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 2 MARY ANN SMITH  
 Deputy Commissioner  
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 12 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
 13 OF THE STATE OF CALIFORNIA

<p>14 In the Matter of:</p> <p>15 THE COMMISSIONER OF FINANCIAL          16 PROTECTION AND INNOVATION,          17 Complainant,          18 v.          19 CAPSTONE WEALTH MANAGEMENT,          20 INC,          21 Respondent.</p>	<p>CRD NO.: 172040</p> <p>STATEMENT IN SUPPORT OF ORDER TO          DISCONTINUE VIOLATIONS PURSUANT          TO CORPORATIONS CODE SECTION 25249</p>
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 24 The Commissioner of Financial Protection and Innovation (Commissioner) alleges and  
 25 charges as follows:

- 26 1. CAPSTONE WEALTH MANAGEMENT, INC (CAPSTONE WEALTH  
 27 MANAGEMENT, INC) is a California formed Corporation, with its principal office located at 2331  
 28 W. LINCOLN AVENUE SUITE 300, ANAHEIM, CA 92801.

1           2.       CAPSTONE WEALTH MANAGEMENT, INC holds a valid investment adviser  
2 certificate issued by the Commissioner pursuant to Corporations Code section 25230. CAPSTONE  
3 WEALTH MANAGEMENT, INC is assigned Central Registration Depository (CRD) Number of  
4 172040.

5           3.       TAHIM, ANNE (CRD Number 4809451) is the 100% owner and investment adviser  
6 representative of CAPSTONE WEALTH MANAGEMENT, INC.

7           4.       On June 30, 2022, the Commissioner instructed CAPSTONE WEALTH  
8 MANAGEMENT, INC to file an annual amendment to its Form ADV in Investment Adviser  
9 Registration Depository (IARD) no later than 30 days after June 30, 2022, the date of the letter.

10          5.       According to the IARD, investment adviser has not filed an annual updating  
11 amendment to its Form ADV for 2022. Pursuant to California Code of Regulations, title 10, section  
12 260.241.4, subdivision (e), a licensed investment adviser shall file an annual updating amendment, in  
13 accordance with the instructions in Form ADV, with IARD in accordance with its procedures for  
14 transmission to the Commissioner within ninety (90) days of the end of the investment adviser's  
15 fiscal year.

16          6.       To date, the CAPSTONE WEALTH MANAGEMENT, INC did not file an update to  
17 its Form ADV on IARD.

18          7.       Corporations Code section 25241 provides, in relevant part, that:  
19               (a) Every broker-dealer or investment adviser licensed under Section  
20 25230 shall make and keep accounts, correspondence, memorandums,  
21 papers, books, and other records and shall file financial and other  
22 reports as the commissioner by rule requires . . .

23          8.       Corporations Code section 25242, subdivision (c)(2), states in relevant part, that:  
24               (c) The commissioner may summarily suspend or revoke the  
25 certificate of a broker-dealer or investment adviser if he or she . . . (2)  
26 fails to file any report required under Section 25241 within 10 days  
27 after notice by the commissioner that the report is due.

28          9.       Cal. Code of Regs., tit. 10, section 260.241.4, provides:  
              (a) Each licensed broker-dealer and each licensed investment adviser  
shall, upon any change in the information contained in its application  
for a certificate (other than financial information contained therein)

1 promptly file an amendment to such application setting forth the  
2 changed information.

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5 (d) A licensed investment adviser shall file changed information  
6 contained in its Form ADV with the Investment Adviser Registration  
7 Depository (“IARD”) in accordance with its procedures for  
8 transmission to the Commissioner.

9 (e) A licensed investment adviser shall file an annual updating  
10 amendment, in accordance with the instruction in Form ADV, with  
11 IARD in accordance with its procedures for transmission to the  
12 Commissioner within ninety (90) days of the end of the investment  
13 adviser’s fiscal year.

14 (f) A licensed investment adviser shall notify the Commissioner of the  
15 employment or engagement of any new investment adviser  
16 representative, as defined in Section 25009.5(a) of the Code and the  
17 termination thereof in accordance with Section 260.236.1.

18 10. Corporations Code section 25249 authorizes the Commissioner to issue an order  
19 directing any investment adviser to discontinue any violation of the Financial Code, Corporations  
20 Code, or any rules promulgated thereunder. Specifically, Corporations Code section 25249 provides,  
21 in pertinent part, that:

22 If, after examination or investigation, the commissioner has reasonable  
23 grounds to believe that any broker-dealer or investment adviser has  
24 violated any law or rule binding upon it, the commissioner shall, by  
25 written order addressed to the broker-dealer investment adviser, direct  
26 the discontinuance of the violation. The order shall be effective  
27 immediately, but shall not become final except in accordance with the  
28 provisions of Section 25251.

11. Corporations Code section 25251 provides, in relevant part, that:

24 (a) No order issued pursuant to Section 25249 or 25250 may become  
25 final except after notice to the affected broker-dealer or investment  
26 adviser of the commissioner’s intention to make the order final and of  
27 the reasons for the finding. The commissioner shall also notify the  
28 broker-dealer or investment adviser that upon receiving a request the  
matter shall be set for hearing to commence within 15 business days after  
receipt of the request. The broker-dealer or investment adviser may  
consent to have the hearing commence at a later date. If no hearing is  
requested within 30 days after the mailing or service of the required



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13. Therefore, pursuant to Corporations Code section 25249, the Commissioner has issued an order directing CAPSTONE WEALTH MANAGEMENT, INC to discontinue violating Corporations Code section 25241, subdivision (a), as well as California Code of Regulations, title 10, section 260.241.4, subdivision (e).

WHEREFORE, good cause showing, and pursuant to Corporations Code section 25251, the Commissioner the Commissioner finds this action is appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policies and procedures of the Corporate Securities Law of 1968 (Corp. Code, § 25000 et seq.).

Dated: September 8, 2022

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
BALBIRO KAZLA  
Deputy Commissioner  
Broker-Dealer Investment Adviser Division