

1 CLOTHILDE V. HEWLETT
Commissioner
2 MARY ANN SMITH
Deputy Commissioner
3 SEAN ROONEY
Assistant Chief Counsel
4 VANESSA T. LU (State Bar No. 295217)
5 Senior Counsel
6 Department of Financial Protection and Innovation
1455 Frazee Road, Suite 315
7 San Diego, California 92108
Telephone: (213) 703-9181
8 Facsimile: (619) 525-4045

9 Attorneys for Complainant

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

12
13 In the Matter of:)
14 THE COMMISSIONER OF FINANCIAL) CRD Nos. 40259, 2052765
PROTECTION AND INNOVATION,)
15) CONSENT ORDER
16 Complainant,)
17 v.)
18 KEVIN CHRISTOPER LOGAN doing business)
as THE LOGAN GROUP SECURITIES,)
19 Respondents.)
20)
21)

22
23 This Consent Order is entered into between the Commissioner of Financial Protection and
24 Innovation (Commissioner) and Kevin Christopher Logan doing business as The Logan Group
25 Securities (the Respondents) and is made with respect to the following facts:

26 ///
27 ///
28 ///

1 I.

2 Recitals

3 A. The Commissioner is the head of the Department of Financial Protection and
4 Innovation (Department) and is responsible for the licensing and regulation of investment advisers
5 under the Corporate Securities Law of 1968 (CSL) (Cal. Corp. Code §§ 25000-25707). The
6 Commissioner is authorized to administer and enforce the provisions of the CSL.

7 B. At all relevant times, Kevin Christopher Logan doing business as The Logan Group
8 Securities (TLGS) is a sole proprietorship and had its place of business at 2150 Douglas Boulevard
9 Suite 240, Roseville, California 95661. TLGS is an investment adviser (IA) registered through the
10 Central Registration Depository¹ (CRD) with the assigned number 40259. On January 29, 2002, the
11 Commissioner issued an investment adviser certificate to TLGS.

12 C. At all relevant times, Kevin Christopher Logan (Logan) is an investment
13 adviser representative, with the assigned CRD number 2052765, and 100-percent owner of TLGS.
14 Logan manages both the broker-dealer (BD) and IA businesses of TLGS. Since January 29, 2002,
15 TLGS has never managed any investment clients, accounts, nor received any IA fees. TLGS has an
16 active BD business registered with U.S. Securities Exchange Commission and the Financial Industry
17 Regulatory Authority (FINRA).

18 D. Over a span of eleven years, the Department has performed three regulatory IA
19 examinations on TLGS. From 2011-2021, the Department notified Respondents through its
20 Regulatory Examination Reports (RERs) that TGLS is required to file its annual Form ADV
21 amendments with the Commissioner through the Investment Adviser Registration Depository (IARD)
22 pursuant to Corporations Code section 25241 and California Code of Regulations (Cal. Code of
23 Regs.), title 10, section 260.241.4, subdivisions (a), (d), and (e). From 2011-2021, Respondents have
24 failed to timely file its annual Form ADV amendments with the Commissioner.

25
26
27 ¹ Central Registration Depository (CRD) is a licensing and registration system for the U.S. securities industry and
28 regulators. CRD system contains the registration records, qualification, employment, and disclosure histories of active
registered individuals. CRD system facilitates the processing and payment of registration-related fees such as form filings,
fingerprint submissions, qualification exams, and continuing education sessions.

1 E. On March 17, 2021, the BD business of TLGS entered into an Acceptance, Waiver,
2 and Consent Agreement (2021 AWC Agreement) with FINRA for failing to have adequate written
3 supervisory procedures. The 2021 AWC Agreement required TLGS to pay a \$15,000 fine for its BD
4 activity. TLGS timely paid its fine to FINRA and TLGS timely filed a disclosure reporting page
5 (DRP) for its BD business on CRD.

6 F. In its 2021 examination, the Department requested TLGS to file a Form ADV
7 amendment disclosing FINRA’s regulatory action against Respondents’ BD business. TLGS uses the
8 same CRD number for its BD and IA businesses. TLGS is an advisory affiliate for the IA licensee
9 and therefore, is required to file an amendment to Form ADV Part 1A, Item 11E, subdivision (2), on
10 IARD. To date, TLGS has not filed any amendments on IARD and has not completed the DRP for its
11 IA business.

12 G. The Commissioner and Respondents intend to resolve this matter amicably without the
13 necessity of a hearing or other litigation. Respondents, by entering into this Consent Order, neither
14 admit nor deny the Commissioner’s findings or conclusions of law.

15 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions
16 contained herein, the Commissioner and Respondents (the “Parties”) agree as follows:

17 **II.**

18 **Terms and Conditions**

19 1. **Purpose.** This Consent Order resolves this matter in a matter that avoids the expense of
20 a hearing and other possible court proceedings, protects investors, is in the public interest, and is
21 consistent with the purposes, policies, and provisions of the CSL.

22 2. **Desist and Refrain Order.** Respondents agree to a final Desist and Refrain Order for
23 violations of Corporations Code section 25241 and California Code of Regulations, title 10, section
24 260.241.4, subdivisions (a), (d), and (e). The Desist and Refrain Order is deemed final from the
25 Effective Date of this Consent Order, as defined in paragraph 24 below.

26 3. **Penalty.** Respondents shall pay a penalty totaling \$2,500 (Penalty) to the
27 Commissioner. Payment of the Penalty shall be made no more than 30 days after the Effective Date,
28 as defined in paragraph 24 below, and should be made in the form of a cashier’s check or Automated

1 Clearing House deposit payable to the “Department of Financial Protection and Innovation” and
2 transmitted to the attention of “Accounting – Litigation” at the Department of Financial Protection
3 and Innovation, 2101 Arena Boulevard, Sacramento, California 95834-2036. Notice of such payment
4 shall be forwarded to Vanessa T. Lu, Senior Counsel, Department of Financial Protection and
5 Innovation, Enforcement Division, via email at: Vanessa.Lu@dfpi.ca.gov.

6 4. File Form ADV Amendment. TLGS as an advisory affiliate, must file an amendment
7 to Form ADV Part 1A, Item 11E, subdivision (2), disclosing the FINRA’s 2021 AWC Agreement
8 and fine issued against the BD business of TLGS. The DRP must be completed and filed on IARD
9 within 30 days after the Effective Date as defined in paragraph 24 below.

10 5. Waiver of Hearing Rights. The Respondents acknowledge the Commissioner is ready,
11 willing, and able to proceed with the filing of an administrative enforcement action on the charges
12 contained in this Consent Order. The Respondents hereby waive the right to any hearings, and to any
13 reconsideration, appeal, or other right to review which may be afforded pursuant to the CSL, the
14 Administrative Procedure Act (Cal. Gov. Code §§ 11370-11501), the Cal. Code of Civil Procedure
15 (Cal. Code Civ. Proc. §§ 1-9566), or any provision of law in connection with this matter. The
16 Respondents further expressly waive any requirement for the filing of any enforcement action or
17 pleading pursuant to Government Code section 11415.60, subdivision (b). By waiving such rights,
18 the Respondents effectively consent to this Consent Order and the Desist and Refrain Order
19 becoming final.

20 6. Full and Final Settlement. The Parties hereby acknowledge and agree that this
21 Consent Order is intended to constitute a full, final, and complete resolution of the violations and
22 Desist and Refrain Order as identified herein. No further proceedings or actions will be brought by
23 the Commissioner in connection with these matters under the CSL, or any other provision of law,
24 excepting therefrom any proceeding to enforce compliance with the terms of this Consent Order.

25 7. Failure to Comply with Consent Order. The Respondents agree that if they fail to
26 comply with any terms of this Consent Order or the Desist and Refrain Order, the Commissioner
27 may, summarily suspend/revoke any of the Respondents’ CSL licenses or certificates and/or deny any
28 pending license or certificate applications of the Respondents and/or their respective affiliates,

1 successors, and assigns, by whatever names they might be known, in addition to all other available
2 remedies it may invoke under the CSL. The Respondents waive any notice and hearing rights to
3 contest such summary suspensions, revocation or denial which may be afforded under the CSL, the
4 California Administrative Procedure Act (Cal. Gov. Code §§ 11370-11501), the Cal. Code of Civil
5 Procedure (Cal. Code Civ. Proc. §§ 1-9566), or any provision of law in connection with this matter.

6 8. Information Willfully Withheld. The Consent Order may be revoked and the
7 Commissioner may pursue any and all remedies available under law against the Respondents if the
8 Commissioner discovers that the Respondents knowingly or willfully withheld or misrepresented
9 information used for and relied upon in this Consent Order.

10 9. Future Actions by Commissioner. If the Respondents fail to comply with any terms of
11 the Consent Order or violate the Desist and Refrain Order, they agree that the facts in this Consent
12 Order and Desist and Refrain Order are admitted for the purpose of proving a violation of this
13 Consent Order and Desist and Refrain Order. The Respondents further agree that the Commissioner
14 may institute proceedings for any and all violations otherwise unresolved under this Consent Order.
15 The Commissioner reserves the right to bring any future actions against the Respondents, or any of
16 their partners, owners, officers, shareholders, directors, employees, or successors for any and all
17 unknown violations of the CSL.

18 10. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner's
19 ability to assist a government agency (whether city, county, state, or federal) with any administrative,
20 civil or criminal action brought by that agency against the Respondents or any other person based
21 upon any of the activities alleged in this matter or otherwise.

22 11. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that
23 he, she, or it has received independent advice from its attorney(s) or representative(s) with respect to
24 the advisability of executing the Consent Order.

25 12. 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.

28 ///

1 13. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
2 interest.

3 14. Reliance. Each of the Parties represents, warrants, and agrees that in executing this
4 Consent Order it has relied solely on the statements set forth herein and the advice of its own counsel.
5 Each of the Parties further represents, warrants, and agrees that in executing this Consent Order it has
6 placed no reliance on any statement, representation, or promise of any other party, or any other
7 person or entity not expressly set forth herein, or upon the failure of any party or any other person or
8 entity to make any statement, representation or disclosure of anything whatsoever. The Parties have
9 included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to
10 execute this Consent Order; and (2) to preclude the introduction of parol evidence to vary, interpret,
11 supplement, or contradict the terms of this Consent Order.

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

18 16. Full Integration. This Consent Order is the final written expression and the complete
19 and exclusive statement of all the agreements, conditions, promises, representations, and covenant
20 between the Parties with respect to the subject matter hereof, and supersedes all prior or
21 contemporaneous agreements, negotiations, representations, understandings, and discussions between
22 and among the parties, their respective representatives, and any other person or entity, with respect to
23 the subject matter covered hereby.

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

28 ///

1 18. Counterparts. This Consent Order may be executed in one or more separate
2 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
3 together constitute a single document.

4 19. Effect Upon Future Proceedings. If the Respondents apply for any license, permit or
5 qualification under the Commissioner's current or future jurisdiction, or are the subject of any future
6 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
7 admitted for the purpose of such application(s) or enforcement proceeding(s).

8 20. Voluntary Agreement. The Respondents enter into this Consent Order voluntarily and
9 without coercion and acknowledges that no promises, threats, or assurances have been made by the
10 Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each represent
11 and acknowledge that he, she, or it is executing this Consent Order completely voluntarily and
12 without any duress or undue influence of any kind from any source.

13 21. Notice. Any notices required under the Consent Order shall be provided to each party
14 at the following addresses:

15 To Respondents: Kevin Christopher Logan doing business as
16 The Logan Group Securities
17 Counsel for Respondents
18 Douglas B. Martin, Jr.
19 P.O. Box 2615
20 41 Libertyship Way
21 Sausalito, CA 94966
22 pdbmartin1@gmail.com

23 To the Commissioner: Vanessa T. Lu, Senior Counsel
24 Department of Financial Protection and Innovation
25 1455 Frazee Road, Suite 315
26 San Diego, CA 92108
27 Vanessa.Lu@dfpi.ca.gov

28 22. Signatures. A fax or electronic mail signature shall be deemed the same as an original
signature.

 23. Public Record. Respondents hereby acknowledges that this Consent Order is and will
be a matter of public record.

///

1 24. Effective Date. This Consent Order shall become final and effective when signed by
2 all Parties and delivered by the Commissioner’s counsel via e-mail to the Respondents’ counsel,
3 Douglas B. Martin, Jr. Esq., at pdbmartin1@gmail.com.

4 23. Authority to Sign. Each signatory hereto covenants that he or she possess all necessary
5 capacity and authority to sign and enter into this Consent Order and undertake the obligations set
6 forth herein.

7 IN WITNESS WHEREOF, the Parties hereto have approved and executed the Consent Order
8 on the dates set forth opposite of their respective signatures.

9
10 Dated: March 20, 2023

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



11
12 By _____
13 MARY ANN SMITH
14 Deputy Commissioner
15 Enforcement Division

16
17
18
19 Dated: March 13, 2023

By _____
KEVIN CHRISTOPHER LOGAN doing business as
THE LOGAN GROUP SECURITIES

20
21 APPROVED AS TO FORM:
22

23
24 _____
25 Douglas B. Martin, Jr.
26 Counsel for Respondents Kevin Christopher Logan
27 doing business as The Logan Group Securities
28