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9
10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of)
13 ERROLD FRANCIS MOODY JR.,) **CONSENT ORDER**
14 Respondent.) **(1) BARRING ERROLD FRANCIS MOODY**
15) **JR. PURSUANT TO CORPORATIONS**
16) **CODE SECTION 25232.1 AND**
) **(2) SURRENDERING INVESTMENT**
) **ADVISER CERTIFICATE**
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18 Whereas, in or about 2012 and 2013, Respondent Errold Francis Moody Jr. (“Errold
19 Moody”), both individually and doing business as Errold Francis Moody Jr., a sole proprietor, had a
20 principal place of business located at 40 Mulford Point Drive #4, San Leandro, California 94577.
21 During that time Errold Moody had an investment adviser certificate issued by the California
22 Department of Business Oversight (“Department”) pursuant to Corporations Code section 25230
23 (CRD number 137061, DBO number 925-1540).

24 Whereas, the Department regulates investment advisers in California.

25 Whereas, for the purpose of settling the issues contained in this Order without further
26 litigation and without admitting or denying the findings herein, except as to the jurisdiction of the
27 Department of Business Oversight over him and the subject matter of these proceedings for the times
28 in question, which are admitted, Errold Moody consents to the entry of this Consent Order made

1 pursuant to California Corporations Code Sections 25232.1 and 25532.

2 **I. JURISDICTION AND VENUE**

3 1. The Commissioner of the Department of Business Oversight (“Commissioner”) is
4 authorized to administer and enforce the provisions of the Corporate Securities Law of 1968,
5 Corporations Code section 25000 et seq. ("CSL") and the regulations thereunder at Title 10,
6 California Code of Regulations.

7 2. The Commissioner brings this action pursuant to the provisions of CSL sections
8 25232.1 and 25532(b), and the rules and regulations promulgated thereunder.

9 **II. STATEMENT OF FACTS**

10 3. Errold Moody admits to the jurisdiction of the Department in this matter.

11 4. In or about 2012 and 2013, Errold Moody, both individually and doing business as
12 Errold Francis Moody Jr., a sole proprietor, had a principal place of business located at 40 Mulford
13 Point Drive #4, San Leandro, California 94577. During that time Errold Moody had an investment
14 adviser certificate issued by the California Department of Business Oversight pursuant to
15 Corporations Code section 25230 (CRD number 137061, DBO number 925-1540).

16 5. On or about June 21, 2013, a judgment was entered against Errold Moody in the
17 Superior Court for the State of California, County of Alameda in civil case number PR 09478054.
18 The judgment was entered in a civil probate action brought by beneficiaries of a trust that had been
19 created by an investment adviser client of Errold Moody. Errold Moody had been appointed by the
20 client to act as trustee of the trust upon the client’s death. The suit alleged, and the judgment found
21 that Errold Moody had breached his fiduciary duty as trustee and had acted with oppression and
22 malice in his conduct towards the beneficiaries of the trust. The judgment awarded damages in favor
23 of the trust and beneficiaries and against Errold Moody in the sum of \$286,000.00. Errold Moody
24 also failed to disclose the existence of the then pending civil law suit on his application to the
25 Department of Business Oversight for a renewal of his investment adviser certificate.

26 6. Errold Moody subsequently ceased working as an investment adviser in California,
27 offered to surrender his investment adviser certificate and currently resides in the State of Florida.

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1 **III. ORDER BARRING ERROLD MOODY FROM EMPLOYMENT IN THE SECURITIES**
2 **INDUSTRY IN CALIFORNIA**

3 7. The Commissioner of the Department of Business Oversight (“Commissioner”) finds
4 that the entry of the civil judgment against Errold Moody finding oppression and malice and breach
5 of fiduciary duty involving the estate of an investment adviser client, and failing to disclose the
6 existence of that civil suit on his application to the Department are violations of Corporations Code
7 sections 25232 (a) and (b).

8 8. CSL section 25232 (a) and (b) provides, in relevant part:

9 The commissioner may,...by order censure, deny a certificate to... or revoke the
10 certificate of, an investment adviser, if the commissioner finds the censure, denial,
11 suspensions, or revocation is in the public interest and that the investment adviser, ... has
12 done any of the following:

13 (a) Has willfully made or caused to be made in an application for a certificate or any
14 report filed with the commissioner under this division, ... any statement which was at the time
15 and in the light of the circumstances under which it was made false or misleading with respect
16 to any material fact, or has willfully omitted to state in the application or report any material
17 fact which is required to be stated therein.

18 (b) Has been... held liable in a civil action by final judgment of a court based on
19 conduct showing moral turpitude, and the commissioner finds that the ... civil action... arose
20 out of the conduct of the business of a broker-dealer or investment adviser....

21 9. CSL section 25232.1 provides, in relevant part:

22 The commissioner may...by order...bar from any position of employment,
23 management or control of any investment adviser, broker-dealer or commodity adviser,
24 any officer, director, partner, employee of, or person performing similar functions for, an
25 investment adviser, or any other person, if he or she finds that the censure, suspension or
26 bar is in the public interest and that the person has committed any act or omission
27 enumerated in subdivision (a), (e), (f), or (g) of section 25232 or has been...held liable in
28 any civil action specified in subdivision (b) of Section 25232...

10. Pursuant to CSL sections 25232 (a) and (b) and 25232.1, the Commissioner hereby
finds it is in the public interest to bar Errold Moody from any position of employment, management
or control of any investment adviser, broker-dealer or commodity adviser in the State of California
pursuant to Corporations Code section 25232.1.

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IV. ORDER ACCEPTING SURRENDER OF INVESTMENT ADVISER CERTIFICATE

11. The investment adviser certificate of Errold Moody, (CRD number 137061, DBO-SRD number 925-1540) issued by the California Department of Business Oversight is hereby voluntarily surrendered by Errold Moody and the surrender is accepted by the Commissioner.

This Order is necessary in the public interest, for the protection of investors, and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: June 24, 2014

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

1 **CONSENT BY ERROLD FRANCIS MOODY JR.**

2 **TO ENTRY OF ORDER ISSUED BY THE DEPARTMENT OF BUSINESS OVERSIGHT**

3 Errold Francis Moody Jr. (“Moody”) hereby acknowledges that he has been served with a
4 copy of this Consent Order (“Order”), has read the foregoing Order, is aware of his right to a hearing
5 and appeal in this matter, elects to permanently waive any right to a hearing and appeal including
6 those under California Corporations Code sections 25232, 25232.1 and 25233 and to judicial
7 review of this matter pursuant to California Code of Civil Procedure Section 1094.5 with respect
8 to the issuance of this Bar and Surrender Order.

9 Moody admits the jurisdiction of the Department of Business Oversight (“Department”), and
10 consents to entry of this Order by the Department as settlement of the issues contained in this Order.

11 Moody acknowledges that this Order will be a matter of public record.

12 Moody states that no promise of any kind or nature whatsoever was made to him to induce him
13 to enter into this Order and that he has entered into this Order voluntarily.

14 Dated: June 18, 2014

15 By _____
16 Errold Francis Moody Jr.

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18 SUBSCRIBED AND SWORN TO before me this 18 day of June, 2014.

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20 Alexandria Callo
Notary Public

21 My Commission expires: June 20, 2016
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