

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 13, 2016

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2016-00013

CARL BALESTRIERI
and
CHRISTIAN WEALTH MANAGEMENT, LLC,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Carl Balestrieri ("Balestrieri") and Christian Wealth Management, LLC ("Christian Wealth") (collectively, "Defendants") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

Christian Wealth (CRD #146858) is a state registered investment advisor that has been registered continuously since August 27, 2008. Balestrieri (CRD #4481208) is an investment advisor representative with Christian Wealth. Balestrieri has been the managing member and chief compliance officer of Christian Wealth since August 2008.

Based on its investigation, the Division alleges that the Defendants committed numerous violations of the Act and its accompanying rules in their investment advisory business. These violations included misrepresentations and omissions of material information in materials provided to prospective clients as well as information submitted to the Division. Based on the investigation, the Defendants held seminars for prospective clients and provided promotional materials and copies of articles to entice the prospective clients to invest. The Division,

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however, alleges that these materials contained various statements – on subjects such as endorsements and portfolio information – for which the Defendants either could not provide sources or otherwise corroborate the materials. To the extent that the Defendants could provide sources, the materials also contained misstatements and omitted material information when compared to the original sources.

The Division further alleges that Christian Wealth included misstatements on its website and its disclosure brochure Form ADV submitted to the Division. Christian Wealth made misstatements on its website (<http://www.cwmcep.com>) regarding Balestrieri's qualifications – such as his licenses and certifications, which either had expired or which the Defendants could not corroborate. Additionally, Christian Wealth – through Balestrieri and under his attestation – submitted a disclosure brochure Form ADV dated January 19, 2015 to the Division that included incorrect information regarding fees charged to clients.

The Division also alleges that Christian Wealth could not produce a written agreement for one of its clients, despite collecting fees from the client.

Based on its investigation, the Division alleges the Defendants violated: (i) § 13.1-503 B of the Act by making untrue statements of a material fact, or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading through the materials provided to prospective clients as well as through Christian Wealth's website and Form ADV; (ii) § 13.1-516 of the Act by willfully making or causing to be made, in Christian Wealth's Form ADV filed with the Commission statements about fees which were, at the time and in the light of the circumstances in which they made, false or misleading; (iii) 21 VAC 5-80-200 A (8) of the Commission's Rules governing Investment Advisors, 21 VAC 5-80-10 *et seq.* ("Rules") by misrepresenting to advisory clients,

or prospective advisory clients, on Christian Wealth's website and its Form ADV, Balestrieri's qualifications, and misrepresenting fees to be charged for the services; and

(iv) Rule 21 VAC 5-80-200 A (16) by failing to provide an investment advisory contract for a client that was in writing and discloses the required information.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-506 of the Act to revoke a defendant's registration, by § 13.1-519 of the Act to issue temporary or permanent injunctions, by § 13.1-518 A of the Act to impose costs of investigation, by § 13.1-521 A of the Act to impose certain monetary penalties, by § 13.1-521 C of the Act to order a defendant to make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants admit to violating § 13.1-516 of the Act as well as admit to the Commission's jurisdiction and authority to enter this Settlement Order ("Order"), but neither admit nor deny the remaining allegations.

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will pay to the Treasurer of Virginia ("Treasurer"), contemporaneously with the entry of this Order, the amount of Fifty Thousand Dollars (\$50,000) in monetary penalties.

(2) The Defendants will pay to the Treasurer, contemporaneously with the entry of this Order, the amount of Ten Thousand Dollars (\$10,000) to defray the costs of investigation.

(3) The Defendants will not violate the Act in the future.

The Division has recommended that the Commission accept the Defendants' offer of settlement and dismiss this matter upon their compliance. Dismissal of this case, however, does not relieve the Defendants from their reporting obligations to any regulatory authority.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.
- (2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.
- (3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
 Carl Balestrieri, Christian Wealth Management, LLC, 2419 Caron Lane, Falls Church, Virginia 22043; and a copy shall be delivered to the Commission's Office of General Counsel and Division of Securities and Retail Franchising.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2016-00013

CARL BALESTRIERI
and
CHRISTIAN WEALTH MANAGEMENT, LLC,
Defendants

ADMISSION AND CONSENT

Carl Balestrieri and Christian Wealth Management, LLC (collectively, "Defendants"), admit to violating § 13.1-516 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia, as well as admit to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof. Without admitting or denying any other allegations made herein by the Division of Securities and Retail Franchising, the Defendants hereby consent to the form, substance and entry of the foregoing Settlement Order ("Order").

The Defendants further state that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Order.

Date: 03/24/2016

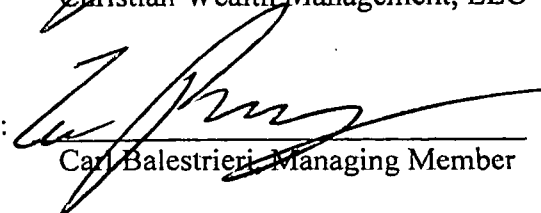
Date: 03/24/2016

Carl Balestrieri



Christian Wealth Management, LLC

By:



Carl Balestrieri, Managing Member