

1 CLOTHILDE V. HEWLETT
Commissioner
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9
10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:

13 THE COMMISSIONER OF FINANCIAL
PROTECTION AND INNOVATION,

14 Complainant,

15 v.

16 RANDALL E. HUDGENS DBA STOCK
OPTION ACADEMY and STOCK OPTION
17 COACH

18 Respondent.

FINAL ORDER LEVYING
ADMINISTRATIVE PENALTIES

(Corp. Code § 25252)

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20 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

21 **I. STATEMENT OF FACTS**

22 1. At all relevant times, Randall E. Hudgens (Hudgens), is and was a California resident,
23 doing business as Stock Option Academy and Stock Option Coach. Hudgens' principal places of
24 business are 1240 Northridge Road, Santa Barbara, California 93105 and 6796 Rincon Road, Santa
25 Barbara, California 93013.

26 2. At all relevant times, Hudgens is and was operating a public website
27 (www.stockoptioncoach.com) as well as the email address randall@stockoptioncoach.com and the
28 telephone number (805) 837-9211, through which it conducted business.

1 3. Beginning in or about February 4, 2019, Hudgens provided investment advisory
2 services to its clients via personal coaching and mentorship, by advising, as to the value of securities,
3 whether to purchase or sell securities, and the timing in which to purchase or sell securities.

4 4. Beginning in or about February 4, 2019, Hudgens represented to clients that he would
5 teach traders, how to navigate the markets on a daily basis, by instructing his clients whether they are
6 in a “Buy or Sell Zone” via live training and one-on-one telephone calls to answer any questions from
7 his clients. Hudgens’ touts that through his “Trademarked Indicator” his clients have 70% odds of a
8 winning trade every time and are only risking a maximum of 1% of the client’s account on any one
9 trade. Through Hudgens’ “Indicator,” it would show clients whether they should buy or sell a security
10 and the timing in which to do so. In addition, Hudgens explicitly indicates that his business is not a
11 newsletter, but rather he is always available to answer trading questions from his clients.

12 5. Between November 2021 through November 2022, provided investment advisory
13 services to at least 30 clients, residing in California and elsewhere, collected at least \$274,839.48 in
14 fees.

15 6. At all relevant times, Hudgens never held a broker-dealer certificate nor an investment
16 adviser certificate, pursuant to Corporations Code sections 25210 and 25230.

17 7. Corporations Code section 25230 prohibits an investment adviser from conducting
18 business as an investment adviser in this state without first securing from the Commissioner a
19 certificate, then in effect, authorizing them to do so or unless they are exempt.

20 **II. FINAL ORDER LEVYING ADMINISTRATIVE PENALTIES**
21 **(For violations of Corporations Code section 25230)**

22 8. On or about March 29, 2023, the Commissioner served Randall Hudgens with the
23 Notice of Intention to Issue Order Levying Administrative Penalties Pursuant to Corporations Code
24 25252, Statement in Support, and accompanying documents.

25 9. The Commissioner has not received a request for hearing and the statutory time period
26 to request a hearing has expired.

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NOW, GOOD CAUSE APPEARING, IT IS HEREBY ORDERED THAT:

Administrative penalties totaling \$435,000.00 are levied against Randall E. Hudgens, as follows:

- a) First Violation: \$5,000.00 for the first violation;
- b) Second violation: \$10,000.00 for the second violation;
- c) Additional violations: \$15,000.00 for the remaining 28 violations, in which Hudgens provided investment advisory services to clients.

The administrative penalties levied in the amount of \$435,000.00 shall be due and payable to the Department of Financial Protection and Innovation within 30 days of service of this Final Order and sent to the attention of: Accounting, Department of Financial Protection and Innovation, located at 2101 Arena Boulevard, Sacramento, California 95834. Notice of the payment shall concurrently be sent to the attention of: Ryan M. Cassidy, Counsel, Enforcement Division, 2101 Arena Boulevard, Sacramento, California 95834.

This Final Order Levying Administrative Penalties is the final decision of the Commissioner pursuant to Corporations Code 25252.

DATED: May 1, 2023
Sacramento, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division