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 12 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
 13 OF THE STATE OF CALIFORNIA

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| <p>14 In the Matter of:</p> <p>15 THE COMMISSIONER OF FINANCIAL 16 PROTECTION AND INNOVATION, 17 Complainant, 18 v. 19 MAXWELL INVESTMENT ADVISORY 20 AND WEALTH MANAGEMENT LLC, 21 Respondent.</p> | <p>CRD NO.: 311133</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. MAXWELL INVESTMENT ADVISORY AND WEALTH MANAGEMENT LLC
 27 is a California formed Limited Liability Company, with its principal office located at 3501 MALL
 28 VIEW RD STE 115-390, BAKERSFIELD, CA 93306.

1 2. MAXWELL INVESTMENT ADVISORY AND WEALTH MANAGEMENT LLC
2 holds a valid investment adviser certificate issued by the Commissioner pursuant to Corporations
3 Code section 25230. MAXWELL INVESTMENT ADVISORY AND WEALTH MANAGEMENT
4 LLC is assigned Central Registration Depository (CRD) Number of 311133.

5 3. MAXWELL, SHAWN, KELLY (CRD 5162036) is the 100% owner and investment
6 adviser representative of MAXWELL INVESTMENT ADVISORY AND WEALTH
7 MANAGEMENT LLC.

8 4. On June 30, 2022, the Commissioner instructed MAXWELL INVESTMENT
9 ADVISORY AND WEALTH MANAGEMENT LLC to file an annual amendment to its Form ADV
10 in Investment Adviser Registration Depository (IARD) no later than 30 days after June 30, 2022, the
11 date of the letter.

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

18 6. To date, the MAXWELL INVESTMENT ADVISORY AND WEALTH
19 MANAGEMENT LLC did not file an update to its Form ADV on IARD.

20 7. Corporations Code section 25241 provides, in relevant part, that:

21 (a) Every broker-dealer or investment adviser licensed under Section
22 25230 shall make and keep accounts, correspondence, memorandums,
23 papers, books, and other records and shall file financial and other
24 reports as the commissioner by rule requires . . .

24 8. Corporations Code section 25242, subdivision (c)(2), states in relevant part, that:

25 (c) The commissioner may summarily suspend or revoke the
26 certificate of a broker-dealer or investment adviser if he or she . . . (2)
27 fails to file any report required under Section 25241 within 10 days
28 after notice by the commissioner that the report is due.

28 9. Cal. Code of Regs., tit. 10, section 260.241.4, provides:

1 (a) Each licensed broker-dealer and each licensed investment adviser
2 shall, upon any change in the information contained in its application
3 for a certificate (other than financial information contained therein)
4 promptly file an amendment to such application setting forth the
5 changed information.

6 . . .

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

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

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

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

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

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

(a) No order issued pursuant to Section 25249 or 25250 may become
final except after notice to the affected broker-dealer or investment
adviser of the commissioner’s intention to make the order final and of
the reasons for the finding. The commissioner shall also notify the
broker-dealer or investment adviser that upon receiving a request the
matter shall be set for hearing to commence within 15 business days after

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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 notice, and none is ordered by the commissioner, the order may become final without a hearing and the broker-dealer or investment adviser shall immediately discontinue practices named in the order.

If a hearing is requested or ordered, it shall be held in accordance with the provisions of the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and the commissioner shall have all of the powers granted under that act. If, upon the conclusion of the hearing, it appears to the commissioner that the broker-dealer or investment adviser is conducting business in an unsafe and injurious manner or is violating any law of this state, or any rule binding upon it, the commissioner shall make the order of discontinuance final and the broker-dealer or investment adviser shall immediately discontinue the practices named in the order.

(b) The broker-dealer or investment adviser may within 10 days after an order is made final commence an action to restrain enforcement of that order. If the enforcement of that order is not enjoined within 10 days by the court in which the action is brought, the broker-dealer or investment adviser shall comply with the order.

12. By reason of the foregoing, MAXWELL INVESTMENT ADVISORY AND WEALTH MANAGEMENT LLC violated Corporations Code sections 25241, subdivision (a), and California Code of Regulations, title 10, section 260.241.4, subdivision (e), which justifies the issuance of an Order to Discontinue Violations. MAXWELL INVESTMENT ADVISORY AND WEALTH MANAGEMENT LLC, as a licensed investment adviser, was obligated to have knowledge of, and to comply with, the provisions of the Corporations Code, and regulations promulgated thereunder.

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

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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