

1 CLOTHILDE V. HEWLETT  
Commissioner  
2 MARY ANN SMITH  
Deputy Commissioner  
3 DANIEL P. O'DONNELL  
Assistant Chief Counsel  
4 RYAN M. CASSIDY (State Bar No. 340274)  
Counsel  
5  
6 Department of Financial Protection and Innovation  
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Attorneys for Complainant

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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 ATWOOD CONSORTIUM LLC, and DANIEL  
17 T. NERO

18 Respondents.

FINAL ORDER LEVYING  
ADMINISTRATIVE PENALTIES

(Corp. Code § 25252)

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

20 **I.**

21 **STATEMENT OF FACTS**

22 1. At all relevant times, Atwood Consortium, LLC (Atwood), is and was a California  
23 limited liability company located at 757 Linden Avenue, Los Altos, California 94022 operating as the  
24 sole manager of CFP Fund I, LLC (CFP), a California limited liability company.

25 2. At all relevant times, Daniel T. Nero (Nero), is and was a managing member of  
26 Atwood.

27 3. At all relevant times, CFP Fund I, LLC (The Fund), is and was a California limited  
28 liability company located at 757 Linden Avenue, Los Altos, California 94022.

1 4. At all relevant times, Atwood was the manager of The Fund.

2 5. Atwood Consortium LLC and Daniel T. Nero are collectively referred to as  
3 Respondents.

4 6. Whenever reference is made in this Statement in Support to “Respondents” doing any  
5 act, the allegation shall mean the act of each respondent acting individually, jointly and severally.

6 7. Beginning in or about April 2017, Atwood provided investment advisory services to a  
7 pooled investment vehicle, CFP Fund I, LLC (The Fund), and recommended to members of the  
8 public, to invest money in The Fund. At all relevant times, Atwood was the investment manager of  
9 The Fund and had discretionary authority of how The Fund invested its money.

10 8. The Fund’s Private Placement Memorandum (PPM) offers membership interests in  
11 The Fund. The PPM indicates The Fund’s business model is to provide secured debt and equity  
12 financing to Cannabis Operators. In addition, the PPM indicates that the Manager has broad  
13 discretion in selecting and structuring the investments and such investment decisions are not subject  
14 to prior review or approval by the members.

15 9. Between April 2017 through December 2021, Atwood provided investment advisory  
16 services to at least one California client and collected at least \$743,665.70 in fees.

17 10. At all relevant times, neither the Department nor the United States Securities and  
18 Exchange Commission have issued an investment adviser certificate to any of the Respondents.

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

22 **II.**

23 **FINAL ORDER LEVYING ADMINISTRATIVE PENALTIES**

24 **(For violations of Corporations Code section 25230)**

25 12. On or about June 7, 2023, the Commissioner served Atwood and Nero with the Notice  
26 of Intention to Issue Order Levying Administrative Penalties Pursuant to Corporations Code 25252,  
27 Statement in Support, and accompanying documents.

28 13. The Commissioner has not received a request for hearing and the statutory time period

1 to request a hearing has expired.

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

3 Administrative penalties totaling \$5,000.00 are levied against Atwood Consortium  
4 LLC and Daniel T. Nero, individually, jointly and severally.

5 The administrative penalties shall be due and payable to the Department of Financial  
6 Protection and Innovation within 30 days of service of this Final Order and sent to the attention of:  
7 Accounting, Department of Financial Protection and Innovation, located at 2101 Arena Boulevard,  
8 Sacramento, California 95834. Notice of the payment shall concurrently be sent to the attention of:  
9 Ryan M. Cassidy, Counsel, Enforcement Division, 2101 Arena Boulevard, Sacramento, California  
10 95834.

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

13 DATED: July 17, 2023  
14 Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



15 By: \_\_\_\_\_  
16 MARY ANN SMITH  
17 Deputy Commissioner  
18 Enforcement Division  
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