

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 DANIELLE A. STOUMBOS (State Bar No. 264784)
Senior Counsel
4 Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
5 Los Angeles, California 90013
Telephone: (213) 503-2046
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

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

11 In the Matter of:)
12 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,)
13 Complainant,) CONSENT ORDER
14 v.)
15 ORANGE COAST WINERY, LLC now)
known as WINESTEAD LLC (a California)
16 limited liability company) and DOUGLAS)
GARY WIENS (an individual))
17 Respondent.)
18

19
20 This Consent Order is entered into between the Commissioner of Financial Protection and
21 Innovation (Commissioner) and Winestead LLC (Winestead) (formerly known as Orange Coast
22 Winery, LLC) and Douglas Gary Wiens (Wiens) (collectively the Parties) and is made with respect
23 to the following facts:

24 I.

25 Recitals

26 A. The Commissioner is the head of the Department of Financial Protection and
27 Innovation (formerly the Department of Business Oversight) and has jurisdiction over the offer and
28 sale of securities in California under the Corporate Securities Law of 1968 (CSL) (Corp. Code, §

1 25000 et seq.).

2 B. Orange Coast Winery LLC (Orange Coast) (now known as Winestead LLC) is a
3 California limited liability company formed on December 20, 2012 and is authorized to conduct
4 business in California. On March 18, 2019, Orange Coast amended its corporate name from Orange
5 Coast to Winestead LLC. At all relevant times, Orange Coast and Winestead’s principal business
6 address was 24683 Washington Avenue, Murrieta, California 92562.

7 C. Douglas Wiens is Winestead’s owner and a managing member and was Orange
8 Coast’s owner and managing member at all relevant times.

9 D. In 2001, Wiens filed a petition for Chapter 7 bankruptcy, and his debts were
10 subsequently discharged (the Bankruptcy Action).

11 E. From 2015 through 2019, Orange Coast and Wiens offered and sold securities in
12 California in the form of LLC membership agreements.

13 F. The Commissioner finds that LLC members were not actively engaged in Orange
14 Coast or Winestead’s management. Therefore, the LLC membership interests were securities under
15 Corporations Code section 25019.

16 G. The Commissioner finds that in connection with the offers and sales of securities,
17 Orange Coast, now known as Winestead, and Wiens failed to disclose Wien’s Bankruptcy Action to
18 potential investors in violation of Corporations Code section 25401.

19 H. NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions
20 set forth herein, the Parties agree as follows:

21 **II.**

22 **Terms and Conditions**

23 1. Purpose. This Consent Order resolves the issues before the Commissioner [findings
24 in paragraph G above] in a manner that avoids the expense of a hearing and other possible court
25 proceedings, protects consumers, is in the public interest, and is consistent with the purposes and
26 provisions of the applicable law.

27 ///

28 ///

1 2. Desist and Refrain Order. Pursuant to Corporations Code section 25532 Orange
2 Coast, now known as Winestead, and Wiens are hereby ordered to desist and refrain from the
3 violations set forth herein, in violation of Corporations Code section 25401.

4 3. Penalty. Winestead and Wiens shall jointly and severally pay a \$1,000.00 penalty for
5 the violations discussed herein. The Commissioner acknowledges receipt of payment of the penalty
6 contemporaneous with the execution of this Consent Order.

7 4. Waiver of Hearing Rights. Winestead and Wiens acknowledge that the
8 Commissioner is ready, willing, and able to proceed with the filing of an administrative enforcement
9 action on the charges contained in this Consent Order. Winestead and Wiens hereby waive the right
10 to any hearings, and to any reconsideration, appeal, or other right to review which may be afforded
11 pursuant to the CSL, the California Administrative Procedure Act, the California Code of Civil
12 Procedure, or any other provision of law. Winestead and Wiens further expressly waive any
13 requirement for the filing of an Accusation pursuant to Government Code section 11415.60,
14 subdivision (b). By waiving such rights, Winestead and Wiens effectively consent to this Consent
15 Order and the Desist and Refrain Order becoming final.

16 5. Failure to Comply with Consent Order. Winestead and Wiens agree that if they fail
17 to comply with the terms of this Consent Order, the Commissioner may, in addition to all other
18 available remedies it may invoke under the CSL, summarily suspend/revoke its CSL registration (if
19 applicable) or deny CSL applications (if applicable) until Winestead and Wiens are in compliance.
20 Winestead and Wiens waive any notice and hearing rights to contest such summary suspensions
21 which may be afforded under the CSL, the California Administrative Procedure Act, the California
22 Code of Civil Procedure, or any other provision of law in connection therewith.

23 6. Information Willfully Withheld or Misrepresented. This Consent Order may be
24 revoked, and the Commissioner may pursue any and all remedies available under law against
25 Winestead and Wiens if the Commissioner discovers that Winestead or Wiens knowingly or
26 willfully withheld or misrepresented information used for and relied upon in this Consent Order.

27 7. Future Actions by Commissioner. If Winestead or Wiens fail to comply with any
28 terms of the Consent Order, the Commissioner may institute proceedings for any and all violations

1 otherwise resolved under this Consent Order. The Commissioner reserves the right to bring any
2 future actions against Winestead, or any of its partners, owners, officers, shareholders, directors,
3 employees or successors or Wiens for any and all unknown violations of the CSL.

4 8. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s
5 ability to assist any other government agency (whether city, county, state, or federal) with any
6 administrative, civil or criminal action brought by that agency against Winestead or Wiens or any
7 other person based upon any of the activities alleged in this matter or otherwise.

8 9. Headings. The headings to the paragraphs of this Consent Order are inserted for
9 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
10 the provisions hereof.

11 10. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
12 interest.

13 11. Reliance. Each of the Parties represents, warrants, and agrees that in executing this
14 Consent Order it has relied solely on the statements set forth herein and the advice of its own
15 counsel. Each of the Parties further represents, warrants, and agrees that in executing this Consent
16 Order it has placed no reliance on any statement, representation, or promise of any other party, or
17 any other person or entity not expressly set forth herein, or upon the failure of any party or any
18 other person or entity to make any statement, representation or disclosure of anything whatsoever.
19 The Parties have included this clause: (1) to preclude any claim that any party was in any way
20 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
21 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

22 12. Waiver, Amendments, and Modifications. No waiver, amendment, or modification
23 of this Consent Order will be valid or binding unless it is in writing and signed by each of the
24 Parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any
25 other provision. No waiver by either party of any breach of, or of compliance with, any condition
26 or provision of this Consent Order by the other party will be considered a waiver of any other
27 condition or provision or of the same condition or provision at another time.

28 ///

1 13. Full Integration. This Consent Order is the final written expression and the complete
2 and exclusive statement of all the agreements, conditions, promises, representations, and covenant
3 between the Parties with respect to the subject matter hereof, and supersedes all prior or
4 contemporaneous agreements, negotiations, representations, understandings, and discussions
5 between and among the Parties, their respective representatives, and any other person or entity with
6 respect to the subject matter covered hereby.

7 14. Governing Law. This Consent Order will be governed by and construed in
8 accordance with California law. Each of the Parties hereto consents to the jurisdiction of such court,
9 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient
10 forum to the maintenance of such action or proceeding in such court.

11 15. Counterparts. This Consent Order may be executed in one or more separate
12 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
13 together constitute a single document.

14 16. Effect Upon Future Proceedings. If Winestead or Wiens apply for any license,
15 registration, permit, or qualification under the Commissioner’s current or future jurisdiction, or is
16 the subject of any future action by the Commissioner to enforce this Consent Order, then the subject
17 matter hereof shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

18 17. Voluntary Agreement. Winestead and Wiens enter into this Consent Order
19 voluntarily and without coercion and acknowledges that no promises, threats or assurances have
20 been made by the Commissioner or any officer, or agent thereof, about this Consent Order. The
21 parties each represent and acknowledge that he, she or it is executing this Consent Order completely
22 voluntarily and without any duress or undue influence of any kind from any source.

23 18. Notice. Any notice required under this Consent Order shall be provided to each
24 party at the following addresses:

25 To Winestead or Wiens:

Charles E. Purdy IV
Counsel for Winestead and Wiens
Purdy & Bailey, LLP
12520 High Bluff Drive, Suite 220
San Diego, California 92130
Cpurdy@purdybailey.com

To the Commissioner:

Danielle A. Stoumbos, Senior Counsel
Department of Financial Protection and
Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
Danielle.Stoumbos@dfpi.ca.gov

19. Signatures. A fax or electronic mail signature shall be deemed the same as an original signature.

20. Public Record. Winestead and Wiens hereby acknowledge that this Consent Order is and will be a matter of public record.

21. Effective Date. This Consent Order shall become final and effective when signed by all Parties and delivered by the Commissioner’s agent via e-mail to Winestead and Wien’s counsel, Charles E. Purdy IV at Cpurdy@purdybailey.com.

22. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Consent Order and undertake the obligations set forth herein.

Dated: November 16, 2020

MANUEL P. ALVAREZ
Commissioner of Financial Protection and Innovation

By: _____
MARY ANN SMITH
Deputy Commissioner

Dated: October 19, 2020

ORANGE COAST WINERY LLC, now known as
WINESTEAD LLC

By: _____
DOUGLAS GARY WIENS
As an Owner and Managing Member and
as an Individual