

1 CLOTHILDE V. HEWLETT
 Commissioner
 2 MARY ANN SMITH
 Deputy Commissioner
 3 DANIEL P. O'DONNELL
 Assistant Chief Counsel
 4 TAYLOR HERRLINGER (State Bar No. 314791)
 Counsel
 5 Department of Financial Protection and Innovation
 6 2101 Arena Boulevard
 Sacramento, California 95834
 7 Telephone: (916) 576-4905
 8 Facsimile: (916) 928-7929
 9 Attorneys for the Complainant

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

<p>13 In the Matter of: 14 THE COMMISSIONER OF FINANCIAL 15 PROTECTION AND INNOVATION, 16 Complainant, 17 v. 18 WEBULL FINANCIAL, LLC, an entity, 19 Respondent. 20</p>	<p>CRD NO.: 289063 CONSENT ORDER</p>
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 22 The Commissioner of Financial Protection and Innovation (Commissioner) and Webull
 23 Financial, LLC (Webull) enter into this Consent Order with respect to the following facts:

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I.
RECITALS

A. The Commissioner has jurisdiction over the licensing and regulation of persons engaged in the business of a broker-dealer under the Corporate Securities Law of 1968 (Corporations Code section 25000 et seq.).

B. Corporations Code section 25241 requires every broker-dealer licensed by the Commissioner to maintain books and records, file reports with the Commissioner, and submit to examination by the Commissioner, as the Commissioner deems necessary or appropriate in the public interest or for the protection of investors.

C. Webull holds a valid and unrevoked broker-dealer certificate issued by the Commissioner pursuant to Corporations Code section 25210 with assigned Central Registration Depository (CRD) Number 289063. Webull is a limited liability company with its principal office located at 44 Wall Street, 2nd Floor, New York, New York 10005.

D. Beginning on February 11, 2021, the Department of Financial Protection and Innovation’s (DFPI) Broker-Dealer Investment Advisory Program (BDIA) contacted Webull to request documentation relating to a consumer complaint filed with the DFPI. After several unsuccessful attempts to obtain a response, BDIA issued a delinquency response letter requesting document production and a new deadline. A timely response was not received.

E. On or about November 15, 2021, the Commissioner issued an Order to Desist and Refrain pursuant to Corporations Code section 25532 and a Notice of Intention to Enter an Order to Levy Administrative Penalties pursuant to Corporations Code section 25252 against Webull for its failure to permit the Commissioner to conduct a reasonable examination of Webull’s books and records pursuant to Corporations Code section 25241.

F. On or about February 11, 2022, Webull complied with the Commissioner’s request and produced the previously requested documents for inspection by BDIA examiners.

G. Webull neither admits nor denies the information contained in the Recitals but agrees to enter into this order for purposes of resolution.

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1 H. The Commissioner finds that entering into this Consent Order is necessary, in the
2 public interest, for the protection of investors and consistent with the purposes, policies, and
3 provisions of the Corporate Securities Law of 1968.

4 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
5 forth herein, the parties agree as follows:

6 **II.**

7 **TERMS AND CONDITIONS**

8 1. Purpose. The parties intend to resolve this matter for the purpose of judicial economy
9 and expediency and without the uncertainty and expense of a hearing or other litigation.

10 2. Order to Desist and Refrain. Webull agrees to desist and refrain from any further
11 violations of Corporations Code section 25241 and hereby agrees to submit itself to reasonable
12 examination of its books and records as required by the Corporate Securities Law of 1968.

13 3. Administrative Penalty. Webull shall pay an administrative penalty of four thousand
14 dollars (\$4,000) no later than 30 days after the effective date of this Consent Order as defined in
15 paragraph 18. The penalty must be made payable in the form of a cashier’s check or Automated
16 Clearing House deposit to the Department of Financial Protection and Innovation and transmitted to
17 the attention of Accounting – Litigation, at the Department of Financial Protection and Innovation,
18 2101 Arena Boulevard, Sacramento, California 95834. Notice of payment must be sent concurrently
19 via email to: Taylor.Herrlinger@dfpi.ca.gov.

20 4. Waiver of Hearing Rights. Webull acknowledges that the Commissioner is ready,
21 willing, and able to proceed with administrative enforcement of the Order to Desist and Refrain and
22 Notice of Intention to Levy Administrative Penalties based upon on the charges contained therein.
23 Webull hereby waives the right to any hearings, and to any reconsideration, appeal, or other right to
24 review which may be afforded pursuant to the Corporate Securities Law of 1968, Administrative
25 Procedure Act, including Government Code section 11415.60, subdivision (b); Code of Civil
26 Procedure; or any other provision of law. By waiving such rights, Webull effectively consents to this
27 Consent Order and all the terms becoming final.

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1 5. Failure to Pay Administrative Penalty. If Webull fails to comply with paragraph 3,
2 the Commissioner may summarily suspend Webull from engaging in business under its broker-
3 dealer certificate until it provides evidence of compliance to the Commissioner’s satisfaction.
4 Webull hereby waives any notice or hearing rights afforded under the Administrative Procedure Act,
5 including Government Code section 11415.60, subdivision (b), Code of Civil Procedure, or any
6 other provision of law to contest the summary suspension contemplated by this paragraph.

7 6. Full and Final Resolution. This Consent Order is intended to constitute a full and final
8 resolution of the matter described in it. The Commissioner will not bring any further action or
9 proceeding concerning the matter unless she discovers violations by Webull that do not form the
10 basis for this Consent Order, including violations knowingly concealed from the Commissioner.

11 7. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s
12 ability to assist any other government agency with any action brought by that agency against Webull,
13 including an action based on any of the acts, omissions, or events described in this Consent Order.

14 8. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
15 has had an opportunity to seek independent advice from its attorney(s) and/or representatives with
16 respect to the advisability of executing this Consent Order.

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

27 10. Full Integration. This Consent Order is the final written expression and the complete
28 and exclusive statement of all the agreements, conditions, promises, representations, and covenant

1 between the Parties with respect to the subject matter hereof, and supersedes all prior or
2 contemporaneous agreements, negotiations, representations, understandings, and discussions
3 between and among the Parties, their respective representatives, and any other person or entity with
4 respect to the subject matter covered hereby.

5 11. No Presumption Against Drafter. In that the parties have had the opportunity to draft,
6 review, and edit the language of this Consent Order, no presumption for or against any party arising
7 out of drafting all or any part of this Consent Order will be applied in any action relating to,
8 connected to, or involving this Consent Order. Accordingly, the parties waive the benefit of Civil
9 Code section 1654 and any successor or amended statutes, providing that in cases of uncertainty,
10 language of a contract should be interpreted most strongly against the party who caused the
11 uncertainty to exist.

12 12. Voluntary Agreement. Webull hereby enters in this Consent Order voluntarily and
13 without coercion and acknowledges that no promises, threats, or assurances have been made by the
14 Commissioner or any officer, or agent thereof, about this Consent Order.

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

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

24 15. Public Record. Webull acknowledges that the Consent Order is public record.

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

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

5 18. Effective Date. This Consent Order will become effective on the date it is signed by
6 all parties and delivered by the Commissioner to counsel for Webull by electronic mail at
7 choover@mcguirewoods.com.

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

10 20. Notice. Any notice required under this Consent Order shall be provided to each party
11 at the following addresses:

12 To Counsel for Webull Financial, LLC:

13 McGuireWoods LLP
14 Carolee A. Hoover
15 Two Embarcadero Center
16 Suite 1300
17 San Francisco, CA 94111-3821
18 choover@mcguirewoods.com.

19 To the Commissioner:

20 Taylor Herrlinger, Counsel
21 Department of Financial Protection and Innovation
22 Enforcement Division
23 2101 Arena Boulevard
24 Sacramento, California 95834
25 taylor.herrlinger@dfpi.ca.gov

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21. 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: March 16, 2022

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

WEBULL FINANCIAL, LLC

Dated: March 16, 2022

By _____
FRANK DEANDREA
Chief Compliance Officer

APPROVED AS TO FORM AND CONTENT

Dated: March 16, 2022

By _____
CAROLEE A. HOOVER
Partner
McGuireWoods LLP

