

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT ("Agreement") is entered into as of February 6, 2013 by and between the California Department of Corporations ("DOC") through the California Corporations Commissioner ("Commissioner"), on the one hand, and Walker Financial Advisors, Inc. ("Walker Financial") on the other hand (hereinafter collectively the "Parties").

RECITALS

This Agreement is made with reference to the following facts:

A. Walker Financial is a corporation in good standing, duly formed and existing pursuant to the laws of the State of California, and authorized to conduct business in this state. Walker Financial has its principal place of business located at 26691 Plaza Drive, Suite 240, Mission Viejo, California 92691.

B. Scott D. Walker ("Scott Walker") is, and was at all relevant times herein the president of Walker Financial. Scott Walker is authorized to enter into this Agreement on behalf of Walker Financial.

C. Walker Financial has operated as an investment adviser registered with the Securities and Exchange Commission ("SEC") since 1986. However, as a result of the modifications in the Investment Advisors Act of 1940 adopted as part of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2011, Walker Financial was required to terminate its SEC registration and re-register as an investment adviser with the DOC. Walker Financial terminated its registration with the SEC on July 30, 2012, but did not file a new Form ADV to re-register as an investment adviser with the DOC until October 22, 2012. During that time, Walker Financial continued to service its investment advisory clients.

D. Walker Financial voluntarily came forth and disclosed to the Commissioner that it has continued to conduct its investment advisory activities during the period after it withdrew its SEC registration, and responded fully to all of the Commissioner's requests for information regarding its

1 investment advisory business. The Commissioner has determined that the public interest will not be
2 served by denying Walker Financial’s application to register as an investment adviser.

3 E. It is the intention and desire of the Parties to resolve this matter without the
4 necessity of a hearing and/or other litigation.

5 NOW, THEREFORE, for good and valuable consideration, and the terms and conditions
6 set forth herein, the Parties agree as follows:

7 **TERMS AND CONDITIONS**

8 1. **Purpose.** The purpose of this Agreement is to settle and resolve the matters
9 between the Parties hereto, for judicial economy and expediency, and to avoid the expense of a
10 hearing, and possible further court proceedings.

11 2. **Waiver of Hearing Rights.** Walker Financial acknowledges the right of Walker
12 Financial to a hearing under the Corporate Securities Law of 1968 in connection with the
13 application for investment advisor certificate , and hereby waive that right to a hearing, and to any
14 reconsideration, appeal, or other right to review which may be afforded pursuant to the
15 Corporate Securities Law of 1968, the California Administrative Procedure Act, the California
16 Code of Civil Procedure, or any other provision of law, and by waiving such rights, consent to
17 the Administrative Penalties becoming final.

18 3. **Admissions.** Walker Financial admits the violations of Corporations Code
19 section 25230 during the period following July 30, 2012 resulting from the delay in filing
20 the Form ADV for re-registration with the DOC. The admission of Walker Financial is the
21 purposes of this and any other future proceedings that may be initiated by or brought before the
22 California Department of Corporations. The Parties agree that this Agreement shall not be
23 admissible against Walker Financial in any action(s) brought against Walker Financial by third
24 parties that are not signatories to this Agreement.

25 4. **Certification.** Walker Financial stipulates to undertake all appropriate steps designed
26 to assure full compliance with the laws of California in the conduct of its business.

27 5. **Administrative Penalties.** Walker Financial agrees to pay to the Commissioner
28 administrative penalties totaling, TWENTY-SEVEN THOUSAND SIX HUNDRED DOLLARS

1 (\$27,600) (the "Penalties"). Walker Financial shall pay the Penalties by way of three (3) equal
2 installment payments of NINE THOUSAND TWO HUNDRED DOLLARS (\$9,200) on or before
3 the 8th of each of the following month and year: February 2013, April 2013 and June 2013. In the
4 event the payment due date falls on a weekend or holiday, the payment shall be due the next
5 business day. Walker Financial shall make the checks for the payments payable to the California
6 Department of Corporations and mail the checks to the attention and address of the Department
7 of Corporations person listed in paragraph 19, Notices. Walker Financial acknowledges that
8 failure to make any payment installment under this Agreement or to timely pay any payment
9 installment under this Agreement shall be a breach of this Agreement and shall be cause for the
10 Commissioner to immediately revoke any licenses held by, and/or deny any pending application(s)
11 of Walker Financial, its successors and assigns, by whatever names they might be known. Walker
12 Financial hereby waives any notice and hearing rights to contest such revocations and/or denial(s)
13 which may be afforded under the Corporate Securities Law of 1968, the California Administrative
14 Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection
15 therewith.

16 6. **Future Actions by the Commissioner.** The Commissioner reserves the right to
17 bring any future action(s) against Walker Financial or any of the officers, directors,
18 shareholders, or employees of Walker Financial for any and all unknown or future violations of
19 the Corporate Securities Act of 1968. This Agreement shall not serve to exculpate Walker
20 Financial or any of the officers, directors, shareholders, or employees of Walker Financial from
21 liability for any and all unknown or future violations of the Corporate Securities Act of 1968.

22 7. **Effective Date.** This Agreement shall not become effective until signed, and
23 delivered by all parties.

24 8. **Settlement Agreement Coverage.** The Parties hereby acknowledge and agree that
25 this Agreement is intended to constitute a full, final and complete resolution of this matter.
26 The Parties further acknowledge and agree that nothing contained in this Agreement shall operate to
27 limit the Commissioner's ability to assist any other agency, (county, state or federal) with any
28 prosecution, administrative, civil or criminal, brought by any such agency against Walker

1 Financial based upon any of the activities alleged in this matter or otherwise.

2 9. **Independent Legal Advice.** Each of the Parties represents, warrants, and agrees
3 that it has received or been advised to seek independent legal advice from its attorneys with
4 respect to the advisability of executing this Agreement.

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

15 11. **Modifications and Qualified Integration.** No amendment, change or
16 modification of this Agreement shall be valid or binding to any extent unless it is in writing
17 and signed by all of the parties affected by it.

18 12. **Full Integration.** This Agreement is the final written expression and the
19 complete and exclusive statement of all the agreements, conditions, promises, representations,
20 and covenants between the parties with respect to the subject matter hereof, and supersedes all
21 prior or contemporaneous agreements, negotiations, representations, understandings, and
22 discussions between and among the parties, their respective representatives, and any other
23 person or entity, with respect to the subject matter covered hereby.

24 13. **No Presumption From Drafting.** In that the parties have had the opportunity to
25 draft, review and edit the language of this Agreement, no presumption for or against any party
26 arising out of drafting all or any part of this Agreement will be applied in any action
27 relating to, connected to, or involving this Agreement. Accordingly, the parties waive the
28 benefit of California Civil Code section 1654 and any successor or amended statute,

1 providing that in cases of uncertainty, language of a contract should be interpreted most strongly
2 against the party who caused the uncertainty to exist.

3 14. **Counterparts.** This Agreement may be executed in any number of counter-
4 parts by the Parties, and when each party has signed and delivered at least one such counterpart
5 to the other party, each counterpart shall be deemed an original and taken together shall
6 constitute one and the same Agreement.

7 15. **Headings and Governing Law.** The headings to the paragraphs of this Agreement
8 are inserted for convenience only and will not be deemed a part hereof or affect the
9 construction or interpretation of the provisions hereof. This Agreement shall be
10 construed and enforced in accordance with, and governed by, the laws of the State of
11 California.

12 16. **Authority For Settlement.** Each party warrants and represents that such party is
13 fully entitled and duly authorized to enter into and deliver this Agreement. In particular, and
14 without limiting the generality of the foregoing, each party warrants and represents that it is
15 fully entitled to enter into the covenants, and undertake the obligations set forth herein.

16 17. **Public Record.** Walker Financial hereby acknowledges that this Agreement will
17 be a matter of public record.

18 18. **Voluntary Agreement.** The Parties each represent and acknowledge that he, she
19 or it is executing this Agreement completely voluntarily and without any duress or undue
20 influence of any kind from any source.

21 19. **Notices.** Notice shall be provided to each party at the following addresses:

22
23 If to Walker Financial Advisors, Inc.: 26691 Plaza, Suite 240
Mission Viejo, CA 92691
24 Attn: Scott D. Walker

25 If to the Commissioner: Marlou de Luna
26 Sr. Corporations Counsel
Enforcement Division
27 Department of Corporations
320 W. 4th Street, Suite 750
28 Los Angeles, CA 90013-2344

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN WITNESS WHEREOF, the Parties hereto have approved and executed this Agreement on the dates set forth opposite their respective signatures.

JAN LYNN OWEN
California Corporations Commissioner

Dated: 2/6/13

By _____
JEREMIAH C. TWOMEY
Deputy Commissioner

Dated: 2/4/13

WALKER FINANCIAL ADVISORS, INC.

By _____
SCOTT D. WALKER
President

APPROVED AS TO FORM:

Dated: 2/6/13

Marlou de Luna
Sr. Corporations Counsel

Dated: 2/05/13

Catherine DeBono Holmes
Jeffer, Mangels, Butler & Mitchell LLP
Attorneys for WALKER FINANCIAL ADVISORS, INC.