

1 CLOTHILDE V. HEWLETT  
Commissioner  
2 MARY ANN SMITH  
Deputy Commissioner  
3 MIRANDA LEKANDER  
Assistant Chief Counsel  
4 ALEXANDER M. CALERO (State Bar No. 283389)  
Senior Counsel  
5 Department of Financial Protection and Innovation  
6 1455 Frazee Road, Suite 315  
7 San Diego, CA 92108  
Telephone: (619) 610-1231  
8 [alex.calero@dfpi.ca.gov](mailto:alex.calero@dfpi.ca.gov)

9 Attorneys for Complainant

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11 **BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION**  
12 **OF THE STATE OF CALIFORNIA**

13 In the Matter of:

CRD NO.: 833875

14 THE COMMISSIONER OF THE  
15 DEPARTMENT OF FINANCIAL  
PROTECTION AND INNOVATION,

ACCUSATION

16 Complainant,

17 v.

18 JAN EARL HAYNES, an individual,

19 Respondents.

20 Clothilde V. Hewlett, Commissioner of the Department of Financial Protection and  
21 Innovation (Department), acting to protect the public, alleges and charges as follows:

22 **I.**

23 **Jurisdiction**

24 1. The Commissioner brings this action pursuant to the provisions of the Corporate  
25 Securities Law of 1968 (CSL) (Corporations Code section 25000 et seq.), sections 25401 and 25216  
26 and the rules and regulations promulgated thereunder (CCR) (Code of Regulations, title 10, section  
27 250.9 et seq.).

28 2. The Commissioner administers and enforces the provisions of the CSL and the CCR.

1           3.       At all relevant times, until April 2020, Jan Earl Haynes (Haynes) was a securities  
2 broker-dealer agent registered with the Commissioner. (CRD No. 833875).

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4                               **II.**

5                                       **Statement of Facts**

6           **A.       Haynes’ Securities Broker-Dealer Business**

7           4.       At all relevant times, Haynes engaged in business under the name Haynes Financial  
8 Group, Inc. and maintained a business address at 9404 Genesee Avenue, Suite 340, La Jolla,  
9 California 92037.

10           **B.       Haynes’ Offering of Purported Membership Interest in Investment Funds**

11           5.       Beginning in or about 2015, Haynes offered and sold securities, in the form of  
12 investment contracts, to clients which purported to be membership interests in pooled investment  
13 vehicles, also known as funds, called Apollo Institutional Income Fund and Apollo Institutional Tax  
14 Exempt Income Fund (the Funds). Haynes recommended that clients invest in the Funds.

15           6.       Haynes represented to clients that the Funds were managed by Apollo Global  
16 Management.

17           7.       Haynes represented to clients that money invested in the Funds would be used by  
18 Apollo Global Management to make short-term loans to third-parties and that clients could expect  
19 to make a profit as a result of their investment in the Funds.

20           8.       Haynes accepted money from clients for the purported purpose of investing client  
21 money in the Funds.

22           9.       After accepted money from clients, Haynes provided clients with periodic account  
23 statements showing the status of client investments in the Funds.

24           10.      Despite Haynes’ representations to clients, the Funds were not managed by Apollo  
25 Global Management.

26           11.      Contrary to Haynes’ representations, client money that was provided to Haynes for  
27 the purpose of investing in the Funds was instead used by Haynes to pay business and personal  
28 expenses.

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**III.**

**Haynes Should be Barred from the Investment Industry**

12. CSL section 25213 provides, in part, that:

The commissioner may, after appropriate notice and opportunity for hearing, by order . . . bar from any position of employment, management or control of any broker-dealer or investment adviser, any officer, director, partner, agent, employee of, or person performing similar functions for, a broker-dealer, or any other person, if the commissioner finds that the . . . bar is in the public interest and that the person has committed any act or omission enumerated in subdivision . . . (e) . . . of Section 25212.

(Corp. Code, § 25213.)

13. CSL section 25212, subdivision (e), prohibits “willful” violations of any provision of the CSL (Title 4 of the Corporations Code, commencing with section 25000), or any rule or regulation under the CSL.

14. Pursuant to CSL sections 25213 and 25212, Haynes should be barred from the investment industry because he committed willful violations of the CSL, specifically sections 25401 and 25216, and the CCR, specifically section 260.216.

**A. Haynes Committed Willful Violations of CSL Section 25401**

15. CSL section 25401 provides, in part, that:

It is unlawful for any person to offer or sell a security in this state, or to buy or offer to buy a security in this state, by means of any written or oral communication that includes an untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in the light of the circumstances under which the statements were made, not misleading.

(Corp. Code, § 25401.)

16. In connection with the offer and sale of securities, Haynes made, or caused to be made, misrepresentations of material fact to clients.

17. First, Haynes represented that the membership interests that he offered to sell to clients were membership interests in funds managed by Apollo Global Management. In fact, Apollo Global Management did not manage the Funds.

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1 18. Second, Haynes represented that he would invest client money in the Funds. Instead,  
2 Haynes accepted client money and used that money to pay business and personal expenses.

3 19. Haynes made misrepresentations of material fact to clients with the purpose or  
4 willingness to commit the acts, or make the omissions referred to.

5 **B. Haynes Committed Willful Violations of CSL Section 25216 and CCR section 260.216**

6 20. CSL section 25216 provides, in part, that:

7 No broker-dealer or agent shall effect any transaction in, or induce or  
8 attempt to induce the purchase or sale of, any security in this state by  
9 means of any manipulative, deceptive or other fraudulent scheme, device,  
10 or contrivance. The commissioner shall, for the purposes of this  
subdivision, by rule define such schemes, devices or contrivances as are  
manipulative, deceptive, or otherwise fraudulent.

11 (Corp. Code, § 25216, subdivision (a).)

12 21. CCR section 260.216 provides, in part, that:

13 The phrase “manipulative, deceptive, or other fraudulent scheme, device, or  
14 contrivance,” as used in subdivision (a) of Section 25216 of the [CSL] is  
hereby defined to include:

15 (a) Any act, practice, or course of business which operates or would operate  
16 as a fraud or deceit upon any person; and

17 (b) Any untrue statement of a material fact and any omission to state a  
18 material fact necessary in order to make the statements made, in the light of  
19 the circumstances under which they are made, not misleading, if the person  
making the statement or omission knows or has reasonable grounds to  
believe that it is untrue or misleading.

20 (Cal. Code Regs., Title 10, section 260.216.)

21 22. Haynes engaged in a manipulative, deceptive, or fraudulent scheme by representing  
22 to clients that Haynes would invest client money in funds that were managed by Apollo Global  
23 Management, when in fact, the Funds were not managed by Apollo Global Management and  
24 Haynes instead used client money to pay for business and person expenses.

25 23. Further, Haynes perpetuated this manipulative, deceptive, or fraudulent scheme by  
26 providing periodic account statements to clients which purported to show the status of client  
27 investments in the Funds.

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1 24. Haynes engaged in this conduct with the purpose or willingness to commit the acts,  
2 or make the omissions referred to.

3 25. Therefore, Haynes willfully violated CSL sections 25401 and 25216, and CCR  
4 section 260.216. Based on these willful violations, Haynes should be barred from the investment  
5 industry.

6 **IV.**

7 **Public Interest**

8 26. Based on the foregoing, the Commissioner has deemed it in the public interest to bar  
9 Haynes from the investment industry.

10 27. Haynes utilized his position of trust to defraud clients. Further, Haynes  
11 misrepresented material facts to clients in order to convince clients to part with their money. Haynes  
12 profited from these acts, omissions, and violations of the CSL and CCR, by using client money to  
13 pay his business and personal expenses, instead of investing client money in the Funds. For these  
14 reasons, it is in the public interest to bar Haynes from the investment industry.

15 **V.**

16 **Relief Requested**

17 WHEREFORE, based upon the foregoing, the Commissioner finds it is in the public interest  
18 to bar Jan Earl Haynes from the investment industry.

19 WHEREFORE, IT IS PRAYED that Jan Earl Haynes be barred from any position of  
20 employment, management or control of any broker-dealer or investment adviser.

21 Dated: December 10, 2021

CLOTHILDE V. HEWLETT  
Commissioner  
Department of Financial Protection and Innovation

23 By: \_\_\_\_\_  
24 ALEXANDER M. CALERO  
25 Senior Counsel  
26 Enforcement Division  
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