

## BrokerCheck Report

**KURT ALFRED HURST**

CRD# 1681153

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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.

**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](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://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).

**KURT A. HURST**

CRD# 1681153

**Currently employed by and registered with the following Firm(s):**

- B PAULSON INVESTMENT COMPANY LLC**  
 12 Crown Plaza  
 Suite 201  
 Hazlet, NJ 07730  
 CRD# 5670  
 Registered with this firm since: 01/11/2016

## Report Summary for this Broker

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

### Broker Qualifications

**This broker is registered with:**

- 1 Self-Regulatory Organization
- 3 U.S. states and territories

**This broker has passed:**

- 1 Principal/Supervisory Exam
- 2 General Industry/Product Exams
- 1 State Securities Law Exam

### Registration History

**This broker was previously registered with the following securities firm(s):**

- B HALEN CAPITAL**  
 CRD# 135966  
 New York, NY  
 05/2015 - 11/2015
- B REVERE SECURITIES LLC**  
 CRD# 14178  
 BOCA RATON, FL  
 08/2011 - 05/2015
- B ASD FINANCIAL SERVICES CORP**  
 CRD# 124901  
 NEW YORK, NY  
 09/2008 - 08/2011

### Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

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

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	1



## Broker Qualifications

### Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

**This individual is currently registered with 1 SRO and is licensed in 3 U.S. states and territories through his or her employer.**

### Employment 1 of 1

Firm Name: **PAULSON INVESTMENT COMPANY LLC**

Main Office Address: **10220 SW GREENBURG RD  
SUITE 380  
PORTLAND, OR 97223**

Firm CRD#: **5670**

	SRO	Category	Status	Date
B	FINRA	General Securities Principal	Approved	01/11/2016
B	FINRA	General Securities Representative	Approved	01/11/2016

	U.S. State/ Territory	Category	Status	Date
B	Florida	Agent	Approved	05/12/2016
B	New Jersey	Agent	Approved	05/11/2016
B	New York	Agent	Approved	05/11/2016

### Branch Office Locations

**PAULSON INVESTMENT COMPANY LLC**

12 Crown Plaza  
Suite 201  
Hazlet, NJ 07730



## Broker Qualifications

### Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

**This individual has passed 1 principal/supervisory exam, 2 general industry/product exams, and 1 state securities law exam.**

### Principal/Supervisory Exams

Exam	Category	Date
<b>B</b> General Securities Principal Examination	Series 24	01/11/2007

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Securities Industry Essentials Examination	SIE	10/01/2018
<b>B</b> General Securities Representative Examination	Series 7	03/28/2006

### State Securities Law Exams

Exam	Category	Date
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	05/11/2016

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at [www.finra.org/brokerqualifications/registeredrep/](http://www.finra.org/brokerqualifications/registeredrep/).

## Broker Qualifications



## Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



## Registration and Employment History

### Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
<b>B</b> 05/2015 - 11/2015	HALEN CAPITAL	135966	New York, NY
<b>B</b> 08/2011 - 05/2015	REVERE SECURITIES LLC	14178	BOCA RATON, FL
<b>B</b> 09/2008 - 08/2011	ASD FINANCIAL SERVICES CORP	124901	NEW YORK, NY
<b>B</b> 03/2006 - 08/2008	JESUP & LAMONT SECURITIES CORP	39056	NEW YORK, NY

### Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

**Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.**

Employment	Employer Name	Position	Investment Related	Employer Location
01/2016 - Present	Paulson Investment Company, LLC	Vice President-Trading	Y	New York, NY, United States
05/2015 - 10/2015	Halen Capital Management	Branch Manager/Director of Operations	Y	New York, NY, United States

### Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

No information reported.

## Disclosure Events



### What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
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 broker is required to disclose a particular criminal event.
  - A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
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3. **Disclosure events in BrokerCheck reports come from different sources:**
  - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all 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.
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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 brokers and brokerage 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.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Pending	Final	On Appeal
Regulatory Event	0	1	0



## Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

### Regulatory - Final

This type of disclosure event may involve (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of a broker's authority to act as an attorney, accountant, or federal contractor.

#### Disclosure 1 of 1

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:**

**Date Initiated:** 09/07/2017

**Docket/Case Number:** [2014039396101](#)

**Employing firm when activity occurred which led to the regulatory action:** Revere Securities LLC

**Product Type:** Other: microcap stocks

**Allegations:** Without admitting or denying the findings, Hurst consented to the sanctions and to the entry of findings that he and his member firm failed to develop and implement an anti-money laundering (AML) program that was reasonably designed to achieve and monitor the firm's compliance with requirements of the Bank Secrecy Act. The findings stated that Hurst was the manager of the branch to which a registered representative was assigned and directly supervised the registered representative's business. As part of his responsibilities, Hurst reviewed the transactions executed by firm customers for potentially suspicious activity. If Hurst identified any activity as potentially suspicious, it was his responsibility to escalate that activity to the firm's AML Compliance Officer (AMLCO). Both Hurst and the registered representative knew, at the time the registered representative was on-



boarded, that his clients regularly engaged in microcap stock transactions. After the registered representative joined the firm, many of his customers deposited microcap stocks in physical certificate or electronically, and then proceeded to liquidate those positions and wired out the proceeds shortly thereafter. As branch manager, Hurst was responsible for approving securities deposits and for monitoring the customer activity that followed. The registered representative's customers liquidated more than 23 million shares of microcap stocks, which generated approximately \$889,000 in proceeds for the customers. The firm's system for reviewing for potentially suspicious trading activity consisted primarily of its manual review of daily trade blotters, which Hurst conducted. Hurst failed to identify any of the deposit and liquidation activity of the registered representative's customers as potentially suspicious nor he did he escalate any of it to the AMLCO. Given the volume and nature of the microcap stock transactions being conducted, this manual review was not reasonably designed to detect patterns of potentially suspicious activity that might occur over the course of days, weeks or months. The firm and Hurst failed to identify any of registered representative's customers' activities as potentially suspicious notwithstanding the existence of red flags such as the deposit and liquidation of the same microcap stock by several of registered representative's clients in a short timeframe, clients with problematic criminal, civil or regulatory histories and promotional activity. The firm did not have in place tools to adequately scrutinize customer accounts, account relationships, the customer's expected activity, share amounts, share volumes, promotional activity, and liquidation patterns with a view toward detecting potentially suspicious activity. The findings also stated that the firm permitted the receipt of physical stock certificates in connection with the registered representative's business and received securities electronically. As a result, the firm and Hurst were required to establish, maintain, and enforce a supervisory system that was reasonably designed to achieve compliance with Section 5 of the Securities Act of 1933. Hurst was responsible for securities deposits, both electronic and physical, at the firm's New York branch. Neither Hurst nor the firm conducted due diligence or investigation with respect to electronic deposits of microcap stocks and therefore made no determination that those microcap stocks were registered and free from restriction. For physical certificates of microcap stocks, the firm and Hurst relied solely on information obtained from interested parties rather than conducting adequate independent reviews to determine whether proposed resale transactions amounted to unregistered distributions. As a result of these inadequate procedures, the firm and Hurst failed to conduct reasonable due diligence before executing sales of microcap stocks to verify that the transactions were registered or exempt from registration.

**Current Status:**

Final

**Resolution:**

Acceptance, Waiver &amp; Consent(AWC)



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	09/07/2017
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?</b>	No
<b>(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?</b>	



**(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or**

**(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

#### **Sanction 1 of 1**

<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	Any principal capacity
<b>Duration:</b>	Two months
<b>Start Date:</b>	10/02/2017
<b>End Date:</b>	12/01/2017

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$5,000.00

**Portion Levied against individual:** \$5,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 05/25/2018

**Was any portion of penalty waived?** No

**Amount Waived:**

**Regulator Statement** Fines paid in full in May 25, 2018.

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** Financial Regulatory Authority

**Sanction(s) Sought:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**Date Initiated:** 06/29/2017

**Docket/Case Number:** 20140393961

**Employing firm when activity occurred which led to the regulatory action:** Revere Securities, LLC

**Product Type:** Penny Stock

**Allegations:** Failure to supervise security deposits and the transactional activity that followed.

**Current Status:** Final

**Resolution:** Acceptance, Waiver & Consent(AWC)



<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	09/07/2017
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	Any principal capacity
<b>Duration:</b>	Two months
<b>Start Date:</b>	10/02/2017
<b>End Date:</b>	12/01/2017
<b>Monetary Sanction 1 of 1</b>	
<b>Monetary Related Sanction:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Total Amount:</b>	\$5,000.00
<b>Portion Levied against individual:</b>	\$5,000.00
<b>Payment Plan:</b>	Installment
<b>Is Payment Plan Current:</b>	Yes
<b>Date Paid by individual:</b>	
<b>Was any portion of penalty waived?</b>	No
<b>Amount Waived:</b>	

## End of Report



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