

1 CLOTHILDE V. HEWLETT
Commissioner
2 MARY ANN SMITH
Deputy Commissioner
3 DANIEL P. O'DONNELL
Assistant Chief Counsel
4 RYAN CASSIDY (State Bar No. 340274)
5 Counsel
6 Department of Financial Protection and Innovation
2101 Arena Boulevard
7 Sacramento, CA 95834
8 Telephone: (916) 764-8358
Attorneys for Complainant

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

11 In the Matter of:

CONSENT ORDER

12 THE COMMISSIONER OF FINANCIAL
13 PROTECTION AND INNOVATION,

14 Complainant,

15 v.

16 ZERA FINANCIAL LLC, a California limited
17 liability company, and LUIS A. ROMERO, an
individual,

18 Respondents.

19
20 The Commissioner of Financial Protection and Innovation (Commissioner) and respondent
21 Zera Financial, LLC (Zera) and respondent Luis A. Romero (Romero) (collectively, the Respondents)
22 enter into this Consent Order (Order) with respect to the following facts:

23 **I.**

24 **RECITALS**

25 A. The Commissioner is authorized to administer and enforce the provisions of the Corporate
26 Securities Law of 1968 (Corp. Code, § 25000-25707) (CSL) and the regulations promulgated
27 thereunder at title 10 of the California Code of Regulations, which includes the regulation of the offer

28 ///

1 and sale of securities in California.

2 B. The CSL prohibits the offer or sale of any securities within, into, or from this state unless a
3 qualification or permit has been obtained from the Department or unless the security or transaction is
4 exempt from the qualification requirements.

5 C. At all relevant times, Zera, is and was a California limited liability company, doing business
6 at 9491 Madison Ave, Westminster, California 92683.

7 D. At all relevant times, Romero, is and was the sole owner and operator of Zera.

8 E. Beginning in or about January 2021 through August 2023, Respondents offered and sold
9 securities in the form of investment contract with Zera Financial LLC. Respondents raised at least
10 \$2,200,000 from at least 170 investors, residing in California and elsewhere.

11 F. Zera operated a website, zerafinancial.com, which was available to the general public, and
12 which promised to investors: "Get paid a fixed 3% interest on your deposit every month. Withdraw or
13 redeposit your interest every month."

14 **II.**

15 **FINDINGS**

16 G. The Commissioner is of the opinion that the investment contracts offered and sold by the
17 Respondents, between January 2021 through August 2023, are subject to qualification under the CSL
18 and were offered or sold without first being qualified, in violation of Corporations Code section
19 25110.

20 H. Corporations Code section 25110 prohibits the offer and/or sale of non-exempt securities in
21 this state that are subject to qualification. The Department has not issued a permit or other form of
22 qualification authorizing any person to offer and sell the described securities in this state.

23 I. Further, the Commissioner is of the opinion that the securities issued by the Respondents were
24 offered and sold in this state by means of written or oral communications which included untrue
25 statements of material fact or omitted to state material facts necessary in order to make the statements
26 made, in the light of the circumstances under which they were made, not misleading, in Corporations
27 Code section 25401.

28 ///

1 J. Corporations Code section 25401 prohibits the offer and/or sale of a security, by means of any
2 written or oral communication which includes an untrue statement of a material fact or omits to state
3 a material fact necessary in order to make the statements made, in the light of the circumstances
4 under which they were made, not misleading.

5 K. Respondents admit to the jurisdiction of the Department of Financial Protection and
6 Innovation (Department), and it is the intention of the Parties to resolve this matter without the
7 necessity of a hearing and/or other litigation.

8 L. NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
9 forth herein, the Parties agree as follows:

10 **III.**

11 **TERMS AND CONDITIONS**

12 1. Purpose. This Consent Order resolves the issues before the Commissioner, set forth
13 above, in a manner that avoids the expense of a hearing and other possible court proceedings, protects
14 consumers, is in the public interest, and is consistent with the purposes and provisions of the CSL.

15 2. Desist and Refrain Order for Violations of Section 25110. Pursuant to Corporations
16 Code section 25532, Respondents are hereby ordered from offering or selling or buying or offering to
17 buy any security in the State of California, including, but not limited to investment contracts, unless
18 and until qualification has been made under said law or unless exempt.

19 3. Desist and Refrain Order for Violations of Section 25401. Pursuant to Corporations
20 Code section 25532, Respondents are ordered to desist and refrain from offering or selling or buying
21 or offering to buy any security in the state of California by means of any written or oral
22 communication which includes an untrue statement of material fact or omits to state a material fact
23 necessary in order to make the statements made, in light of the circumstances under which they were
24 made, not misleading, in violation of Corporations Code section 25401.

25 4. Bar Order. Pursuant to Corporations Code section 25232.1 and 25232 (e), Romero is
26 barred from any position of employment, management, or control of any investment adviser, broker-
27 dealer, or commodity adviser, any officer, director, partner, employee of, or person performing

28 ///

1 similar functions for, an investment adviser, or any other person. A copy of the bar order is attached
2 and incorporated as Exhibit A.

3 5. Waiver of Hearing Rights. Zera and Romero acknowledge that the Commissioner is
4 ready, willing, and able to proceed with the filing of an administrative enforcement action on the
5 charges contained in this Consent Order. Zera and Romero hereby waive the right to any hearings,
6 and to any reconsideration, appeal, or other right to review which may be afforded pursuant to the
7 CSL, the California Administrative Procedure Act, the California Code of Civil Procedure, or any
8 other provision of law. Zera and Romero further expressly waive any requirement for the filing of an
9 action pursuant to Government Code section 11415.60 (b). By waiving such rights, Zera and Romero
10 effectively consent to this Consent Order and all the terms becoming final.

11 6. Information Willfully Withheld or Misrepresented. This Consent Order may be
12 revoked, and the Commissioner may pursue any and all remedies available under law against Zera
13 and Romero if the Commissioner discovers that Zera and Romero knowingly or willfully withheld or
14 misrepresented information used for and relied upon in this Consent Order.

15 7. Future Actions by Commissioner. If Zera or Romero fail to comply with any terms of
16 the Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
17 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
18 against Zera and Romero, for any and all unknown violations of the CSL or any other law under the
19 Commissioner's jurisdiction.

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

24 9. Headings. The headings to the paragraphs of this Consent Order are inserted for
25 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
26 the provisions hereof.

27 10. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
28 interest.

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

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

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

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

26 15. Counterparts. This Consent Order may be executed in one or more separate
27 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
28 together constitute a single document.

1 16. Effect Upon Future Proceedings. If Zera and Romero apply for any license, certificate,
2 registration, permit, or qualification under the Commissioner’s current or future jurisdiction, or is the
3 subject of any future action by the Commissioner to enforce this Consent Order, then the subject
4 matter hereof shall be admitted for the purpose of such application(s) or enforcement proceeding(s).

5 17. Voluntary Agreement. Zera and Romero enters into this Consent Order voluntarily and
6 without coercion and acknowledge that no promises, threats or assurances have been made by the
7 Commissioner or any officer, or agent thereof, about this Consent Order. The Parties each represent
8 and acknowledge that he, she or it is executing this Consent Order completely voluntarily and
9 without any duress or undue influence of any kind from any source.

10 18. Notice. Any notice required under this Consent Order shall be provided to each party
11 at the following addresses:

12 To Respondent: Luis A. Romero
13 9491 Madison Ave
14 Westminster, California 92683
15 28luisromero@gmail.com

16 To the Commissioner: Ryan M. Cassidy, Counsel
17 Department of Financial Protection and Innovation
18 2101 Arena Boulevard
19 Sacramento, California 95834
20 Ryan.Cassidy@dfpi.ca.gov

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

23 20. Public Record. Zera and Romero hereby acknowledge that this Consent Order is and
24 will be a matter of public record.

25 ///
26 ///
27 ///
28 ///

1 21. Effective Date. This Consent Order shall become final and effective when signed by
2 all Parties and delivered by the Commissioner’s agent via e-mail to Zera and Romero, at
3 28luisromero@gmail.com.

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

7 Dated: November 21, 2023
8 Sacramento, California

CLOTHILDE V. HEWLETT
Commissioner
Department of Financial Protection and Innovation



9
10 By _____
11 MARY ANN SMITH
12 Deputy Commissioner
Enforcement Division

13 Dated: November 20, 2023

14 By _____
15 LUIS A. ROMERO, as an Individual and for
16 Zera Financial, LLC

28