

1 1. On March 16, 2023, CHAPMAN filed his Complaint for Expungement in Equitable Relief
2 (Complaint). The Complaint was timely filed and served on DFPI on March 22, 2023.

3 2. The Complaint sought expungement of therein-described CHAPMAN registration record
4 Occurrence Number 1962245 (Record), which appears on nationwide databases maintained by the
5 Financial Industry Regulatory Authority (FINRA), specifically on the Central Registration
6 Depository (CRD), Independent Adviser Public Disclosure (IAPD), Investment Adviser Registration
7 Depository (IARD), and BrokerCheck.

8 3. The Record arose as a result of a complaint filed by Chapman’s former employer The
9 Retirement Group, LLC (CRD #148296) (TRG). TRG alleged that Chapman was involved with
10 “selling away”, i.e., selling securities without authorization from his supervising employer. TRG
11 submitted a Form U5, which is a form submitted by an employer of an investment adviser
12 representative (IAR) explaining the basis for termination of the IAR. This filing by TRG triggered a
13 Form U5 termination event appearing on FINRA’s IARD/CRD websites.

14 4. TRG does not oppose Chapman’s request for expungement of the Record. (See TRG
15 Declaration, attached.)

16 5. FINRA, the custodian of the Record, having no regulatory authority over investment
17 advisors or their representatives; they simply maintain the database.

18 6. FINRA requires a court order before they will expunge any record from the databases they
19 maintain for investment advisors and their representatives.

20 7. The Record can be expunged upon entry of an Order by this honorable Court directing
21 expungement pursuant to its inherent equitable authority.

22 8. As the Record was submitted pursuant to California reporting requirements, DFPI is the
23 appropriate party to this action.

24 9. Based on the facts and circumstances known to DFPI at this time, DFPI does not oppose
25 expungement relief.

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1 10. Accordingly, the Parties request that the Court issue an order in the form of the Proposed
2 Order attached hereto directing that the Record be expunged and that this matter be dismissed with
3 prejudice.

4 11. No Party will be prejudiced in any way by the entry of the requested Order.

5 12. The Parties understand and agree that DFPI enters this Stipulation solely based upon
6 information provided by CHAPMAN. DFPI may take further action, including withholding approval
7 for FINRA’s expungement of the Record(s), if DFPI discovers that CHAPMAN withheld or
8 misrepresented information used for and relied on in this Stipulation.

9 13. The Parties hereby agree to bear their own respective attorneys’ fees, costs, and expenses
10 incurred in connection with this action.

11 14. The Parties further agree to toll the deadline for DFPI to file a pleading responsive to the
12 Complaint pending entry of the stipulated Order.

13 AGREED AND STIPULATED TO:

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15 Dated: April 18, 2023

By: _____
Christie Gaumer, Esq.
Attorney for Plaintiff
CORY CHAPMAN

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20 Dated: April 18, 2023

Mary Ann Smith, Esq.
Attorney for Defendant
Department of Financial Protection and Innovation

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