Shackelford, while an employee of Meyers
13 Financial, convinced the Client to lend her money on two occasions – \$30,000.00 in April of 2018
14 and \$480,000.00 in August of 2018, amounting to a total of \$510,000.00. As to the second loan
15 obtained from the Client, Shackelford even convinced the Client to lie to L. Meyers, her employer, as
16 to why he withdrew all of his funds from Meyers Financial.

17 18. Shackelford, as an employee of Meyers Financial, violated CCR section 260.238,
18 subdivision (f), by borrowing money from the Client as it does not promote “fair, equitable or ethical
19 principles,” as used in section 25238 of the Corporations Code.

20 **IV.**

21 **Relief Requested**

22 WHEREFORE, based upon the foregoing, the Commissioner finds it is in the public interest
23 to bar Stefanie Shackelford a.k.a. Stephanie Shackelford from any position of employment,
24 management or control of any investment adviser, broker-dealer or commodity adviser under

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1 Corporations Code section 25232.1, for violations of section 25232, subdivision (e) for engaging in
2 activities that do not promote “fair, equitable or ethical principles.”

3 Dated: November 2, 2020
4 Los Angeles, California

MANUEL P. ALVAREZ
Commissioner of Financial Protection and Innovation

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7 By: _____
8 MARLOU de LUNA
9 Senior Counsel
10 Enforcement Division
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