

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 25, 2021

SEC-CLERK'S OFFICE
INVESTMENT CONTROL CENTER
2021 MAY 25 A 11:42

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2020-00046

WEALTHBRIDGE, INC.,
and
DAVID S.Y. CHANG,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of WealthBridge, Inc. ("WealthBridge") and David S.Y. Chang ("Chang") (collectively, the "Defendants") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

WealthBridge is a Hawaii corporation established in 2008 with a last known mailing address of 900 Fort Street Mall, Suite 1510, Honolulu, Hawaii 96813. WealthBridge has been registered in Virginia as an investment advisor since September 22, 2014. Chang is a Hawaii resident and the president and owner of WealthBridge. Chang has been registered in Virginia as the sole investment advisor of WealthBridge since September 23, 2014.

On June 25, 2020, the Securities Enforcement Branch of the Department of Commerce and Consumer Affairs for the State of Hawaii ("Hawaii Securities Enforcement Branch") entered a Consent Order ("Hawaii Consent Order") against named respondents David S.Y. Chang, WealthBridge Real Estate LLC, WealthBridge Inc., Chang Holding Company Incorporated, and

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Home Care Solutions LLC.¹ The Hawaii Consent Order outlines, in pertinent part, allegations against WealthBridge and Chang for selling unregistered securities, acting as an unregistered agent of the issuer, and engaging in an act, practice or course of business that operated as a fraud or deceit upon another person related to the sale of securities and loans obtained from clients.² As further set forth in the Hawaii Consent Order, the Defendants agreed, without admitting or denying the allegations against them, to pay restitution to multiple investors and to the revocation of their respective Hawaii registrations as an investment advisor and investment advisor representative, effective September 30, 2020.³ To date, the Defendants have failed to disclose to or make any filings with the Division regarding the Hawaii Consent Order whether on their Form ADV, Form U-4, or otherwise.

Based on the investigation, the Division alleges that WealthBridge violated Rule 21 VAC 5-80-40 A (1) of the Commission's Rules Governing Investment Advisors, 21 VAC 5-80-10 *et seq.*, ("Rules") by failing to electronically file on the Investment Adviser Registration Depository, in accordance with Form ADV instructions, any amendments to the investment advisor's Form ADV within thirty (30) days of an event that requires the filing of an amendment such as the above-referenced Hawaii Consent Order entry. The Division further alleges that Chang violated Rule 21 VAC 5-80-100 by failing to amend or update Form U4 in accordance with its "Amendment Filings" provisions, with disclosure of the above-referenced regulatory action and entry of the Hawaii Consent Order.

¹ See, *In the Matter of: David S.Y. Chang, et al.*, Consent Order, Case Nos. SEU-2010-046 and SEU-2016-004 (Hawaii Department of Commerce and Consumer Affairs, June 25, 2020).

² *Id.*

³ *Id.*

If the provisions of the Act or the Rules are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 (A) of the Act to impose a civil penalty; by § 13.1-521 (B) of the Act to revoke the Defendants' respective registrations in Virginia as an investment advisor and investment advisor representative; by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations made herein but admit to the Commission's jurisdiction and authority to enter this Order.

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 voluntarily withdraw their respective investment advisor and investment advisor representative registrations in Virginia by April 30, 2021 and will promptly notify in writing all Virginia clients that WealthBridge and Chang will no longer be registered in Virginia to service client accounts in or from Virginia. By May 31, 2021, the Defendants will provide proof to the Division that all Virginia clients have been so notified;

(2) WealthBridge will not re-apply for registration in Virginia as an investment advisor and Chang will not re-apply for registration in Virginia as an investment advisor representative;

(3) The Defendants are permanently barred from registration in Virginia as an investment advisor, investment advisor representative, broker-dealer, broker-dealer agent, and agent of the issuer;

(4) The Defendants, contemporaneously with the entry of this Order, will pay, jointly and severally, to the Treasurer of Virginia the amount of Three Thousand Dollars (\$3,000) in monetary penalties;

(5) The Defendants, contemporaneously with the entry of this Order, will pay, jointly and severally, to the Treasurer of Virginia the amount of One Thousand Dollars (\$1,000) to defray the costs of investigation in this matter; and

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

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

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 the above-referenced settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

A COPY hereof shall be sent by the Clerk of the Commission by electronic mail to:
WealthBridge, Inc. and David S.Y. Chang at david@wealthbridgeinc.com, 900 Fort Street Mall,
Suite 1510, Honolulu, Hawaii 96813; and a copy shall be delivered to the Commission's Office
of General Counsel and the Division of Securities and Retail Franchising.

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STATE CORPORATION COMMISSION

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WEALTHBRIDGE, INC.,
and
DAVID S.Y. CHANG,
Defendants

ADMISSION AND CONSENT

WealthBridge, Inc. and David S.Y. Chang (collectively, the "Defendants") admit to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof, and neither admit nor deny the allegations made herein by the Division of Securities and Retail Franchising, 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.

WealthBridge, Inc.

Date: 17 May 2021

By: David S. Chang

Its: Founder

David S.Y. Chang

Date: 17 May 2021


