

BrokerCheck Report

STONEHURST SECURITIES, INC.

CRD# 138218

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

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Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit www.finra.org.](http://www.finra.org)



STONEHURST SECURITIES, INC.
CRD# 138218
SEC# 8-67153

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Main Office Location
101 PARKSHORE DRIVE
SUITE 100
FOLSOM, CA 95630-4726

Mailing Address
101 PARKSHORE DIRVE
SUITE 100
FOLSOM, CA 95630-4726

Business Telephone Number
916 932-2870

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

<https://www.adviserinfo.sec.gov>

Firm Profile
This firm is classified as a corporation.
This firm was formed in California on 04/22/2005.
Its fiscal year ends in December.

Firm History
Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations
This brokerage firm is no longer registered with FINRA or a national securities exchange.

Disclosure Events
Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	3

Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.



Date firm ceased business: 12/31/2009

Does this brokerage firm owe any money or securities to any customer or brokerage firm? No



Firm Profile

This firm is classified as a corporation.

This firm was formed in California on 04/22/2005.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

STONEHURST SECURITIES, INC.

Doing business as STONEHURST SECURITIES, INC.

CRD# 138218

SEC# 8-67153

Main Office Location

101 PARKSHORE DRIVE
SUITE 100
FOLSOM, CA 95630-4726

Mailing Address

101 PARKSHORE DIRVE
SUITE 100
FOLSOM, CA 95630-4726

Business Telephone Number

916 932-2870



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any): BORUP, PHILLIP PETER
4446376

Is this a domestic or foreign entity or an individual? Individual

Position PRESIDENT/CEO/CFO

Position Start Date 04/2005

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): THOMAS, DANNY EARL
2458330

Is this a domestic or foreign entity or an individual? Individual

Position CHIEF COMPLIANCE OFFICER; AMLCO; ROP

Position Start Date 04/2009

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company?

Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

No information reported.



Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.



Firm Operations



Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is no longer registered.

The firm's registration was from 03/29/2006 to 06/01/2010.



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 10 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Mutual fund retailer
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Put and call broker or dealer or option writer
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Broker or dealer selling tax shelters or limited partnerships in the secondary market
Private placements of securities

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.
This firm does engage in other non-securities business.

Non-Securities Business Description: LIFE INSURANCE PRODUCTS
FIXED ANNUITIES
FINANCIAL PLANNING

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	WEDBUSH MORGAN SECURITIES INC.
CRD #:	877
Business Address:	1000 WILSHIRE BLVD LOS ANGELES, CA 90017
Effective Date:	02/01/2006
Description:	WEDBUSH MORGAN HAS A FULLY DISCLOSED CORRESPONDENT BROKERAGE RELATIONSHIP WITH STONEHURST IN THOSE INSTANCES WHERE THEY CARRY OUR CLIENTS' CASH AND MARGIN ACCOUNTS AND BROKER-DEALER AND CLEARING ACCOUNTS ON A FULLY DISCLOSED BASIS.

Firm Operations

Industry Arrangements



This firm does not have books or records maintained by a third party.

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does not have customer accounts, funds, or securities maintained by a third party.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is not, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	3	0



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 3

Reporting Source: Regulator

Current Status: Final



Allegations: RESPONDENT FIRM FAILED TO PAY FINES AND/OR COSTS OF \$25,000.00 IN FINRA CASE #2007007190601.

Initiated By: FINRA

Date Initiated: 06/01/2010

Docket/Case Number: [2007007190601](#)

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Other

Resolution Date: 06/01/2010

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Revocation/Expulsion/Denial

Other Sanctions Ordered:

Sanction Details: PURSUANT TO FINRA RULE 8320, RESPONDENT FIRM IS EXPELLED FROM FINRA MEMBERSHIP FOR FAILURE TO PAY FINES AND/OR COSTS.

Disclosure 2 of 3

Reporting Source: Regulator

Current Status: Final

Allegations: RESPONDENT WILLFULLY VIOLATED THE TERMS OF A PREVIOUS FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ISSUED ON APRIL 23, 2009. RESPONDENT HAS NOT PAID \$4,000 OUT OF THE \$7,500 PURSUANT TO THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ISSUED ON APRIL 23, 2009.

Initiated By: PENNSYLVANIA CONTACT: COUNSEL JILL D. HELBLING (412)-565-5083

Date Initiated: 08/24/2010



Docket/Case Number: 2009-03-33

URL for Regulatory Action:

Principal Product Type: Other

Other Product Type(s): UNREGISTERED SECURITIES

Principal Sanction(s)/Relief Sought: Revocation

Other Sanction(s)/Relief Sought: STONEHURST SECURITIES, INC., (RESPONDENT) WAS ORDERED TO PAY \$2,500.00 INVESTIGATIVE AND LEGAL COSTS AND A \$5,000.00 ADMINISTRATIVE ASSESSMENT AS FOLLOWS: \$2,500.00 BY JUNE 15, 2009; \$2,500.00 BY SEPTEMBER 15, 2009; AND \$2,500.00 BY DECEMBER 15, 2009. RESPONDENT PAID \$3,500.00 BUT HAS NOT PAID THE REMAINING \$4,000.00 PURSUANT TO THE COMMISSION'S APRIL 23, 2009 ORDER.

Resolution: Order

Resolution Date: 08/24/2010

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Revocation/Expulsion/Denial

Other Sanctions Ordered:

Sanction Details: RESPONDENT'S REGISTRATION STATUS IN PA IS REVOKED.

Regulator Statement FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ISSUED TO RESPONDENT RESPONDENT ON APRIL 23, 2009. ORDER TO SHOW CAUSE ISSUED ON MARCH 24, 2010. FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ISSUED ON AUGUST 24, 2010.

Reporting Source: Firm

Current Status: Final

Allegations: STONEHURST SECURITIES, INC. FAILED TO REASONABLY SUPERVISE ITS AGENT, WHO ALLOWED HIS REGISTRATION TO EXPIRE AND OFFERED FOR SALE UNREGISTERED SECURITIES TO AT LEAST THREE PA RESIDENTS IN VIOLATION OF THE REGISTRATION PROVISIONS OF THE PA SECURITIES ACT OF 1972.

Initiated By: PENNSYLVANIA SECURITIES COMMISSION



Date Initiated:	04/23/2009
Docket/Case Number:	2009-03-33
Principal Product Type:	Other
Other Product Type(s):	UNREGISTERED SECURITIES
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	STONEHURST SECURITIES, INC., IS ORDERED TO PAY \$2,500.00 INVESTIGATIVE AND LEGAL COSTS AND A \$5,000.00 ADMINISTRATIVE ASSESSMENT AS FOLLOWS: \$2,500.00 BY JUNE 15, 2009; \$2,500.00 BY SEPTEMBER 15, 2009; AND \$2,500.00 BY DECEMBER 15, 2009.
Resolution:	Settled
Resolution Date:	04/23/2009
Sanctions Ordered:	Monetary/Fine \$5,000.00
Other Sanctions Ordered:	
Sanction Details:	STONEHURST SECURITIES, INC., IS ORDERED TO PAY \$2,500.00 INVESTIGATIVE AND LEGAL COSTS AND A \$5,000.00 ADMINISTRATIVE ASSESSMENT AS FOLLOWS: \$2,500.00 BY JUNE 15, 2009; \$2,500.00 BY SEPTEMBER 15, 2009; AND \$2,500.00 BY DECEMBER 15, 2009.
Firm Statement	IN OR ABOUT APRIL 2008, A REGISTERED REP OFFERED UNREGISTERED SECURITIES TO AT LEAST THREE PA RESIDENTS.

Disclosure 3 of 3

Reporting Source:	Regulator
Current Status:	Final
Allegations:	SECTION 5 OF THE SECURITIES ACT OF 1933, NASD RULES 2110, 3010 - STONEHURST SECURITIES DISTRIBUTED A MAILING REFERENCING PRIVATE PLACEMENTS OFFERED BY THE FIRM THAT WERE REPRESENTED TO BE EXEMPT FROM REGISTRATION PURSUANT TO RULE 506 OF REGULATION D WHICH REQUIRES COMPLIANCE WITH RULE 502 THAT PROHIBITS GENERAL SOLICITATIONS. INDIVIDUALS THAT RECEIVED THE MAILING LACKED A PRE-EXISTING BUSINESS RELATIONSHIP WITH THE FIRM SO THE MAILING WAS A GENERAL SOLICITATION IN CONTRAVENTION OF RULE 502 AND THE FIRM'S TRANSACTIONS DID NOT QUALIFY FOR AN EXEMPTION UNDER RULE 506 - NO OTHER EXEMPTION WAS AVAILABLE AND THE SECURITIES WERE NOT REGISTERED. INDIVIDUALS MADE INVESTMENTS IN THE OFFERINGS AND THE TRANSACTIONS



CONSTITUTED THE SALE OF UNREGISTERED SECURITIES. THE FIRM'S SUPERVISORY SYSTEM AND ITS WRITTEN SUPERVISORY PROCEDURES ADDRESSED PRIVATE PLACEMENTS BUT WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE REGISTRATION REQUIREMENT OF SECTION 5 OR THE ELIGIBILITY REQUIREMENTS FOR REGULATION D EXEMPTIONS. THE SYSTEM AND PROCEDURES DID NOT PROVIDE ADEQUATELY FOR THE DETECTION AND PREVENTION OF GENERAL SOLICITATIONS BY FIRM PERSONNEL.

Initiated By: FINRA

Date Initiated: 12/12/2008

Docket/Case Number: [2007007190601](#)

Principal Product Type: Other

Other Product Type(s): PRIVATE PLACEMENT OFFERINGS

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/12/2008

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$25,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$25,000.

Reporting Source: Firm

Current Status: Final

Allegations: SECTION 5 OF THE SECURITIES ACT OF 1933, NASD RULES 2110, 3010 -
STONEHURST SECURITIES DISTRIBUTED A MAILING REFERENCING



PRIVATE PLACEMENTS OFFERED BY THE FIRM THAT WERE REPRESENTED TO BE EXEMPT FROM REGISTRATION PURSUANT TO RULE 506 OF REGULATION D WHICH REQUIRES COMPLIANCE WITH RULE 502 THAT PROHIBITS GENERAL SOLICITATIONS. INDIVIDUALS THAT RECEIVED THE MAILING LACKED A PRE-EXISTING BUSINESS RELATIONSHIP WITH THE FIRM SO THE MAILING WAS A GENERAL SOLICITATION IN CONTRAVENTION OF RULE 502 AND THE FIRM'S TRANSACTIONS DID NOT QUALIFY FOR AN EXEMPTION UNDER RULE 506 - NO OTHER EXEMPTION WAS AVAILABLE AND THE SECURITIES WERE NOT REGISTERED. INDIVIDUALS MADE INVESTMENTS IN THE OFFERINGS AND THE TRANSACTIONS CONSTITUTED THE SALE OF UNREGISTERED SECURITIES. THE FIRM'S SUPERVISORY SYSTEM AND ITS WRITTEN SUPERVISORY PROCEDURES ADDRESSED PRIVATE PLACEMENTS BUT WERE NOT REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE REGISTRATION REQUIREMENT OF SECTION 5 OR THE ELIGIBILITY REQUIREMENTS FOR REGULATION D EXEMPTIONS. THE SYSTEM AND PROCEDURES DID NOT PROVIDE ADEQUATELY FOR THE DETECTION AND PREVENTION OF GENERAL SOLICITATIONS BY FIRM PERSONNEL.

Initiated By:	FINRA
Date Initiated:	12/12/2008
Docket/Case Number:	2007007190601
Principal Product Type:	Other
Other Product Type(s):	PRIVATE PLACEMENT OFFERINGS
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	12/12/2008
Sanctions Ordered:	Censure Monetary/Fine \$25,000.00
Other Sanctions Ordered:	
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$25,000.

End of Report



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