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

11 In the Matter of ) CRD NO. 289063  
12 )  
13 THE COMMISSIONER OF FINANCIAL ) STATEMENT IN SUPPORT OF  
PROTECTION AND INNOVATION, ) ORDER LEVYING ADMINISTRATIVE  
14 ) PENALTIES PURSUANT TO  
Complainant, ) CORPORATIONS CODE SECTION 25252  
15 v. )  
16 WEBULL FINANCIAL, LLC, )  
17 )  
Respondent. )  
18 )

19 The Acting Commissioner (Commissioner) of the Department of Financial Protection and  
20 Innovation (DFPI) alleges and charges as follows:

21 I.

22 **Statement of Facts**

23 1. At all relevant times, Webull Financial, LLC (Webull) held and holds a valid and unrevoked  
24 broker-dealer certificate issued by the Commissioner on January 11, 2018 and is registered as a  
25 broker-dealer with assigned Central Registration Depository (CRD) number 289063.

26 2. At all relevant times, Webull's principal office was and is located at 44 Wall Street, Suite 501,  
27 New York, New York 10005.  
28

1 3. At all relevant times, Mr. Shen Lu was and is the Chief Compliance Officer of Webull.

2 4. Webull does not own or operate any offices in California but conducts its broker-dealer  
3 services through its online website at webull.com and via mobile applications.

4 5. DFPI's Broker-Dealer and Investment Advisory Program (BDIA) has regulatory examination  
5 authority under California Corporations Code Section 25241 to conduct examinations of its broker-  
6 dealer licensees for the protection of investors and in the public interest. Broker-dealers must comply  
7 with the Corporate Securities Law of 1968 (CSL) (Corp. Code § 25000 et seq.) and the regulations  
8 enacted thereunder (Cal. Code Regs., tit. 10, § 260.000 et seq.)

9 6. On February 11, 2021, BDIA examiners attempted to contact Webull to request  
10 documentation relating to a consumer complaint filed with DFPI on February 8, 2020, regarding a  
11 sell limit instruction on a client account. BDIA requested Webull respond by February 26, 2021. On  
12 March 9, 2021, after the deadline lapsed, BDIA provided an extension to respond by March 12, 2021.  
13 Again, this deadline was not met. Instead, BDIA examiners sent a delinquency response letter which  
14 was delivered to Webull on March 22, 2021. To date, Webull has not responded to BDIA examiners  
15 or provided the documentation requested.

16 **II.**

17 **Order Levying Administrative Penalties**

18 **(For violation of Corporations Code section 25241)**

19 7. The Commissioner re-alleges and reincorporates by reference paragraphs 1-6 of this statement  
20 in support, also contained in the Commissioner's Desist and Refrain Order, as though fully set forth  
21 herein.

22 8. Corporations Code section 25252 authorizes the Commissioner to issue an order levying  
23 administrative penalties against any person for willful violations of any provision of the CSL and any  
24 rules promulgated thereunder. Corporations Code section 25252 provides, in pertinent part:

25 (b) Any broker-dealer or investment adviser that willfully violates any  
26 provision of this division to which it is subject, or that willfully violates  
27 any rule or order adopted or issued pursuant to this division and to  
28 which it is subject, is liable for administrative penalties of not more  
than five thousand dollars (\$5,000) for the first violation, not more than  
ten thousand dollars (\$10,000) for the second violation, and not more  
than fifteen thousand (\$15,000) for each subsequent violation.

1 (Corp. Code, § 25252, subd. (b).)

2  
3 Based upon the foregoing findings, the Commissioner finds that Webull willfully violated  
4 Corporations Code section 25241. Webull is required to make and keep records and other  
5 correspondences and comply with reasonable examinations by the Commissioner for the protection  
6 of investors and in the public interest. Pursuant to Corporations Code section 25252, the  
7 Commissioner seeks administrative penalties for Webull’s willful violation of the Corporate  
8 Securities Law of 1968.

9 WHEREFORE, good cause showing, and pursuant to Corporations Code section 25252, the  
10 Commissioner prays for an order levying administrative penalties against Webull in an amount of  
11 five thousand dollars (\$5,000.00).

12 Dated: November 15, 2021  
13 Sacramento, California

CHRISTOPHER S. SHULTZ  
Acting Commissioner of Financial Protection and Innovation



14 By \_\_\_\_\_  
15 MARY ANN SMITH  
16 Deputy Commissioner  
17 Enforcement Division  
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