1	CLOTHILDE V. HEWLETT Commissioner			
2	MARY ANN SMITH			
3	Deputy Commissioner DANIEL P. O'DONNELL			
4	Assistant Chief Counsel			
5	RYAN M. CASSIDY (State Bar No. 340274) Counsel			
6	Department of Financial Protection and Innovation 2101 Arena Boulevard			
7	Sacramento, CA 95834			
8	Telephone: (916) 764-8358 Attorneys for the Complainant			
9	BEFORE THE DEPARTMENT OF FINAN	ICIAL PROTECTION AND INNOVATION		
10	BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION OF THE STATE OF CALIFORNIA			
11	In the Matter of:			
12	THE COMMISSIONER OF FINANCIAL	NOTICE OF INTENT TO ISSUE ORDER LEVYING ADMINISTRATIVE		
13	PROTECTION AND INNOVATION,	PENALTIES AND STATEMENT IN		
14	Complainant,	SUPPORT		
15		(Cal. Corp. Code § 25252)		
16	PV WEALTH ADVISORS LLC, DANIEL CUNNINGHAM, and CHRISTOPHER LEACH,			
17	Respondents.			
18				
19	The Commissioner of Financial Protection	and Innovation (Commissioner) is informed and		
20	believes, and based upon such information and bel	ieve, alleges and charges as follows:		
21	I.			
22	JURISDICTIO	N AND VENUE		
23	1. The Commissioner is authorized to	administer and enforce the provisions of the		
24	Corporate Securities Law of 1968 (Cal. Corp. Code §§ 25000-25707) (CSL), and the regulations			
25	promulgated thereunder at title 10 of the California Code of Regulations (CCR), which includes the			
26	licensure, examination, and regulation of investment advisers and broker-dealers.			
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-	NOTICE OF INTENT TO ISSUE ORDER LEV	1- /YING ADMINISTRATIVE PENALTIES AND TIN SUPPORT		

1	2. The Commissioner brings this action to issue an order levying administrative penalties		
2	against PV Wealth Advisors LLC (PV Wealth), Daniel Cunningham (Cunningham), and Christopher		
3	Leach (Leach), pursuant to Corporations Code section 25252.		
4	II.		
5	STATEMENT OF FACTS		
6	3. At all relevant times, PV Wealth is and was a California limited liability company		
7	located at 30021 Avenida Esplindida, Rancho Palos Verdes, CA 90275.		
8	4. At all relevant times, Cunningham is and was the managing member and Chief		
9	Executive Officer of PV Wealth.		
10	5. At all relevant times, Leach, is and was an agent of PV Wealth.		
11	6. PV Wealth, Cunningham, and Leach are collectively referred to as Respondents.		
12	Violations of Corporations Code Section 25210		
13	(Conducting Business as a Broker-Dealer without a Certificate)		
14	7. Beginning in or about December 2014, Respondents engaged in the business of		
15	effecting transactions in securities, in California, for the accounts of others.		
16	8. Between December 2014 through November 2017, Respondents effected securities		
17	transactions, for at least two clients, residing in California and elsewhere.		
18	9. At all relevant times, neither the Department nor the United States Securities and		
19	Exchange Commission have issued a broker-dealer certificate to PV Wealth, Cunningham, or Leach.		
20	10. Corporations Code section 25210 prohibits a broker-dealer from conducting business		
21	as a broker-dealer in this state without first securing from the Commissioner a certificate, then in		
22	effect, authorizing them to do so or unless they are exempt.		
23	Violations of Corporations Code Section 25216 and CCR Section 260.216		
24	(Manipulative, Deceptive or other Fraudulent Scheme, Device, or Contrivance)		
25	11. In connection with effecting transactions in securities, Respondents engaged in the		
26	following manipulative, deceptive or other fraudulent schemes, including that:		
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-	-2- NOTICE OF INTENT TO ISSUE ORDER LEVYING ADMINISTRATIVE PENALTIES AND		
	STATEMENT IN SUPPORT		

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1	a. Cunningham impersonated a client, to attempt to remove trading restrictions on		
2	a client's account, from Charles Schwab & Co., Inc. (Schwab), the custodian of the brokerage		
3	account.		
4	b. Cunningham impersonated a client, by using the client's username and		
5	password, to trade in the client's brokerage account, held at Schwab.		
6	c. Cunningham instructed the client to lie to Schwab, the custodian of the		
7	brokerage account, to obtain option trading approval.		
8	d. Cunningham provided false information on a client's account application to		
9	obtain option trading approval from Schwab, the custodian of the brokerage account.		
10	e. Cunningham told a client to shred documents from Schwab, the custodian of		
11	the brokerage account.		
12	f. Cunningham told the client to ignore the letters from Schwab, the custodian of		
13	the brokerage account, because according to Cunningham, Schwab was "wrong."		
14	g. Leach told a client "You are gaining about a thousand dollars a day. He		
15	[Cunningham] is being very conservative with you." In fact, the client lost 47% of her portfolio.		
16	<b>Violations of Corporations Code Section 25401</b>		
17	(Misrepresentations and Omissions of Material Facts)		
18	12. In connection with the offers and sales of securities, Respondents made, or caused to		
19	be made, misrepresentations of material fact to investors and potential investors, including that:		
20	a. Respondents would invest the portfolio conservatively to hedge risk and		
	generate revenue. In fact, Respondents invested the client's portfolio in highly speculative securities		
21	generate revenue. In fact, Respondents invested the client's portfolio in highly speculative securities		
21 22	generate revenue. In fact, Respondents invested the client's portfolio in highly speculative securities with significant risk.		
22	with significant risk.		
22 23	with significant risk. b. Cunningham touted himself as having extensive knowledge in trading stocks,		
22 23 24	with significant risk. b. Cunningham touted himself as having extensive knowledge in trading stocks, including 20 years of trading experience and that he averaged around 1,000 trades per year, with		
22 23 24 25	with significant risk. b. Cunningham touted himself as having extensive knowledge in trading stocks, including 20 years of trading experience and that he averaged around 1,000 trades per year, with about \$20,000.00 per transaction. In fact, Cunningham later admitted that prior to 2014, he did not		
22 23 24 25 26	with significant risk. b. Cunningham touted himself as having extensive knowledge in trading stocks, including 20 years of trading experience and that he averaged around 1,000 trades per year, with about \$20,000.00 per transaction. In fact, Cunningham later admitted that prior to 2014, he did not even know how to open a brokerage account, let alone trade.		
<ul> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> </ul>	<ul> <li>with significant risk.</li> <li>b. Cunningham touted himself as having extensive knowledge in trading stocks,</li> <li>including 20 years of trading experience and that he averaged around 1,000 trades per year, with</li> <li>about \$20,000.00 per transaction. In fact, Cunningham later admitted that prior to 2014, he did not</li> <li>even know how to open a brokerage account, let alone trade.</li> <li>c. Cunningham touted himself as having extensive knowledge in trading options,</li> </ul>		
<ul> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> </ul>	with significant risk. b. Cunningham touted himself as having extensive knowledge in trading stocks, including 20 years of trading experience and that he averaged around 1,000 trades per year, with about \$20,000.00 per transaction. In fact, Cunningham later admitted that prior to 2014, he did not even know how to open a brokerage account, let alone trade. c. Cunningham touted himself as having extensive knowledge in trading options, including 4 years of trading experience and that he averaged around 500 option trades per year, with -3-		
<ul> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> </ul>	with significant risk. b. Cunningham touted himself as having extensive knowledge in trading stocks, including 20 years of trading experience and that he averaged around 1,000 trades per year, with about \$20,000.00 per transaction. In fact, Cunningham later admitted that prior to 2014, he did not even know how to open a brokerage account, let alone trade. c. Cunningham touted himself as having extensive knowledge in trading options, including 4 years of trading experience and that he averaged around 500 option trades per year, with		

about \$10,000.00 per transaction. In fact, Cunningham later admitted that prior to 2014, he did not
 even know how to open a brokerage account, let alone trade. In addition, Leach indicated that his
 own knowledge and experience about options was "little to none."

d. Leach was an investment adviser representative. In fact, at the time of such representation, he was not registered as an investment adviser representative.

e. Leach promised that the client would never lose her "Nest Egg." In fact, the Respondents directly caused the client's portfolio to lose 47% of its value.

13. In addition, in connection with the offers and sales of securities, Respondents made, or caused to be made, omissions of material fact to investors and potential investors, including that:

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a. Respondents failed to disclose any risks associated with Options.

b. Respondents failed to disclose that they were not registered as either a brokerdealer or an investment adviser.

14. Corporations Code section 25401 prohibits the offer or sale of securities in this state by means of written or oral communications that include untrue statements of material fact or omit materials facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The omissions and misrepresentations of the Respondents are material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

## III.

## **NOTICE OF INTENT TO ISSUE ORDER LEVYING ADMINISTRATIVE PENALTIES**

15. The Commissioner re-alleges and incorporates by reference paragraphs 1 to 14 of this Statement in Support, also contained in the Commissioner's Desist and Refrain Order, as though fully set forth herein.

16. Corporations Code section 25252 authorizes the Commissioner to issue an order levying administrative penalties against any person for willful violations of any provision of CSL and any rules promulgated thereunder.

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NOTICE OF INTENT TO ISSUE ORDER LEVYING ADMINISTRATIVE PENALTIES AND STATEMENT IN SUPPORT 1 17. Based on the foregoing findings, the Commissioner finds that the Respondents 2 conducted business as a broker-dealer in this state without first securing from the Commissioner a 3 certificate, authorizing them to do so, in violation of Corporations Code section 25210.

18. Further, the Commissioner finds that the Respondents engaged in a manipulative, deceptive or other fraudulent scheme, device, or contrivance, in violation of Corporations Code section 25216 and CCR section 260.216.

19. Further, the Commissioner finds that the Respondents effected securities transactions, in this state, by means of written or oral communications which included untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of Corporations Code section 25401.

20. Pursuant to California Corporations Code section 25252(b), the Commissioner hereby provides notice of intent to levy administrative penalties against PV Wealth, Cunningham, and Leach for the statutory amount of not more than five thousand dollars (\$5,000.00) for the first violation, not more than ten thousand dollars (\$10,000.00) for the second violation, and not more than fifteen thousand dollars (\$15,000.00) for each subsequent violation, or according to proof, for PV Wealth, Cunningham, and Leach's willful violations of the CSL.

WHEREFORE, good cause showing, and pursuant to Corporations Code section 25252(b), the Commissioner prays for an order levying administrative penalties, against PV Wealth Advisors LLC, Daniel Cunningham, and Christopher Leach, as follows:

That pursuant to Corporations Code section 25252(b), the Commissioner levy a. administrative penalties of \$5,000.00 for the first violation of Corporations Code section 25210, \$10,000.00 for the second violation of Corporations Code section 25210, as listed below, for a total amount of \$15,000.00 or according to proof:

- i. First violation: \$5,000.00 for the first violation of Corporations Code section 25210; and
- ii. Section violation: \$10,000.00 for the second violation of Corporations Code section 25210.

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1	b. That pursuant to Corporations Code section 25252(b), the Commissioner levy		
2	administrative penalties of \$15,000.00 for each violation of Corporations Code section 25216, as		
3	listed below, for a total amount of \$105,000.00 or according to proof:		
4	i.	\$15,000.00 for the manipulative, deceptive or other fraudulent scheme in	
5		paragraph 11a;	
6	ii.	\$15,000.00 for the manipulative, deceptive or other fraudulent scheme in	
7		paragraph 11b;	
8	iii.	\$15,000.00 for the manipulative, deceptive or other fraudulent scheme in	
9		paragraph 11c;	
10	iv.	\$15,000.00 for the manipulative, deceptive or other fraudulent scheme in	
11		paragraph 11d;	
12	v.	\$15,000.00 for the manipulative, deceptive or other fraudulent scheme in	
13		paragraph 11e;	
14	vi.	\$15,000.00 for the manipulative, deceptive or other fraudulent scheme in	
15		paragraph 11f; and	
16	vii.	\$15,000.00 for the manipulative, deceptive or other fraudulent scheme in	
17	paragraph 11g.		
18	c. Th	nat pursuant to Corporations Code section 25252(b), the Commissioner levy	
19	administrative penalties	of \$15,000.00 for each violation of Corporations Code section 25401, as	
20	listed below, for a total a	mount of \$180,000.00 or according to proof:	
21	i.	\$15,000.00 for the misrepresentation in paragraph 11a, made in at least two	
22		transactions;	
23	ii.	\$15,000.00 for the misrepresentation in paragraph 11b, made in at least two	
24		transactions;	
25	iii.	\$15,000.00 for the misrepresentation in paragraph 11c, made in at least two	
26		transactions;	
27	iv.	\$15,000.00 for the misrepresentation in paragraph 11d, made in at least one	
28		transaction;	
	-6- NOTICE OF INTENT TO ISSUE ORDER LEVYING ADMINISTRATIVE PENALTIES AND		
		STATEMENT IN SUPPORT	
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1		the misrepresentation in paragraph 11e, made in at least one	
2	transaction;		
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4		transactions; and	
5		\$15,000.00 for the omission in paragraph 12b, made in at least two	
6	transactions.		
7		ies for violations of Corporations Code sections 25210,	
8	25216, and 25401, is \$300,000.00, or acc		
9	Dated: April 17, 2024 Sacramento, California	CLOTHILDE V. HEWLETT Commissioner of Financial Protection and Innovation	
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11		By RYAN M. CASSIDY	
12 13		Counsel	
13		Enforcement Division	
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