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

12 In the Matter of:

CRD NO.: 131392

13 THE COMMISSIONER OF BUSINESS
14 OVERSIGHT,

15 CONSENT ORDER

16 Complainant,

17 v.

18 JTA SECURITIES MANAGEMENT, INC. an
19 entity,

20 Respondent.

21 This Consent Order is entered into between the Commissioner of Business Oversight
22 (Commissioner) of the Department of Business Oversight and JTA Securities Management, Inc
23 (JTA Securities). and is made with respect to the following facts:

24 **I.**

25 **RECITALS**

26 A. The Commissioner has jurisdiction over the licensing and regulation of persons
27 engaged in the business of investment advising under the Corporate Securities Law of 1968
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1 (Corporations Code section 25000 et seq.).

2 B. JTA Securities holds a valid and unrevoked investment adviser certificate issued by
3 the Commissioner on October 27, 2009, pursuant to Corporations Code section 25230. JTA
4 Securities is an investment adviser business located at 16775 Addison Road Suite 202, Addison,
5 Texas 75001-0000 and is a California corporation.

6 C. Corporations Code section 25241 requires every investment adviser licensed by the
7 Commissioner to maintain books and records, file reports with the Commissioner, and submit to
8 examination by the Commissioner, as the Commissioner deems necessary or appropriate in the
9 public interest or for the protection of investors.

10 D. On or about March 14, 2018, the Commissioner notified JTA Securities that JTA
11 Securities must designate an email address to receive an online examination form. In response to the
12 Commissioner's notification, JTA Securities designated an email address to receive the online
13 examination form.

14 E. On or about October 1, 2018, the Commissioner sent the online examination to JTA
15 Securities to the email address designated by JTA Securities. The Commissioner informed JTA
16 Securities that the online examination must be completed and submitted by November 16, 2018.

17 F. The Commissioner sent four notices, October 15, 2018, October 26 or 29, 2018,
18 November 5, 2018, and November 12, 2018, reminding JTA Securities of the November 16, 2018
19 deadline to complete and submit the online examination.

20 G. Despite the Commissioner's efforts, JTA Securities failed to timely complete and
21 submit the online examination by the November 16, 2018 deadline.

22 H. On December 10, 2018, JTA Securities submitted its online examination.

23 I. The Commissioner finds that entering into this Consent Order is necessary, in the
24 public interest, for the protection of investors and consistent with the purposes, policies, and
25 provisions of the Corporate Securities Law of 1968.

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1 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
2 forth herein, the parties agree as follows:

3 **II.**

4 **TERMS AND CONDITIONS**

5 1. Purpose. The parties intend to resolve this matter for the purpose of judicial economy
6 and expediency and without the uncertainty and expense of a hearing or other litigation.

7 2. Waiver of Hearing Rights. JTA Securities acknowledges its right under the Corporate
8 Securities Law of 1968 to an administrative hearing on this Consent Order and hereby waives such
9 right to a hearing and to any reconsideration, appeal, injunction or other review that may be afforded
10 under the Corporations Code; Administrative Procedure Act, including Government Code section
11 11415.60, subdivision (b); Code of Civil Procedure; or any other provision of law. By waiving such
12 rights, JTA Securities effectively consents to the finality of this Consent Order.

13 3. Administrative Penalty. JTA Securities shall pay an administrative penalty of
14 \$2,500.00 no later than 30 days after the effective date of this Consent Order as defined in paragraph
15 17. The penalty must be made payable in the form of a cashier's check or Automated Clearing
16 House deposit to the Department of Business Oversight and transmitted to the attention of
17 Accounting – Litigation, at the Department of Business Oversight, 1515 K Street, Suite 200,
18 Sacramento, California 95814. Notice of the payment must be concurrently sent to Jeremy F. Koo,
19 Counsel, Department of Business Oversight, 1515 K Street, Suite 200, Sacramento, California
20 95814.

21 4. Failure to Pay Administrative Penalty. If JTA Securities fails to comply with
22 paragraph 3, the Commissioner may summarily suspend it from engaging in business under its
23 investment adviser certificate until it provides evidence of compliance to the Commissioner's
24 satisfaction. Further, if JTA Securities fails to comply with paragraph 3, JTA Securities shall pay to
25 the Commissioner an administrative penalty of \$5,000.00. JTA Securities hereby waives any notice
26 or hearing rights afforded under the Administrative Procedure Act, including Government Code
27 section 11415.60, subdivision (b); Code of Civil Procedure; or any other provision of law to contest
28 the summary suspension and administrative penalty of \$5,000.00 contemplated by this paragraph.

1 5. Full and Final Resolution. Except as stated in paragraph 4, this Consent Order is
2 intended to constitute a full and final resolution of the matter described in it. The
3 Commissioner will not bring any further action or proceeding concerning the matter unless she
4 discovers violations by JTA Securities that do not form the basis for this Consent Order, including
5 violations knowingly concealed from the Commissioner.

6 6. Commissioner's Duties. Nothing in this Consent Order limits the
7 Commissioner's ability to assist any other government agency with any action brought by that
8 agency against JTA Securities, including an action based on any of the acts, omissions, or events
9 described in this Consent Order.

10 7. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
11 has had an opportunity to seek independent advice from its attorney(s) and/or representatives with
12 respect to the advisability of executing this Consent Order.

13 8. Reliance. Each of the parties represents, warrants, and agrees that in executing this
14 Consent Order it has relied solely on the statement set forth herein and has had the opportunity to
15 seek the legal advice of its own counsel. Each of the parties further represents, warrants, and agrees
16 that in executing this Consent Order it has placed no reliance on any statement, representation, or
17 promise of any other party, or any other person or entity not expressly set forth herein, or upon the
18 failure of any party or any other person or entity to make any statement, representation, or disclosure
19 of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any
20 party was in any way fraudulently induced to execute this Consent Order; and (2) to preclude the
21 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Consent
22 Order.

23 9. Full Integration. This Consent Order is the final written expression and the complete
24 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
25 between the parties with respect to the subject matter hereof, and supersedes all prior or
26 contemporaneous agreements, negotiations, representations, understandings, and discussions
27 between and among the parties, their respective representatives, and any other person or entity, with
28 respect to the subject matter covered hereby. The parties have included this clause to preclude the

1 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Consent
2 Order.

3 10. No Presumption Against Drafter. In that the parties have had the opportunity to draft,
4 review, and edit the language of this Consent Order, no presumption for or against any party arising
5 out of drafting all or any part of this Consent Order will be applied in any action relating to,
6 connected to, or involving this Consent Order. Accordingly, the parties waive the benefit of Civil
7 Code section 1654 and any successor or amended statutes, providing that in cases of uncertainty,
8 language of a contract should be interpreted most strongly against the party who caused the
9 uncertainty to exist.

10 11. Voluntary Agreement. JTA Securities hereby enters in this Consent Order voluntarily
11 and without coercion and acknowledges that no promises, threats, or assurances have been made by
12 the Commissioner or any officer, or agent thereof, about this Consent Order.

13 12. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
14 this Consent Order will be valid or binding unless it is in writing and signed by all parties
15 affected by it. Waiver of a provision of this Consent Order Agreement will not be deemed a waiver
16 of any other provision.

17 13. Counterparts. The parties agree that this Consent Order may be executed in one or
18 more separate counterparts, each of which when so executed, shall be deemed an original. A fax or
19 electronic mail signature shall be deemed the same as an original signature. Such counterparts shall
20 together constitute and be one and the same instrument.

21 14. Public Record. JTA Securities acknowledges that the Consent Order is public record.

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

25 16. Governing Law. This Consent Order shall be construed and enforced in accordance
26 with and governed by California law.

27 17. Effective Date. This Consent Order will become effective on the date it is
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signed by all parties and delivered by the Commissioner to JTA Securities by electronic mail at
bbrooks@titansecurities.com, tprince@titansecurities.com, and ld@titansecurities.com.

18. Settlement Authority. Each party represents that the person signing this Consent
Order on its behalf has the authority and capacity to do so.

Dated: April 30, 2019

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Enforcement Division
Department of Business Oversight

Dated: April 29, 2019

JTA SECURITIES MANAGEMENT, INC.

By _____
BRAD C. BROOKS
President