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7 Attorneys for Complainant

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

10
11 In the Matter of:)
) CRD NOS.: 159860, 291149, 1954676
12 THE COMMISSIONER OF FINANCIAL)
13 PROTECTION AND INNOVATION,)
)
14 Complainant,) CONSENT ORDER
)
15 v.)
)
16)
17 EQUANIMITY CAPITAL MANAGEMENT,)
18 LLC, CHRISTOPHER TODD CASHMAN,)
)
19 Respondents.)
)
20)

21 This Consent Order is entered into between the Commissioner of Financial Protection and
22 Innovation (Commissioner) and Equanimity Capital Management, LLC and Christopher Todd
23 Cashman (the Respondents) (collectively, the Parties) and is made with respect to the following
24 facts:

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I.

Recitals

A. The Commissioner is the head of the Department of Financial Protection (Department) and is responsible for the licensing and regulation of any person engaged in the business of investment advising under the Corporate Securities Law of 1968 (CSL) (Corporations Code section 25000 et seq.).

B. At all relevant times, Equanimity Capital Management, LLC (Equanimity) was a California limited liability company and had its place of business at 22015 Crespi Street, Woodland Hills, California 91364 and was an investment adviser registered through the Central Registration Depository¹ (CRD) with the assigned number 159860. On March 13, 2012, the Commissioner issued an investment adviser certificate to Equanimity.

C. At all relevant times, Christopher Todd Cashman (Cashman) was an investment adviser representative, with the assigned CRD number 1954676, and was the managing member and 100-percent owner of Equanimity.

D. On February 6, 2015, the Commissioner summarily revoked the investment adviser certificate of Equanimity, CRD number 159860, for failing to pay its renewal fee as required by Corporations Code section 25608, subdivision (q)(1). The Commissioner served the Summary Revocation Order by certified mail return receipt to Equanimity’s address on file.

E. On November 17, 2017, Equanimity reapplied for an investment adviser certificate with the Department under CRD number 291149 and listed its place of business at 3974 Tarrytown Lane, Agoura Hills, California 91301.

F. Investment Adviser Registration Depository² (IARD) showed that from March 13, 2012 through February 6, 2015, Equanimity was a registered investment adviser assigned with CRD number 159860. IARD showed Equanimity did not have any existing or previous registrations with

¹ Central Registration Depository (CRD) is a licensing and registration system for the U.S. securities industry and regulators. CRD system contains the registration records, qualification, employment, and disclosure histories of active registered individuals. CRD system facilitates the processing and payment of registration-related fees such as form filings, fingerprint submissions, qualification exams, and continuing education sessions.

² Investment Adviser Registration Depository (IARD) is an electronic system that facilitates investment adviser registration, exempt reporting adviser filing, regulatory review, and the public disclosure information of registered investment firms and individuals with the U.S. Securities Exchange Commission and state regulators.

1 CRD number 291149.

2 G. According to Equanimity’s initial filing, Form ADV Part 1A (Item 5.F.(2)) showed
3 that Equanimity had a total of \$3,000,000 of regulatory assets under management for twelve
4 accounts. In addition, Form ADV Part 2B (Item 2) stated that Cashman has been the Managing
5 Director of Equanimity since 2011.

6 H. From February 2017 through September 2017, the Respondents engaged in
7 unlicensed investment adviser activity, in violation of California Corporations Code section 25230,
8 subdivision (a).

9 I. Based upon the foregoing, the Commissioner finds that the Respondents conducted
10 business as an investment adviser in this state without first securing from the Commissioner a
11 certificate, authorizing them to do so, in violation of section 25230 of the CSL.

12 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
13 forth herein, the Parties agree as follows:

14 **II.**

15 **Terms and Conditions**

16 1. Purpose. This Consent Order resolves the issues before the Commissioner set forth
17 in paragraphs A through I, above, in a manner that avoids the expense of a hearing and other
18 possible court proceedings, protects consumers, is in the public interest, and is consistent with the
19 purposes, and provisions of the CSL.

20 2. Final Desist and Refrain Order. Pursuant to Corporations Code section 25532,
21 Equanimity Capital Management, LLC and Christopher Todd Cashman are hereby ordered to desist
22 and refrain from acting as an investment adviser in the State of California unless and until they have
23 first applied for and secured from the Commissioner a certificate authorizing them to act as an
24 investment adviser, or unless exempt, in violation of Corporations Code section 25230. This desist
25 and refrain order is final and effective from the Effective Date of this Consent Order, as defined in
26 paragraph 26 (Effective Date).

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1 3. Financial Hardship. Equanimity Capital Management, LLC and Christopher Todd
2 Cashman have submitted a notarized Declaration of Financial Hardship, signed under penalty of
3 perjury to Vanessa T. Lu, Counsel, by email at: Vanessa.Lu@dfpi.ca.gov.

4 4. Statement of Financial Information. Christopher Todd Cashman has submitted a
5 notarized Statement of Financial Information signed under penalty of perjury and his 2019 tax
6 returns to Vanessa T. Lu, Counsel, by email at: Vanessa.Lu@dfpi.ca.gov.

7 5. Client Letters. Equanimity Capital Management, LLC and Christopher Todd
8 Cashman have sent letters approved by the Department to Equanimity’s former clients that
9 Respondents engaged in unlicensed investment adviser activity in violation of California
10 Corporations Code section 25230, subdivision a, from February 2017 through September 2017 and
11 offered each client a refund of the advisory fees paid during the above-referenced eight-month
12 period.

13 6. Proof of Client Waivers. Equanimity Capital Management, LLC and Christopher
14 Todd Cashman have submitted proof of client waivers to Vanessa T. Lu, Counsel, by email at:
15 Vanessa.Lu@dfpi.ca.gov. These client waivers were approved by the Department and the former
16 clients waived refund of their advisory fees paid from February 2017 through September 2017.

17 7. Proof of Reimbursement to C.N. Within 30 days from the Effective Date of this
18 Consent Order, Equanimity Capital Management, LLC and Christopher Todd Cashman are hereby
19 ordered to send via U.S mail, a refund of \$136.38 to former client C.N. and a copy of the cancelled
20 check of \$136.38 sent to the Commissioner. Notice of the payment must be concurrently sent to
21 Vanessa T. Lu, Counsel, by email at: Vanessa.Lu@dfpi.ca.gov.

22 8. Proof of Reimbursement to S.J. Within 30 days from the Effective Date of this
23 Consent Order, Equanimity Capital Management, LLC and Christopher Todd Cashman are hereby
24 ordered to send via U.S mail, a refund of \$899.12 to former client S.J. and a copy of the cancelled
25 check of \$899.12 sent to the Commissioner. Notice of the payment must be concurrently sent to
26 Vanessa T. Lu, Counsel, by email at: Vanessa.Lu@dfpi.ca.gov.

27 9. Application Withdrawal. Within 30 days from the Effective Date of this Consent
28 Order, Equanimity Capital Management, LLC shall file a completed ADV-W form electronically on

1 IARD in order to withdraw its November 17, 2017 investment adviser application with the
2 Commissioner.

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

12 11. Full and Final Settlement. The Parties hereby acknowledge and agree that this
13 Consent Order is intended to constitute a full, final, and complete resolution of the violations and
14 Desist and Refrain Order as identified herein. No further proceedings or actions will be brought by
15 the Commissioner in connection with these matters under the CSL, or any other provision of law,
16 excepting therefrom any proceeding to enforce compliance with the terms of this Consent Order.

17 12. Failure to Comply with Consent Order. The Respondents agree that if they fail to
18 comply with any terms of this Consent Order or the Desist and Refrain Order, the Commissioner
19 may, summarily suspend/revoke any of the Respondents' CSL licenses or certificates and/or deny
20 any pending license or certificate applications of the Respondents and/or their respective affiliates,
21 successors, and assigns, by whatever names they might be known, in addition to all other available
22 remedies it may invoke under the CSL. The Respondents waive any notice and hearing rights to
23 contest such summary suspensions, revocation or denial which may be afforded under the CSL, the
24 California Administrative Procedure Act, the California Code of Civil Procedure, or any other
25 provision of law in connection therewith.

26 13. Information Willfully Withheld. The Consent Order may be revoked and the
27 Commissioner may pursue any and all remedies available under law against the Respondents if the
28 Commissioner discovers that the Respondents knowingly or willfully withheld or misrepresented

1 information used for and relied upon in this Consent Order.

2 14. Future Actions by Commissioner. If the Respondents fail to comply with any terms
3 of the Consent Order or violate the Desist and Refrain Order, they agree that the facts in this Consent
4 Order and Desist and Refrain Order are admitted for the purpose of proving a violation of this
5 Consent Order and Desist and Refrain Order. The Respondents further agree that the Commissioner
6 may institute proceedings for any and all violations otherwise unresolved under this Consent Order.
7 The Commissioner reserves the right to bring any future actions against the Respondents, or any of
8 their partners, owners, officers, shareholders, directors, employees, or successors for any and all
9 unknown violations of the CSL.

10 15. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s
11 ability to assist a government agency (whether city, county, state, or federal) with any
12 administrative, civil or criminal action brought by that agency against the Respondents or any other
13 person based upon any of the activities alleged in this matter or otherwise.

14 16. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that
15 he, she, or it has received independent advice from its attorney(s) or representative(s) with respect to
16 the advisability of executing the Consent Order.

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

20 18. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
21 interest.

22 19. Reliance. Each of the Parties represents, warrants, and agrees that in executing this
23 Consent Order it has relied solely on the statements set forth herein and the advice of its own
24 counsel. Each of the Parties further represents, warrants, and agrees that in executing this Consent
25 Order it has placed no reliance on any statement, representation, or promise of any other party, or
26 any other person or entity not expressly set forth herein, or upon the failure of any party or any other
27 person or entity to make any statement, representation or disclosure of anything whatsoever. The
28 Parties have included this clause: (1) to preclude any claim that any party was in any way

1 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
2 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

3 20. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
4 this Consent Order will be valid or binding unless it is in writing and signed by each of the Parties.
5 The waiver of any provision of this Consent Order will not be deemed a waiver of any other
6 provision. No waiver by either party of any breach of, or of compliance with, any condition or
7 provision of this Consent Order by the other party will be considered a waiver of any other condition
8 or provision or of the same condition or provision at another time.

9 21. Full Integration. This Consent Order is the final written expression and the complete
10 and exclusive statement of all the agreements, conditions, promises, representations, and covenant
11 between the Parties with respect to the subject matter hereof, and supersedes all prior or
12 contemporaneous agreements, negotiations, representations, understandings, and discussions
13 between and among the parties, their respective representatives, and any other person or entity, with
14 respect to the subject matter covered hereby.

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

19 23. Counterparts. This Consent Order may be executed in one or more separate
20 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
21 together constitute a single document.

22 24. Effect Upon Future Proceedings. If the Respondents apply for any license, permit or
23 qualification under the Commissioner's current or future jurisdiction, or are the subject of any future
24 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
25 admitted for the purpose of such application(s) or enforcement proceeding(s).

26 25. Voluntary Agreement. The Respondents enter into this Consent Order voluntarily
27 and without coercion and acknowledges that no promises, threats, or assurances have been made by
28 the Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each

1 represent and acknowledge that he, she, or it is executing this Consent Order completely voluntarily
2 and without any duress or undue influence of any kind from any source.

3 26. Notice. Any notices required under the Consent Order shall be provided to each party
4 at the following addresses:

5 To Respondents: Equanimity Capital Management, LLC and
6 Christopher Todd Cashman
7 James E. Grand, Esq.
8 The Securities Law Group
9 74900 US Highway 111, Ste. 124
10 Indian Wells, CA 92210
11 jgrand@tslg-law.com

12 To the Commissioner: Vanessa T. Lu, Counsel
13 Department of Financial Protection and Innovation
14 1455 Frazee Road, Suite 315
15 San Diego, CA 92108
16 Vanessa.Lu@dfpi.ca.gov

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

19 28. Public Record. The Respondents hereby acknowledge that this Consent Order is and
20 will be a matter of public record.

21 29. Effective Date. This Consent Order shall become final and effective when signed by
22 all parties and delivered by the Commissioner’s counsel via e-mail to James E. Grand at
23 jgrand@tslg-law.com.

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

27 Dated: February 16, 2021

MANUEL P. ALVAREZ
Commissioner of Financial Protection and Innovation

28 By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

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Dated: February 13, 2021

EQUANIMITY CAPITAL MANAGEMENT, LLC
AND CHRISTOPHER TODD CASHMAN

By: _____
CHRISTOPHER TODD CASHMAN,
individually and as the Managing Member of
Equanimity Capital Management, LLC

Dated: February 14, 2021

Approved as to Form and Content:

By: _____
JAMES E. GRAND, ESQ.
The Securities Law Group, LLC
Counsel for Respondents Equanimity Capital
Management, LLC and Christopher Todd Cashman