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

11
12 In the Matter of:) CRD NO.: 299647 and 6476261
13 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,) ORDER REVOKING INVESTMENT
14) ADVISER CERTIFICATES OF NASH
Complainant,) FINANCIAL SERVICES, LLC AND ADAM
15) JEFFREY NASH
v.) (Corp. Code, §§ 25232, 25233)
16)
17 NASH FINANCIAL SERVICES, LLC and)
ADAM JEFFREY NASH,)
18)
Respondent.)
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20 TO: Adam Jeffrey Nash Adam Jeffrey Nash
3625 Turner Drive 1075 N. McCue Street
21 North Highlands, California 95660 Laramie, WY 82072

22 The Commissioner of Financial Protection and Innovation (Commissioner) finds as
23 follows.

- 24 1. The Commissioner is authorized to administer and enforce the provisions of the
25 Corporate Securities Law of 1968 (Corp. Code, § 25000 et seq.) (CSL) and the regulations at title
26 10 of the California Code of Regulations (Cal. Code Regs., tit. 10, § 260.000 et seq.) (CCR).
27 2. The Commissioner has jurisdiction over the licensing and regulation of investment
28 advisers and their representatives under the CSL.

1 3. Nash Financial Services, LLC (Nash Financial) held a valid investment adviser
2 certificate issued by the Commissioner on March 27, 2019, pursuant to CSL section 25230, with
3 Central Registration Depository (CRD) number 299647.

4 4. Nash Financial has or had its principal place of business located at 3625 Turner
5 Drive, North Highlands, California 95660.

6 5. At all relevant times, Adam Nash is and was the owner, Managing Member, and sole
7 investment adviser representative of Nash Financial with CRD number 6476261.

8 6. On May 6, 2020, the Commissioner, by and through the Department's examination
9 unit, commenced a regulatory examination of the books and records of Legacy under the CSL (the
10 2020 regulatory examination or online examination).

11 7. Nash told the Department he didn't have the items required, and asked to reschedule
12 his examination. The Department's examination unit followed up with Nash, requesting records
13 regarding Nash Financial's single client.

14 8. The Department's examination unit followed up with Nash by email on May 11th,
15 May 14th, May and 19th, stating it had not received responsive records or any response to its
16 previous emails and also informed Nash that potential sanctions included suspension or revocation
17 of the investment adviser certificate. On May 20, 2020, the Department's examination unit informed
18 Nash Financial that if no response was received in 10 days, the matter may be referred to its
19 Enforcement Division for administrative action against its investment adviser certificate.

20 9. Nash finally replied on May 31, 2020, stating that the coronavirus impacted his
21 ability to respond. The Department's examination unit then asked Nash for a time and date to
22 reschedule the Regulatory Examination.

23 10. Nash never responded despite the Department's examination unit sending several
24 emails including a final notice, and also a letter to Nash Financial's address of record requesting a
25 response, stating that the letter was the Department's final notice to Nash Financial, and that the
26 investment adviser certificate may be suspended or revoked for failure to comply.

27 11. To date, Nash Financial has not updated its contact information in CRD, provided any
28 response to the Department's numerous attempts for records, or otherwise contacted the Department.

1 Nash Financial has failed to produce all books and records requested by the Department’s
2 examination staff and has failed to submit to the Regulatory Examination.

3 12. Nash Financial also did not pay its annual renewal fee for 2020, which was due by
4 December 31, 2020 pursuant to Corporations Code section 25608, subdivision (q).

5 13. Corporations Code section 25232, provides in pertinent part:

6 The commissioner may, after appropriate notice and opportunity for hearing, . . .
7 revoke the certificate of, an investment adviser, if the commissioner finds that the . . .
8 revocation is in the public interest and that the investment adviser, whether prior or
9 subsequent to becoming such, or any partner, officer or director thereof or any person
10 performing similar functions or any person directly or indirectly controlling the
11 investment adviser, whether prior or subsequent to becoming such, or any employee
12 of the investment adviser while so employed has done any of the following:

13 . . .

14 (h) Has violated any provision of this division or the rules thereunder or, in the case
15 of an applicant only, any similar regulatory scheme of the State of California or a
16 foreign jurisdiction.

17 (Corp. Code, § 25232, subd. (h).)

18 14. CSL section 25241 provides in pertinent part:

19 (a) Every . . . investment adviser licensed under Section 25230 shall make and keep
20 accounts, correspondence, memorandums, papers, books, and other records and shall
21 file financial and other reports as the commissioner by rule requires, subject to the
22 limitations of Section 15(h) of the Securities Exchange Act of 1934 with respect to
23 broker-dealers and Section 222 of the Investment Advisers Act of 1940 with respect
24 to investment advisers.

25 (b) All records so required shall be preserved for the time specified in the rule.

26 (c) All records referred to in this section are subject at any time and from time to time
27 to reasonable periodic, special, or other examinations by the commissioner, within or
28 without this state, as the commissioner deems necessary or appropriate in the public
interest or for the protection of investors.

(Corp. Code, § 25241.)

15 15. CCR section 260.241.3 provides in pertinent part that “Every licensed investment
16 adviser shall make and keep true, accurate and current . . . books and records . . . [that] shall be
17 maintained and preserved in an easily accessible place for a period of not less than five years from
18

1 the end of the fiscal year during which the last entry was made on such record.” (Cal. Code Regs.,
2 tit. 10, § 260.241.3.)

3 16. The Department’s examination unit made numerous attempts to schedule the
4 Regulatory Examination of Nash Financial. Despite these efforts, Nash Financial continued to delay
5 the Regulatory Examination, and has not responded to the Department, after having previously done
6 so via email and phone.

7 17. Nash Financial’s failure to produce all books and records requested by the
8 Department’s examination unit and to submit to the Regulatory Examination constituted violations
9 of CSL section 25241 and CCR section 260.241.3.

10 18. CSL section 25608 provides in pertinent part:

11 (q) (1) Except as provided for in paragraph (2), the fee for filing an application for an
12 investment adviser under Section 25231 is one hundred twenty-five dollars (\$125), and
13 payment of this amount shall keep the certificate, if granted, in effect during the calendar
14 year during which it is granted. Every investment adviser who has secured from the
15 commissioner a certificate shall, in order to keep the certificate in effect for an additional
16 period, pay a renewal fee of one hundred twenty-five dollars (\$125) on or before the 31st day
17 of December.

16 (Corp. Code, § 25608, subd. (q)(1).)

17 19. Nash Financial’s failure to pay the investment adviser certificate annual renewal fee
18 constituted a violation of CSL section 25608.

19 20. The Commissioner finds that, by reason of the foregoing, Nash Financial has violated
20 CSL section 25241 and CCR section 260.2441.3 by failing to respond to the Commissioner’s
21 demand for record and failing to submit to the Regulatory Examination. Nash Financial also violated
22 CSL section 25608 by failing to pay the investment adviser certificate annual renewal fee. Based
23 thereon, grounds exist to revoke the investment adviser certificate issued to Nash Financial.

24 21. On February 3, 2021, the Commissioner issued his notice of intention and accusation
25 to revoke the investment adviser certificates of Nash Financial and Adam Nash (Accusation) based
26 on the violations identified above.

27 22. The Commissioner personally served Adam Nash with the Accusation on August 3,
28 2021. Under Corporations Code section 25233, Nash Financial had 30 days to request a hearing
concerning the Accusation by filing with the Commissioner its notice of defense. The time to receive

1 Nash Financial’s notice of defense has now passed, and Nash Financial failed to file it with the
2 Commissioner within the time required.

3 Therefore, based on the foregoing and good cause appearing, it is hereby ORDERED under
4 Corporations Code section 25232, subdivision (h), that the investment adviser certificates issued to
5 Nash Financial and Adam Nash are revoked. This order is effective immediately.

6 Nash Financial and Adam Nash are further precluded from soliciting or facilitating new
7 business, including for existing clients. This license revocation does not preclude Nash Financial and
8 Adam Nash from engaging in activities necessary to wind down its business, such as liquidating
9 transactions, transferring accounts, forwarding any checks received to the clearing firm, responding
10 to regulatory inquiries, filing Form U5s for investment adviser representatives, and fielding client
11 requests for account servicing or documents, for up to 60 days after the date of this Order.

12 Any winding down of the investment adviser business must be completed by the end of the
13 60-day period, after which Nash Financial and Adam Nash are not permitted to engage in any further
14 investment adviser activities.

15 Dated: September 21, 2021

CHRISTOPHER S. SHULTZ
Acting Commissioner of Financial Protection and Innovation



17 By: _____
18 MARY ANN SMITH
19 Deputy Commissioner
20 Enforcement Division
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