

BrokerCheck Report

RIVERSTONE WEALTH MANAGEMENT, INC.

CRD# 40418

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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)



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.

Firm Profile

This firm is classified as a corporation.
This firm was formed in Texas on 01/23/1996.
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	5
Arbitration	3

RIVERSTONE WEALTH MANAGEMENT, INC.

CRD# 40418

SEC# 8-49047

Main Office Location

7801 CAPITAL OF TEXAS HWY., SUITE 310
AUSTIN, TX 78731

Mailing Address

7801 CAPITAL OF TEXAS HWY., SUITE 310
AUSTIN, TX 78731

Business Telephone Number

512-476-5554

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: 12/09/2013

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 Texas on 01/23/1996.
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.

RIVERSTONE WEALTH MANAGEMENT, INC.
Doing business as RIVERSTONE WEALTH MANAGEMENT, INC.
CRD# 40418
SEC# 8-49047

Main Office Location
7801 CAPITAL OF TEXAS HWY., SUITE 310
AUSTIN, TX 78731

Mailing Address
7801 CAPITAL OF TEXAS HWY., SUITE 310
AUSTIN, TX 78731

Business Telephone Number
512-476-5554

Other Names of this Firm

Name	Where is it used
AFFORDABLE SECURITIES	TX



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): RIVERSTONE FINANCIAL GROUP, INC.

Is this a domestic or foreign entity or an individual? Domestic Entity

Position SHAREHOLDER

Position Start Date 01/1996

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): SCOTT, TORRY CHRISTIAN
2297432

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

Position DIRECTOR, MUNICIPAL PRINCIPAL

Position Start Date 12/2000

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Legal Name & CRD# (if any): SMITH, BRIAN EDWARD
2287309

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

Position PRESIDENT,CEO, DIRECTOR, ROSFP, CHIEF COMPLIANCE OFFICER

Position Start Date 05/2011

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

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

Is this a public reporting company? No

Firm Profile

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



Indirect Owners

Legal Name & CRD# (if any):	SMITH, BRIAN EDWARD 2287309
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	RIVERSTONE FINANCIAL GROUP, INC.
Relationship to Direct Owner	PRESIDENT
Relationship Established	03/2003
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

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 03/15/1996 to 02/10/2014.



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 15 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities broker
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
Non-exchange member arranging for transactions in listed securities by exchange member
Trading securities for own account
Private placements of securities
Other - FIRM IS ENGAGING DIRECTLY IN COMMODITIES AND FUTURES TRANSACTIONS THROUGH A CLEARING RELATIONSHIP WITH KNIGHT CAPITAL AMERICAS, LLC (AKA: EFUTURES).

Other Types of Business

This firm does effect transactions in commodities, commodity futures, or commodity options.

This firm does not engage in other non-securities business.

Non-Securities Business Description:



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: KNIGHT CAPITAL AMERICAS LLC
CRD #: 149823
Business Address: 545 WASHINGTON BLVD
JERSEY CITY, NJ 07310
Effective Date: 06/01/2012
Description: KNIGHT CAPITAL AMERICAS LLC MAINTAINS POSSESSION AND CONTROL OF CUSTOMER'S FUNDS AND SECURITIES. RIVERSTONE WEALTH MANAGEMENT, INC. INTRODUCES CUSTOMER ACCOUNTS TO KNIGHT CAPITAL AMERICAS LLC ON A FULLY DISCLOSED BASIS.

Name: FIRST CLEARING, LLC
CRD #: 17344
Business Address: ONE NORTH JEFFERSON AVENUE
ST. LOUIS, MO 63103
Effective Date: 10/10/2000
Description: FIRST CLEARING LLC MAINTAINS POSSESSION AND CONTROL OF CUSTOMER'S FUNDS AND SECURITIES. RIVERSTONE WEALTH MANAGEMENT, INC. INTRODUCES CUSTOMER ACCOUNTS TO FIRST CLEARING CORPORATION ON A FULLY DISCLOSED BASIS.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: KNIGHT CAPITAL AMERICAS LLC

CRD #: 149823

Business Address: 545 WASHINGTON BLVD
JERSEY CITY, NJ 07310

Effective Date: 06/01/2012

Description: BOOKS AND RECORDS ARE PRODUCED AND MAINTAINED BY KNIGHT CAPITAL AMERICAS LLC, INCLUDING CUSTOMER CONFIRMATIONS, CUSTOMER STATEMENTS, 1099'S, TRADE TICKETS, DAILY TRANSACTION LEDGERS AND BLOTTERS

Name: FIRST CLEARING, LLC

CRD #: 17344

Business Address: ONE NORTH JEFFERSON AVENUE
ST. LOUIS, MO 63103

Effective Date: 10/10/2000

Description: BOOKS AND RECORDS ARE PRODUCED AND MAINTAINED BY FIRST CLEARING, INCLUDING CUSTOMER CONFIRMATIONS, CUSTOMER STATEMENTS, 1099'S, TRADE TICKETS, DAILY TRANSACTION LEDGERS AND BLOTTERS, EXCEPTION REPORTS, NEW ACCOUNT INFORMATION, COMMISSION STATEMENTS.

This firm does have accounts, funds, or securities maintained by a third party.

Name: KNIGHT CAPITAL AMERICAS LLC

CRD #: 149823

Business Address: 545 WASHINGTON BLVD
JERSEY CITY, NJ 07310

Effective Date: 06/01/2012

Description: THE FIRM HAS EXECUTED A CLEARING INTRODUCING AGREEMENT WITH KNIGHT CAPITAL AMERICAS LLC. ACCOUNTS, FUNDS, OR SECURITIES OF THE APPLICANT WILL BE HELD AND MAINTAINED BY KNIGHT

Name: FIRST CLEARING, LLC

CRD #: 17344

Firm Operations



Industry Arrangements (continued)

Business Address: ONE NORTH JEFFERSON AVENUE
ST. LOUIS, MO 63103

Effective Date: 03/09/2001

Description: THE FIRM HAS EXECUTED A CLEARING AGREEMENT WITH FIRST CLEARING, LLC (FCC). THROUGH THIS CLEARING ARRANGEMENT, FCC WILL EXECUTE FIRM ORDERS, ACT AS IT'S BACK OFFICE AND SAFEKEEP SECURITIES. APPLICANT WILL INTRODUCE CUSTOMERS ON A FULLY DISCLOSED BASIS TO FCC.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: KNIGHT CAPITAL AMERICAS LLC

CRD #: 149823

Business Address: 545 WASHINGTON BLVD
JERSEY CITY, NJ 07310

Effective Date: 06/01/2012

Description: THE FIRM HAS EXECUTED A CLEARING INTRODUCING AGREEMENT WITH KNIGHT CAPITAL AMERICAS LLC. ACCOUNTS, FUNDS, OR SECURITIES OF CUSTOMERS OF RIVERSTONE WILL BE HELD AND MAINTAINED BY KNIGHT

Name: FIRST CLEARING, LLC

CRD #: 17344

Business Address: ONE NORTH JEFFERSON AVENUE
ST. LOUIS, MO 63103

Effective Date: 10/10/2000

Description: THE FIRM HAS EXECUTED A CLEARING AGREEMENT WITH FIRST CLEARING, LLC (FCC). THROUGH THIS CLEARING ARRANGEMENT, FCC WILL EXECUTE FIRM ORDERS, ACT AS IT'S BACK OFFICE AND SAFEKEEP SECURITIES. APPLICANT WILL INTRODUCE CUSTOMERS ON A FULLY DISCLOSED BASIS TO FCC.

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, 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.

RIVERSTONE INVESTMENT BANKING SERVICES, INC. is under common control with the firm.

CRD #:	162786
Business Address:	7801 CAPITAL OF TEXAS HWY., SUITE 310 AUSTIN, TX 78731
Effective Date:	01/19/2012
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	THROUGH DIRECT OWNER, RIVERSTONE FINANCIAL GROUP, INC., RIVERSTONE WEALTH MANAGEMENT (40418) AND RIVERSTONE INVESTMENT BANKING SERVICES, INC. ARE UNDER COMMON CONTROL.

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	5	0
Arbitration	N/A	3	N/A



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 5

Reporting Source: Regulator

Current Status: Final



Allegations: NASD RULE 6230 - RESPONDENT MEMBER FAILED TO REPORT, OR FAILED TO REPORT IN A TIMELY MANNER, TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES TO TRACE.

Initiated By: FINRA

Date Initiated: 04/08/2008

Docket/Case Number: 2007007166701

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED TYPE OF SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 04/08/2008

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: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, RIVERSTONE WEALTH MANAGEMENT, INC., CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS FINED \$5,000.

Reporting Source: Firm

Current Status: Final

Allegations: DURING THE MONTHS OF SEPTEMBER 2005, OCTOBER 2005 AND AUGUST 2006, THE FIRM EITHER FAILED TO REPORT, OR FAILED TO REPORT IN A TIMELY MANNER, THIRTY-SEVEN TRANSACTIONS IN TRACE-ELIGIBLE SECURITIES TO TRACE. SUCH ACTS, PRACTICE AND COURSE OF CONDUCT CONSTITUTE SEPARATE AND DISTINCT VIOLATIONS OF NASD MARKETPLACE RULE 6230.



Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY ("FINRA")
Date Initiated: 04/08/2008
Docket/Case Number: 2007007166701
Principal Product Type: Other
Other Product Type(s): TRACE REPORTABLE SECURITIES
Principal Sanction(s)/Relief Sought: Other
Other Sanction(s)/Relief Sought: FINE OF \$5,000.
Resolution: Acceptance, Waiver & Consent(AWC)
Resolution Date: 04/08/2008
Sanctions Ordered: Monetary/Fine \$5,000.00
Other Sanctions Ordered:
Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, RIVERSTONE WEALTH MANAGEMENT, INC., CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS FINED \$5,000.

Disclosure 2 of 5

Reporting Source: Regulator
Current Status: Final
Allegations: RIVERSTONE OPENED BROKERAGE ACCOUNTS FOR TWO NEW HAMPSHIRE RESIDENTS AND CONDUCTED TRADING ACTIVITY IN THOSE ACCOUNTS WHEN NOT PROPERLY LICENSED IN THE STATE.
Initiated By: NEW HAMPSHIRE
Date Initiated: 03/21/2007
Docket/Case Number: INV07-018
URL for Regulatory Action:
Principal Product Type: Money Market Fund(s)
Other Product Type(s):
Principal Sanction(s)/Relief Sought: Cease and Desist


Other Sanction(s)/Relief Sought:
Resolution: Consent

Resolution Date: 05/23/2007

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: Monetary/Fine \$20,600.00
Cease and Desist/Injunction

Other Sanctions Ordered: RIVERSTONE MAY REAPPLY FOR A BROKER DEALER LICENSE AFTER A PERIOD OF THREE YEARS FROM DATE OF ENTRY OF THE CONSENT ORDER.

Sanction Details: ADMINISTRATIVE FINE OF \$20,000. BACK REGISTRATION FEES OF \$600.

Regulator Statement N/A

Reporting Source: Firm

Current Status: Final

Allegations: RIVERSTONE OPENED BROKERAGE ACCOUNTS FOR TWO NEW HAMPSHIRE RESIDENTS AND CONDUCTED TRADING ACTIVITY IN THOSE ACCOUNTS WHEN NOT PROPERLY LICENSED IN THE STATE.

Initiated By: NEW HAMPSHIRE

Date Initiated: 03/21/2007

Docket/Case Number: INV07-018

Principal Product Type: Money Market Fund(s)

Other Product Type(s):
Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought:
Resolution: Consent

Resolution Date: 05/23/2007



Sanctions Ordered:	Monetary/Fine \$20,600.00 Cease and Desist/Injunction
Other Sanctions Ordered:	RIVERSTONE MAY REAPPLY FOR A BROKER DEALER LICENSE AFTER A PERIOD OF THREE YEARS FROM DATE OF ENTRY OF THE CONSENT ORDER.
Sanction Details:	ADMINISTRATIVE FINE OF \$20,000. BACK REGISTRATION FEES OF \$600.

Disclosure 3 of 5

Reporting Source:	Regulator
Current Status:	Final
Allegations:	FROM ON OR ABOUT OCTOBER 28, 2005 TO ON OR ABOUT NOVEMBER 27, 2005, RIVERSTONE WEALTH MANAGEMENT, INC. OFFERED FOR SALE AND SOLD SECURITIES IN THE STATE OF TEXAS BY AND THROUGH CARL I. FUHRMANN, JR, WHILE HE WAS EMPLOYED AND AUTHORIZED BY RIVERSTONE WEALTH MANAGEMENT, INC. AT SUCH TIMES, CARL I. FUHRMANN, JR. WAS NOT REGISTERED WITH THE SECURITIES COMMISSIONER AS AN AGENT OF RIVERSTONE WEALTH MANAGEMENT, INC. AND WAS NOT OTHERWISE EXEMPT.
Initiated By:	TEXAS
Date Initiated:	03/07/2006
Docket/Case Number:	IC06-CEN-03
URL for Regulatory Action:	
Principal Product Type:	Other
Other Product Type(s):	SECURITIES
Principal Sanction(s)/Relief Sought:	Reprimand
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	03/07/2006
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
Other Sanctions Ordered:	REPRIMAND
Sanction Details:	PURSUANT TO SECTION 14.A(5)(A) OF THE TEXAS SECURITIES ACT, RIVERSTONE WEALTH MANAGEMENT, INC IS HEREBY REPRIMANDED.
<hr/>	
Reporting Source:	Firm
Current Status:	Final
Allegations:	ON OR ABOUT OCT 8TH 2005, TO ON OR ABOUT NOV 27, 2005, RIVERSTONE OFFERED FOR SALE AND SOLD SECURITIES IN THE STATE OF TEXAS THROUGH FUHRMANN WHILE HE WAS EMPLOYED AND AUTHORIZED BY RIVERSTONE. AT SUCH TIMES, RESPONDANT FUHRMANN WAS NOT REGISTERED WITH SECURITIES COMMISSIONER AS AN AGENT OF REPSONDENT RIVERSTONE.
Initiated By:	TEXAS STATE SECURITIES BOARD
Date Initiated:	03/01/2006
Docket/Case Number:	IC06-CEN-03
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	
Resolution:	Decision & Order of Offer of Settlement
Resolution Date:	03/01/2006
Sanctions Ordered:	Censure
Other Sanctions Ordered:	
Sanction Details:	RESPONDENT RIVERSTONE'S SALES OF SECURITIES IN THE STATE OF TEXAS THROUGH RESPONDENT FUHRMANN WHEN RESPONDENT FUHRMANN WAS NOT REGISTERED WITH THE SECURITIES COMMISSIONER AS AN AGENT OF REPSONDENT RIVERSTONE OR OTHERWISE EXEMPT, CONSTITUTE BASES FOR THE ISSUANCE OF AN ORDER REPRIMANDING REPSONDENT RIVERSTONE. THE FOREGOING VIOLATIONS BY REPSONDENT FUHRMANN CONSTITUTE BASES FOR THE ISSUANCE OF AN ORDER REPRIMANDING A REGISTERED AGENT.



Firm Statement REGISTRATION OF CARL L FUHRMANN WAS ULTIMATELY GRANTED. CARL I FUHRMANN AND RIVERSTONE WEALTH MANAGEMENT, INC. REPRIMANDED.

Disclosure 4 of 5

Reporting Source: Regulator

Current Status: Final

Allegations: SEC RULES 15C3-1, 17A-3, 17A-5, 17A-11- RESPONDENT FIRM DID NOT INCLUDE A SETTLEMENT AMOUNT AS A LIABILITY OF THE FIRM THEREFORE MAKING ITS NET CAPITAL DEFICIENCY FOR THIS PERIOD RANGE FROM \$427,000 AND \$473,000. THE FIRM, ACTING THROUGH AN INDIVIDUAL, FAILED TO INCLUDE THE FULL AMOUNT OF UNSECURED DEBIT BALANCE IN THE FIRM'S FINANCIAL BOOKS AND RECORDS. THE FIRM, ACTING THROUGH AN INDIVIDUAL, ENGAGED IN A SECURITIES BUSINESS AND BECAUSE IT DID NOT INCLUDE , AS LIABILITIES OF THE FIRM, THE UNSECURED DEBIT AND SETTLEMENT AMOUNT, ITS NET CAPITAL DEFICIENCY FOR A PERIOD RANGED FROM \$222,000 TO \$557,000. IN ADDITION, THE FIRM FILED INACCURATE FOCUS REPORTS WITH NASD AND FAILED TO GIVE NASD NOTICE OF ITS NET CAPITAL DEFICIENCIES.

Initiated By: NASD

Date Initiated: 12/12/2005

Docket/Case Number: [C06050014](#)

Principal Product Type: Other

Other Product Type(s): FUNDS, STOCK

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/12/2005

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 \$100,000.00

Other Sanctions Ordered:

Sanction Details:

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, FIRM IS CENSURED AND FINED \$100,000, OF WHICH \$25,000 IS JOINTLY AND SEVERALLY.

Reporting Source:

Firm

Current Status:

Final

Allegations:

AN UNSECURED DEBIT WAS RESOLVED BETWEEN FIRST AVANTUS SECURITIES AND IT'S CLEARING FIRM THAT THE NASD HAS DETERMINED INAPPROPRIATE AND RESULTED IN AN AWC.

Initiated By:

NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated:

05/02/2005

Docket/Case Number:

AWC NO. C06050014

Principal Product Type:

No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Censure

Other Sanction(s)/Relief Sought:

A CENSURE AND A MONETARY FINE OF \$100,000 AGAINST RIVERSTONE WEALTH MANAGEMENT (FORMERLY-FIRST AVANTUS SECURITIES) OF WHICH \$25,000 IS JOINT AND SEVERAL WITH BRIAN SMITH. IN ADDITION TO THE FINE AMOUNTS, A SUSPENSION, IN ANY PRINCIPAL CAPACITY, AGAINST MR. SMITH FOR A PERIOD OF 60 DAYS.

Resolution:

Acceptance, Waiver & Consent(AWC)

Resolution Date:

12/12/2005

Sanctions Ordered:

Monetary/Fine \$100,000.00
Suspension

Other Sanctions Ordered:

Sanction Details:

A CENSURE AND A MONETARY FINE OF \$100,000 AGAINST RESPONDENT FIRST AVANTUS SECURITIES, INC. OF WHICH \$25,000 IS JOINT AND SEVERAL WITH RESPONDENT BRIAN E. SMITH. IN ADDITION TO THE FINE AMOUNTS, A SUSPENSION, IN ANY PRINCIPAL CAPACITY, AGAINST RESPONDENT BRIAN E. SMITH FOR A PERIOD OF 60 DAYS.



Disclosure 5 of 5

Reporting Source:	Firm
Current Status:	Final
Allegations:	NET CAPITAL VIOLATION
Initiated By:	SECURITIES AND EXCHANGE COMMISSION
Date Initiated:	04/22/1997
Docket/Case Number:	NONE
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Undertaking
Other Sanction(s)/Relief Sought:	NONE
Resolution:	Decision
Resolution Date:	04/22/1997
Firm Statement	DURING AUDIT, SEC FOUND NET CAPITAL VIOLATION BECAUSE FFIS HAD ACCEPTED STOCK CERTIFICATES, LOGGED THEM IN AND MAILED THEM OVERNIGHT TO OUR CLEARING FIRM. THIS PRACTICE WAS APPROVED BY NASD AUDITORS DURING THE NASD AUDIT WHICH TOOK PLACE BEFORE THE SEC AUDIT. SEC REQUIRED A LETTER BE WRITTEN ADDRESSING WHAT PRECAUTIONS WOULD BE TAKEN TO ASSURE THAT FUTURE VIOLATIONS WOULD NOT OCCUR.



Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.

The full text of arbitration awards issued by FINRA is available at www.finra.org/awardsonline.

Disclosure 1 of 3

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-UNAUTHORIZED TRADING
Arbitration Forum:	NASD
Case Initiated:	07/19/2001
Case Number:	01-03745
Disputed Product Type:	ANNUITIES; COMMON STOCK; NO OTHER TYPE OF SEC INVOLVE; MUTUAL FUNDS
Sum of All Relief Requested:	Unspecified Damages
Disposition:	AWARD AGAINST PARTY
Disposition Date:	10/24/2002
Sum of All Relief Awarded:	\$582,176.10

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

Disclosure 2 of 3

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT RELATED-BREACH OF CONTRACT
Arbitration Forum:	NASD
Case Initiated:	08/07/2001
Case Number:	01-04125



Disputed Product Type: NO OTHER TYPE OF SEC INVOLVE; UNKNOWN TYPE OF SECURITIES

Sum of All Relief Requested: \$200,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 09/16/2002

Sum of All Relief Awarded: \$46,970.00

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

Disclosure 3 of 3

Reporting Source: Regulator

Type of Event: ARBITRATION

Allegations: ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-CHURNING; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-OMISSION OF FACTS; ACCOUNT ACTIVITY-SUITABILITY

Arbitration Forum: FINRA

Case Initiated: 11/12/2009

Case Number: [09-06311](#)

Disputed Product Type: COMMON STOCK; CORPORATE BONDS; EXCHANGE-TRADED FUNDS; LIMITED PARTNERSHIPS; MUTUAL FUNDS; OPTIONS

Sum of All Relief Requested: \$659,000.00

Disposition: AWARD AGAINST PARTY

Disposition Date: 11/15/2010

Sum of All Relief Awarded: \$512,101.00

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

End of Report



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