CLOTHILDE V. HEWLETT

Commissioner

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BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

OF THE STATE OF CALIFORNIA

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| In the Matter of:  THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION,  Complainant,  v.  PERMANENT VALUE, INC; BRUCE DOOLE; and BRUCE W AND SUSAN L DOOLE LIVING TRUST 2000,  Respondents. | CRD NO.: 118024 and 2322136  ACCUSATION TO:  1. REVOKE RESPONDENT PERMANENT VALUE, INC.’S INVESTMENT ADVISER CERTIFICATE;  AND  2. BAR RESPONDENT BRUCE DOOLE FROM ANY POSITION OF MANAGEMENT OR CONTROL OF AN INVESTMENT ADVISER, BROKER-DEALER, OR COMMODITY ADVISER  (Cal. Corp. Code sections 25232 and 25232.1) |

Clothilde V. Hewlett, Commissioner of the Department of Financial Protection and Innovation (Commissioner), acting to protect the public, alleges and charges as follows:

**Introduction**

1. The Commissioner brings this action pursuant to the provisions of the Corporate Securities Law of 1968 (CSL) (Cal. Corp. Code §§ 25000-25707) (Corp.), and the accompanying

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regulations in Title 10 of the California Code of Regulations §§ 260.000-260.617 (CCR), which cover the licensure, examination, and regulation of investment advisers.

1. Permanent Value, Inc. (PVI) is or was, at all relevant times, an investment adviser licensed by the Commissioner since December 6, 2012, (Central Registration Depository No. 118024)[[1]](#footnote-2) pursuant to the CSL. PVI is, or was, at all relevant times, a Delaware corporation registered with the California Secretary of State on July 28, 1998. PVI’s principal place of business is located at 2221 Camino Del Rio South, Suite 308, San Diego, California 92108. According to the California Secretary of State’s business search website (available at https://bizfileonline.sos.ca.gov/search/business), PVI’s registration is forfeited by the Franchise Tax Board as of December 1, 2015.
2. Bruce Doole (Doole) is or was, at all relevant times, the sole officer and investment adviser representative of PVI. PVI has been licensed by the Commissioner since December 6, 2012, as an investment adviser representative (CRD No. 2322136).
3. Bruce W and Susan L Doole Living Trust 2000 (Trust) is the sole owner of PVI.
4. PVI, Doole, and Trust are collectively referred to as Respondents.
5. The Commissioner is authorized to administer and enforce the provisions of the CSL, and rules and regulations adopted thereunder.
6. A violation is willful if Respondents’ failure was done with a purpose or willingness to commit the act, or make the omission referred to. An omission is willful if made with the knowledge of the obligation to act.
7. The Commissioner brings this action seeking to revoke PVI’s investment adviser certificate pursuant to Corp. 25232 (a), (e), and (h), on the grounds that the revocation is in the public interest and PVI (i) willfully made false or misleading statements or willfully omitted to state material facts in its application and reports filed with the Commissioner; (ii) willfully violated provisions of the CSL; and (iii) violated provisions of the CSL.
8. The Commissioner further brings this action seeking to bar Doole, from any position of management or control of an investment adviser, broker-dealer, or commodity adviser, pursuant to Corp. 25232.1 and 25232 (a) and (e) on the grounds that the bar is in the public interest and Doole (i) willfully made false or misleading statements or willfully omitted to state material facts in his application and reports filed with the Commissioner; and (ii) willfully violated provisions of the CSL.
9. In this case, Respondents have willfully violated Corp. 25235, 25238, 25241, and 25404, and CCRs 260.235.4 (a)(1), 260.236.1 (a)(3), 260.237.2 (a)(c), 260.238 (o), 260.241.2 (a)(3)-(4), 260.241.3 (a)(1)(2)(4)(5)(6)(9)(10) and (c), and 260.241.4 (d)(e).

**Statement of Facts**

1. On October 3, 2012, Respondents filed an application with the Commissioner for an investment adviser license.
2. On or about January 1, 2012, a California resident filed a civil complaint against PVI and Doole. On November 8, 2012, the parties stipulated that the judgement be ruled in favor of the California resident, against PVI and Doole, totaling $400,000.00 (2012 Civil Judgement).
3. On or about December 6, 2012, the Commissioner issued PVI an investment adviser certificate. Accompanied with the certificate was a reminder of certain rules and regulations, including the following: (1) Filing annual and updating amendments of its Form ADV; (2) Minimum net worth requirements; (3) Annual financial reports; (4) Make and keep true, accurate, and current books, ledgers, and records relating to PVI’s investment advisory business.
4. On or about May 20, 2019, a California resident filed a statement of claim to initiate arbitration against Doole. On January 21, 2021, the arbitrator rendered a decision in favor of a California resident, against Doole, totaling $175,000.00 (2019 Arbitration).
5. In or about May 2022 until April 28, 2023, the Commissioner conducted a regulatory examination of the books and records of Respondents (2022 Examination).
6. During the 2022 Examination, the Commissioner discovered multiple violations of the CSL committed by PVI.

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**Violations of the CSL**

1. **Respondent Willfully Made a False Statement to the Commissioner**
2. Corp. 25404 (a) provides, in part, that it is unlawful for any person to knowingly make a false entry in any record or document, with the intent to impede, obstruct, or influence the administration or enforcement of this division.
3. Corp. 25404 (b) provides, in part, that it is unlawful for any person to knowingly make an untrue statement to the commissioner during the course of licensing, with the intent to impede, obstruct, or influence the administration or enforcement of any provision of this division.
4. On or about January 1, 2012, a California resident initiated civil litigation by filing a civil complaint against PVI and Doole.
5. On October 3, 2012, Respondents filed an application with the Commissioner for an investment adviser license. Respondents submitted a Doole’s Form U4[[2]](#footnote-3) and PVI’s Form ADV[[3]](#footnote-4). However, Respondents answered “No” to disclosure questions related to pending civil litigation, on Doole’s Form U4 and PIV’s Form ADV, in violation of Corp. 25404 (b). In submitting Form U4 and Form ADV, Doole attested and certified, under the penalty of perjury, that the answers were true and correct.
6. Respondents continued to file Part 1 of PVI’s Form ADV on an annual basis, for fiscal years 2012 through 2021, by answering “No” to disclosure questions related to civil judgements, on PIV’s Form ADV, in violation of Corp. 25404 (a). In submitting PIV’s Form ADV, Doole attested and certified, under the penalty of perjury, that the answers were true and correct.

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1. Respondents’ action of withholding information from the Commissioner, relating to current pending civil litigation, and answering “No” on multiple different forms, attesting under the penalty of perjury, was done with a purpose or willingness to commit the act.
2. Therefore, Respondents willfully made a false statement to the Commissioner, in violation of Corp. 25404 (a) and (b).
3. **Respondents Willfully Withheld Customer Complaint Disclosures from Prospective Clients**
4. Corp. 25238 provides, in part, that a licensed investment adviser is prohibited from engaging in investment advisory activities, in this state in contradiction of such rules, designed to promote fair, equitable and ethical principles.
5. CCR 260.238 (o) provides, in part, that omitting a statement of material fact during the solicitation of advisory clients does not promote fair, equitable or ethical principles, as that phrase is used in Section 25238 of the Code.
6. From January 1, 2012, to June 9, 2022, Respondents failed to disclose the 2012 Civil Judgement, to its prospective clients. From May 20, 2019, to June 9, 2022, Respondents failed to disclose the 2019 Arbitration, to its prospective clients. On June 9, 2022, only after the Commissioner told the Respondents to amend Part 2 of PVI’s Form ADV, Respondents began disclosing the 2012 Civil Judgement and the 2019 Arbitration.
7. Respondents’ action of withholding information from prospective clients, relating to past civil litigation and arbitration awards, in addition to telling prospective clients, in Part 2 of PVI’s Form ADV, that the Respondents have no legal events to disclose, was done with a purpose or willingness to commit the act.
8. Therefore, Respondents willfully omitted statements of material fact in the solicitation of advisory clients, in violation of Corp. 25238 and CCR 260.238 (o).
9. **Respondents Willfully Failed to Meet the Minimum Net Worth Requirements**
10. Corp. 25237 provides, in part, that licensed investment advisers who have custody of client securities or funds or discretionary authority (power of attorney to execute transactions) over client funds or securities, shall be subject to a minimum capital requirement.

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1. CCR 260.237.2 provides, in part, that every investment adviser who has discretionary authority over client funds or securities shall maintain at all times a minimum net worth of $10,000. Furthermore, as a condition of the right to continue to transact business in this state, every investment adviser shall, by the close of business on the next business day following the discovery that the investment adviser’s net worth is less than the minimum required, notify the Commissioner that the investment adviser’s net worth is less than the minimum required.
2. On December 10, 2012, the Commissioner notified the Respondents of the requirement to maintain a minimum net worth of $10,000.00.
3. From at least January 1, 2019, to April 30, 2022, Respondents had discretionary authority over client funds or securities, therefore PVI is required to always maintain a minimum net worth of $10,000.00. During the period of January 1, 2019, through at least April 30, 2022, PVI’s net worth failed to exceed a net deficit of $72,314.57, in violation of CCR 260.237.2 (a). In addition, pursuant to CCR 260.237.2 (j), PVI is deemed to have discovered that its net worth is less than the minimum net worth requirement since at least, January 1, 2019. In addition, PVI failed to notify the Commissioner that its net worth was less than the minimum financial requirement, since at least January 1, 2019, in violation of CCR 260.237.2 (c).
4. Respondents’ failure to maintain a net worth, not less than the minimum net worth requirement, after the Commissioner provided notice in 2012, was done with a purpose or willingness to commit the act.
5. Therefore, Respondents willfully violated CCR 260.237.2 (a), by failing to maintain the minimum required net worth.
6. Furthermore, PVI does not meet the conditions to transact business in this state, based upon its continued failure to meet the minimum net worth conditions, pursuant to CCR 260.237.2 (c).
7. **Respondents Willfully Failed to Disclose Financial Condition to Clients**
8. As stated above, Corp. 25235 provides, in part, that it is unlawful for an investment adviser to engage in any act, practice, or course of business which is fraudulent, deceptive, or manipulative.

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1. CCR 260.235.4 (a)(1) provides, in part, that it shall constitute a fraudulent, deceptive, or manipulative act, practice or course of business within the meaning of Section 25235 of the Code for any investment adviser to fail to disclose to any client all material facts with respect to a financial condition of the adviser that is reasonably likely to impair the ability of the adviser to meet contractual commitments to clients if the adviser has discretionary authority or custody over such client's funds or securities.
2. On December 10, 2012, the Commissioner notified the Respondents of the requirement to maintain a minimum net worth of $10,000.00, as a condition of the right to continue to transact business.
3. From at least January 1, 2019, through November 30, 2023., PVI was deficient in its minimum financial requirement and has not met the conditions to transact business in this state. However, PVI never disclosed to its clients that its financial condition is likely to impair its ability to meet its contractual commitments, in violation of Corp. 25235 and CCR 260.235.4 (a)(1).
4. Respondents’ failure to disclose to its clients of its failure to maintain the minimum financial requirement and its inability to meet the conditions to transact business in this state, after the Commissioner provided notice in 2012, was done with a purpose or willingness to commit the act.
5. Therefore, Respondents willfully failed to disclose that its financial condition is likely to impair its ability to meet its contractual commitments to its clients, in violation of Corp. 25235 and CCR 260.235.4 (a)(1).
6. **Respondents Willfully Failed to File Annual Financial Report**
7. As stated above, Corp. 25241 provides, in part, that an investment adviser shall file reports as the Commissioner by regulation requires.
8. CCR 260.241.2 provides in part, that every licensed investment adviser subject to the provisions of Section 260.237.2 of these rules, shall file an annual financial report, prepared in accordance with generally accepted accounting principles and shall be audited by an independent certified public accountant; however, the financial statements need not be audited if the investment adviser only has discretionary authority over client funds or securities. The report shall be filed not more than 90 days after the investment adviser’s fiscal year end.
9. On December 10, 2012, the Commissioner notified the Respondents of the requirement to file annual financial statements with the Commissioner.
10. From at least December 6, 2012, through December 31, 2022, PVI was required to file annual financial reports, prepared in accordance with GAAP, due to PVI having discretionary authority over client funds and securities.
11. Respondents failed to file PVI’s annual financial reports for fiscal years 2012 through 2022, within 90 days after PVI’s fiscal year end, in violation of Corp. 25241 and CCR 260.241.2 (a)(3)-(4).
12. On or about July 17, 2023, PVI provided its financial reports for fiscal years 2019 through 2021 but failed to provide the annual financial report for fiscal year 2022.
13. Respondents’ continued failure to adhere to the requisite annual reporting requirements, for fiscal years 2012 through 2022, after the Commissioner provided notice in 2012 of the requirement, was done with a purpose or willingness to commit the act.
14. Therefore, Respondents willfully failed to adhere to the requisite annual reporting requirements, in violation of CCR 260.241.2 (a)(3)-(4).
15. **Respondents Failing to Maintain Books and Records**
16. Corp. 25241 provides, in part, that an investment adviser make and maintain books and records, as the Commissioner by regulation requires.
17. CCR 260.241.3(a),(c),(j), provides in part, that an investment adviser shall make and keep true, accurate and current the books and records relating to such person's investment advisory business, including, but not limited to cash receipts and disbursements journals, general ledgers, balance sheet, income statement, cash reconciliations, trial balances, worksheets that contain computations of minimum financial requirements, originals of all written communications between the client and investment adviser relating to any recommendation made or proposed to be made, and all written agreements entered into by the investment adviser with any client.
18. On December 10, 2012, the Commissioner notified the Respondents of the requirement to make and keep true, accurate, and current books, ledgers, and records relating to PVI’s investment advisory business.
19. During the 2022 Examination, the Respondents:
20. 1. Failed to prepare and maintain cash receipts and disbursement journals;
    2. Failed to prepare and maintain a general ledger;
    3. Failed to prepare and maintain a true and accurate balance sheet;
    4. Failed to prepare and maintain a true and accurate income statement;
    5. Failed to prepare and maintain true and accurate cash reconciliations;
    6. Failed to prepare and maintain trial balances; and
    7. Failed to prepare and maintain true and accurate monthly minimum financial requirement calculations.
21. During the 2022 Examination, Respondents failed to maintain copies of account statements for the following clients:
    1. B. G.
    2. J. G.
    3. K. H.
    4. S. S.
    5. M. S.
22. During the 2022 Examination, Respondents failed to maintain brokerage account applications including any powers of attorney for authorization to trade on behalf of the client, for nine of the 11 clients sampled:
    1. B. G.
    2. C. C.
    3. D. C.
    4. T. & D. N
    5. J. G. and K. H.
    6. R. & L. R.
    7. M. & S. S.
    8. W. & M. D.
23. During the 2022 Examination, Respondents failed to maintain trust documents for four of the six trust clients sampled:
    1. S. M.
    2. S. M.
    3. M & S. S.
    4. W. D.
24. Respondents’ failure to make and keep true and accurate books and records, after the Commissioner provided notice in 2012 of the requirement, and continued to fail to maintain such books and records for 14 months after the Commissioner commenced the examination, was done with a purpose or willingness to commit the act.
25. Therefore, Respondents willfully violated Corp. 25241 and CCR 260.241.3 (a)(1)(2)(4)(5)(6)(9)(10) and (c), by failing to prepare and maintain required financial and client books and records.
26. **Respondents Willfully Failed to File Form U4 Updating Amendments**
27. CCR 260.236.1 (a)(3) provides, in part, that an investment adviser shall promptly file an amendment, upon any change in the information contained in its investment adviser representative’s (IAR) Form U4.
28. Respondents failed to amend Doole’s Form U4 to include the 2012 Civil Judgement and 2019 Arbitration, until after the Commissioner requested that the Respondents amend Doole’s Form U4. Respondents amended Doole’s Form U4 on June 9, 2022.
29. Respondents’ action of failing to disclose both a civil judgement and arbitration judgement, was done with a purpose or willingness to commit the act.
30. Therefore, Respondents willfully failed to amend Doole’s Form U4 to disclose legal events, in violation of CCR 260.236.1 (a)(3).
31. **Respondents Willfully Failed to Timely File an Annual Amendment to Form ADV**
32. As stated above, Corp. 25241 provides, in part, that an investment adviser shall file reports as the Commissioner by regulation requires.
33. CCR 260.241.4 (e) provides, in part, that an investment adviser shall file an annual updating amendment to its Form ADV, within ninety days of the end of the investment adviser’s fiscal year.
34. The fiscal year end for PVI investment adviser business is December 31.
35. To be timely, licensees are required to file an annual updating amendment, within 90 days of its fiscal year end.

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1. On December 10, 2012, the Commissioner notified the Respondents of the requirement to file an annual updating amendment to PVI’s Form ADV.
2. Respondents failed to file an annual updating amendment to Part 2 of PVI’s Form ADV, for fiscal years 2012 through 2021, in violation of Corp. 25241 and CCR 260.241.4 (e).
3. Respondents’ failure to timely file annual updating amendments to Form ADV, after the Commissioner provided notice in 2012 of the requirement, was done with a purpose or willingness to commit the act.
4. Therefore, Respondents willfully violated Corp. 25241 and CCR 260.241.4 (e), by failing to timely file an annual updating amendment to its Form ADV.
5. **Respondents Willfully Failed to File Form ADV Updating Amendments**
6. Corp. 25241 provides, in part, that an investment adviser shall file reports as the Commissioner by regulation requires.
7. CCR 260.241.4 (d) provides, in part, that an investment adviser shall promptly file an amendment, upon any change in the information contained in its Form ADV.
8. During the 2022 Examination, the Commissioner received the most current copy of PVI’s Form ADV, dated March 21, 2022. However, Respondents failed to disclose the following on PVI’s Form ADV:
   1. The 2012 Civil Judgement;
   2. That Respondents provided a service of selection of third-party advisers;
   3. That Respondents’ total regulatory assets under management, were managed on a non-discretionary basis; and
   4. That Respondents’ regulatory assets under management were held by Charles Schwab & Co. Inc.
9. As of November 30, 2023, Respondents continue to fail to disclose the 2012 Civil Judgement on PVI’s Form ADV.
10. Respondents’ failure to timely file updating amendments to Form ADV, after the Commissioner provided notice in 2012 of the requirement, was done with a purpose or willingness to commit the act.
11. Therefore, Respondents willfully violated Corp. 25241 and CCR 260.241.4 (d), by failing to keep information in its Form ADV updated.

**THE COMMISSIONER HAS GROUNDS TO REVOKE PERMANENT VALUE, INC.’S INVESTMENT ADVISER CERTIFICATE**

1. Corp. 25232 provides in pertinent part:

The commissioner may, after appropriate notice and opportunity for hearing, by order … revoke the certificate of, an investment adviser, if the commissioner finds that the … revocation is in the public interest and that the investment adviser, whether prior or subsequent to becoming such, or any partner, officer or director thereof or any person performing similar functions or any person directly or indirectly controlling the investment adviser, whether prior or subsequent to becoming such, or any employee of the investment adviser while so employed has done any of the following:

(a) Has *willfully made or* *caused to be made* in *any application*… or *any report filed with the commissioner* under this division, or in any proceeding before the commissioner, any statement which was at the time and in the light of the circumstances under which it was made *false or misleading with respect to any material fact*, or has *willfully omitted to state* in the…*report* any material fact which is required to be stated therein. [Emphasis added.]

…

(e) Has *willfully violated* . . . *Title 4* (commencing with Section 25000)… [Emphasis added.]

…

(h) *Has violated any provision of this division or the rules thereunder*…. [Emphasis added.]

(Corp. 25232 (a), (e), and (h))

1. As alleged in paragraph 20 and 21, Respondents willfully made a false statement to commissioner in its application records and annual disclosure reports, by answering “No” to disclosure questions related to civil judgements, on PIV’s Form ADV, in violation of Corp. 25404 (a) and (b). In submitting PIV’s Form ADV, Doole attested and certified, under the penalty of perjury, that the answers were true and correct. By filing inaccurate application records and annual disclosure reports, Respondents have willfully made in an application and report to the Commissioner, a statement which was at the time and in the light of the circumstances under which it was made false or misleading, or willfully omitted to state in the application or report any material fact which is required to be stated therein, thus, warranting the revocation of PVI’s investment adviser certificates pursuant to Corp. 25232 (a).
2. As alleged in paragraphs 23, 28, 34, 35, 41, 49, 58, 62, 70, and 76 herein, Respondents willfully violated several provisions of the CSL, thus warranting the revocation of PVI’s investment adviser certificates pursuant to Corp. 25232 (e).
3. As alleged in paragraphs 23, 28, 34, 35, 41, 49, 58, 62, 70, and 76 herein, Respondents violated several provisions of the CSL, thus warranting the revocation of PVI’s investment adviser certificates pursuant to Corp. 25232 (h).

**THE COMMISSIONER HAS GROUNDS TO BAR BRUCE DOOLE FROM ANY POSITION OF MANAGEMENT OR CONTROL OF ANY INVESTMENT ADVISER**

1. Pursuant to Corporations Code section 25232 and 25232.1, the Commissioner may bar an individual from any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser, if she finds the bar is in the public interest and that the person done any of the following acts, enumerated in Corporations Code Section 25232.
2. Corp. 25232.1 provides in pertinent part:

The commissioner may, after appropriate notice and opportunity for hearing…bar…*from any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser*, any officer, director, partner, employee of, or person performing similar functions for, an investment adviser, or any other person, *if he or she finds* that the…bar is in the public interest and that the person has committed any act or omission enumerated in *subdivision (a)…of Section 25232*… [Emphasis added.]

(Corp. 25232.1)

1. Corporations Code section 25232, in relevant part, provides:
2. Has *willfully made or* *caused to be made* in…*any report filed with the commissioner* under this division, or in any proceeding before the commissioner, any statement which was at the time and in the light of the circumstances under which it was made *false or misleading with respect to any material fact*, or has *willfully omitted to state* in the…*report* any material fact which is required to be stated therein. [Emphasis added.]

…

(e) Has *willfully violated* . . . *Title 4* (commencing with Section 25000)… [Emphasis added.]

(Corp. 25232 (a) and (e))

1. As alleged in paragraph 20 and 21, Respondents willfully made a false statement to commissioner in its application records and annual disclosure reports, by answering “No” to disclosure questions related to civil judgements, on Doole’s Form U4 and PIV’s Form ADV, in violation of Corp. 25404 (a) and (b). In submitting Doole’s Form U4 and PIV’s Form ADV, Doole attested and certified, under the penalty of perjury, that the answers were true and correct. By filing inaccurate application records and annual disclosure reports, Respondents have willfully made in an application and report to the Commissioner, a statement which was at the time and in the light of the circumstances under which it was made false or misleading, or willfully omitted to state in the application or report any material fact which is required to be stated therein, thus, warranting the bar of Doole from any position of employment, management or control of any investment adviser, broker-dealer or commodity adviser, pursuant to Corp. 25232.1 and Corp. 25232 (a).
2. As alleged in paragraphs 23, 28, 34, 35, 41, 49, 58, 62, 70, and 76 herein, Respondents willfully violated provisions of the CSL, thus warranting the bar of Doole from any position of employment, management or control of any investment pursuant to Corp. 25232.1 and Corp. 25232 (e).
3. The Commissioner re-alleges, contained in a separate Commissioner’s Desist and Refrain Order against BSD Venture Capital I, LP, BSD Venture Capital LLC and Bruce Doole (collectively, BSD), as though fully set forth therein.
   1. BSD offered and sold securities, subject to qualification under the CSL and were offered or sold without being qualified or exempt, in violation of Corp. 25110.
   2. BSD offered and sold securities 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 Corp. 25401.

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* 1. BSD Venture Capital LLC and Doole conducted business as an investment adviser in this state without first securing from the Commissioner a certificate, authorizing them to do so, in violation of Corp. 25230.
  2. BSD Venture Capital LLC and Doole had custody of client funds and securities, but failed to follow the safekeeping requirements, between January 1, 2009, through June 9, 2021, in violation of Corp. 25235 and CCR 260.237.

Thus, warranting the bar of Doole from any position of employment, management or control of any investment pursuant to Corp. 25232.1 and Corp. 25232 (e).

1. Based on these acts and omissions, Doole should be barred from any position of management or control of any investment adviser, broker-dealer or commodity adviser.

**Conclusion**

1. Based on the foregoing, the Commissioner finds that grounds exist, and that it in the public interest to enter orders: (1) revoking the investment adviser certificate of Permanent Value, Inc., pursuant to Corporations Code section 25232; and (2) bar Bruce Doole, from any position of management or control of any investment adviser, broker-dealer, or commodity adviser pursuant to Corporations Code section 25232.1. Investment advisers are fiduciaries to their clients and must adhere to a strict fiduciary standard encompassing a duty of “utmost” good faith, full and fair disclosure of all material facts, and an obligation to use reasonable care to avoid misleading clients.
2. Investment advisers must act in the “best interest” of their advisory clients and fully disclose all conflicts of interest. As a fiduciary, an investment adviser must discuss clients’ financial goals and educate clients on various ways to accomplish them; help clients assess how aggressive they can be with their investments and the amount of risk they can bear; analyze the client's goals and needs, research and analyze investments, strategies, and market conditions to determine which option is most appropriate and provide an investment strategy that can best help the client meet their goals.
3. The Commissioner hereby notifies Permanent Value, Inc. and Bruce Doole of her intention to make such orders final.

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**PRAYER**

**WHEREFORE**, good cause showing, the Commissioner prays for relief, as follows:

1. For an order, pursuant to Corporations Code section 25232, revoking the investment adviser certificate of Permanent Value, Inc. and prohibiting Bruce Doole from accepting new investment adviser business or making any additional investment of client funds, but permitting him to continue servicing existing PVI client accounts in order to allow a winding down and liquidation of Permanent Value, Inc., and to return the funds to each of the investors as soon as practically feasible; and
2. For an order, pursuant to Corporations Code section 25232.1, barring Bruce Doole from any position of management or control of any investment adviser, broker-dealer, or commodity adviser.

Dated: April 5, 2024 CLOTHILDE V. HEWLETT

Commissioner of Financial Protection and Innovation

By *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

RYAN M. CASSIDY

Counsel

Enforcement Division

1. The Central Registration Depository (CRD) is a database maintained by the Financial Industry Regulatory Authority (FINRA) since 2007 for all firms and individuals involved in the U.S. securities industry. It is used to store and maintain information on registered securities and broker firms, as well as individuals who dispense investing and financial advice. [↑](#footnote-ref-2)
2. Form U4 is the uniform form used by investment advisers to register its IARs, with both the Securities and Exchange Commission (SEC) and state securities authorities. Form U4 requires information about the IAR’s personal information, employment history, outside business activity, and any disciplinary events of the IAR. Investment advisers are required to update the Form U4, whenever certain material changes occur. (https://www.finra.org/sites/default/files/AppSupportDoc/p015111.pdf) [↑](#footnote-ref-3)
3. Form ADV is the uniform form used by investment advisers to register with both the Securities and Exchange Commission (SEC) and state securities authorities. Form ADV requires information about the investment adviser’s business, ownership, clients, employees, business practices, affiliations, and any disciplinary events of the adviser or its employees. Investment advisers are required to update the Form ADV annually, as well as, whenever certain material changes occur. (See https://www.sec.gov/about/forms/formadv-instructions.pdf, pgs. 2 – 4.) [↑](#footnote-ref-4)