

BrokerCheck Report

PAUL JEROME HOUSE III

CRD# 2471155

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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



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.



PAUL J. HOUSE III
CRD# 2471155

This broker is not currently registered.

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 not currently registered.

This broker has passed:

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

Registration History

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

- B** **EQUITAS AMERICA, LLC**
CRD# 39806
FARMINGTON HILLS, MI
02/1999 - 05/2000
- B** **NATIONAL PLANNING CORPORATION**
CRD# 29604
LOS ANGELES, CA
12/1998 - 02/1999
- B** **FRANKLIN FINANCIAL SERVICES CORPORATION**
CRD# 5435
HOUSTON, TX
03/1996 - 12/1998

Disclosure Events

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	3
Civil Event	1

Broker Qualifications



Registrations

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

This broker is not currently registered.



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, 1 general industry/product exam, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
B General Securities Principal Examination	Series 24	01/28/1999

General Industry/Product Exams

Exam	Category	Date
B General Securities Representative Examination	Series 7	01/19/1996

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	12/29/1997
B Uniform Securities Agent State Law Examination	Series 63	01/08/1996

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/.

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 securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 02/1999 - 05/2000	EQUITAS AMERICA, LLC	39806	FARMINGTON HILLS, MI
B 12/1998 - 02/1999	NATIONAL PLANNING CORPORATION	29604	LOS ANGELES, CA
B 03/1996 - 12/1998	FRANKLIN FINANCIAL SERVICES CORPORATION	5435	HOUSTON, TX
B 01/1996 - 03/1996	LOCUST STREET SECURITIES, INC.	1703	DES MOINES, IA

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
02/1999 - Present	EQUITAS AMERICA, LLC	NOT PROVIDED	Y	FARMINGTON HILLS, MI, United States
02/1996 - Present	5 STAR INS & BROKERAGE FIRM	OTHER - REGISTERED REPRESENTATIVE	N	MT ZION, IL, United States

Disclosure Events



What you should know about reported disclosure events:

- 1. **Disclosure events in BrokerCheck reports come from different sources:**
 - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

For your convenience, below is a matrix of the number and status of regulatory 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.

	Final	On Appeal
Regulatory Event	3	0
Civil Event	1	0



Disclosure Event Details

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 involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

Disclosure 1 of 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	02/06/2003
Docket/Case Number:	SEC ADMIN FILE 3-10921/REL 40-2108
Employing firm when activity occurred which led to the regulatory action:	HOUSE ASSET MANAGEMENT, L.L.C.
Product Type:	Other
Other Product Type(s):	INVESTOR UNITS
Allegations:	SEC ADMIN PROCEEDING FILE NO. 3-10911, IA REL 40-2108, DATED FEBRUARY 6, 2003 - THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST TO ACCEPT THE OFFER OF SETTLEMENT SUBMITTED BY PAUL J. HOUSE ("HOUSE") PURSUANT TO SECTION 203(F) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT"). IN RESPONSE TO THE ENTRY OF AN ORDER INSTITUTING PROCEEDINGS ¹ PURSUANT TO SECTION 203(F) OF THE ADVISERS ACT, RESPONDENT HAS SUBMITTED AN OFFER WHICH THE COMMISSION HAS DETERMINED TO ACCEPT.
Current Status:	Final
Resolution:	Order
Resolution Date:	02/06/2003
Sanctions Ordered:	Bar



Other Sanctions Ordered:

Sanction Details:

IT IS ORDERED: PURSUANT TO SECTION 203(F) OF THE ADVISERS ACT, PAUL J. HOUSE IS BARRED FROM ASSOCIATION WITH ANY INVESTMENT ADVISER.

Regulator Statement

RESPONDENT HOUSE FROM AT LEAST MARCH 2000 UNTIL JUNE 2002, WAS A MANAGING MEMBER OF AN INVESTMENT ADVISER ("ADVISER"). RESPONDENT HOUSE, WAS ENGAGED IN THE INVESTMENT ADVISORY BUSINESS AND MADE USE OF THE MAILS AND OTHER MEANS AND INSTRUMENTALITIES OF INTERSTATE COMMERCE IN CONNECTION WITH AN INVESTMENT ADVISORY BUSINESS. ON JUNE 20, 2002, THE COMMISSION FILED A COMPLAINT IN THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF ILLINOIS CASE NO. 02-2147. THE COMMISSION'S COMPLAINT ALLEGED THAT THE RESPONDENT, FROM MARCH 2000 UNTIL JUNE 2002, RAISED APPROXIMATELY \$2.9 MILLION FROM AT LEAST 60 INVESTORS BY SELLING THE INVESTORS UNITS IN A HEDGE FUND. THE COMPLAINT ALLEGED THAT THE RESPONDENT, IN THE COURSE OF OFFERING UNITS TO FUND INVESTORS, MADE MATERIALLY FALSE AND MISLEADING STATEMENTS. ACCORDING TO THE COMPLAINT, THE RESPONDENT FALSELY TOLD INVESTORS THAT THE FUND HAD GENERATED CUMULATIVE RETURNS OF UP TO 148% WHEN IT HAD LOST AT LEAST \$850,000 DURING ITS OPERATION. THE COMPLAINT ALLEGED ALSO THAT THE RESPONDENT MISREPRESENTED THE USE OF PROCEEDS TO INVESTORS BY CLAIMING THAT THE PROCEEDS WOULD BE USED TO ENGAGE IN A PROFITABLE SECURITIES TRADING PROGRAM WHEN HE BORROWED AT LEAST \$400,000 FROM THE FUND TO PURCHASE REAL ESTATE FOR HIMSELF. FURTHER, THE COMPLAINT ALLEGED THAT THE RESPONDENT MADE FALSE AND MISLEADING STATEMENTS IN OFFERING MATERIALS ABOUT HIS BACKGROUND AS A BROKER AND OMITTED TO DISCLOSE HIS PRIOR PERSONAL BANKRUPTCY. ON JUNE 20, 2002, THE COURT ENTERED AN ORDER PERMANENTLY ENJOINING HIM FROM VIOLATING SECTIONS 5(A), 5(C), 17(A)(1), 17(A)(2), AND 17(A)(3) OF THE SECURITIES ACT OF 1933, SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10B-5 THEREUNDER, SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT, AND SECTION 7(A) OF THE INVESTMENT COMPANY ACT OF 1940 BASED ON THE CONDUCT DESCRIBED ABOVE. THE RESPONDENT, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS MADE IN THE COMMISSION'S COMPLAINT, CONSENTED TO THE ENTRY OF THE OPI.

Disclosure 2 of 3

Reporting Source: Regulator

Regulatory Action Initiated ILLINOIS



By:

Sanction(s) Sought: Prohibition

Other Sanction(s) Sought:

Date Initiated: 06/21/2002

Docket/Case Number: 0100079

Employing firm when activity occurred which led to the regulatory action: HOUSE EDGE, LIMITED PARTNERSHIP

Product Type: Direct Investment(s) - DPP & LP Interest(s)

Other Product Type(s):

Allegations: RESPONDENTS HOUSE EDGE, LIMITED PARTNERSHIP, HOUSE ASSET MANAGEMENT, PAUL J. HOUSE II, MATT NOLEN, BRANDON R. MOORE AND MIKE LINGENFELTER ENGAGED IN UNREGISTERED INVESTMENT ADVICE. THE RESPONDENTS FAILED TO DISCLOSE TO THE INVESTORS THAT MOORE HAD FILED FOR BANKRUPTCY IN MARCH OF 20001. THE RESPONDENTS ALSO MADE FALSE OR MISLEADING STATEMENTS TO THE DEPARTMENT'S INQUIRY ABOUT WHERE THE FUNDS OF HOUSE EDGE PARTNERSHIP WERE DEPOSITED.

Current Status: Final

Resolution: Order

Resolution Date: 10/29/2002

Sanctions Ordered:

Other Sanctions Ordered: PROHIBITION

Sanction Details: THE RESPONDENTS ARE PROHIBITED FROM ACTING AS AN INVESTMENT ADVISOR REPRESENTATIVE AND FROM OFFERING AND/OR SELLING SECURITIES IN OR FROM THE STATE OF ILLINOIS.

Regulator Statement A TEMPORARY ORDER OF PROHIBITION WAS ISSUED, JUNE 21, 2002. THE RESPONDENT HAS THIRTY DAYS FROM ENTRY OF THE TEMPORARY ORDER IN WHICH TO REQUEST A HEARING. IF NO SUCH REQUEST IS MADE WITHIN THAT TIME PERIOD THE TEMPORARY ORDER WILL BECOME FINAL. AN ORDER OF PROHIBITION, ISSUED OCTOBER 29, 2002. CONTACT (217) 785-4948



Reporting Source:	Regulator
Regulatory Action Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
Sanction(s) Sought:	
Other Sanction(s) Sought:	
Date Initiated:	05/10/2002
Docket/Case Number:	C8A020028
Employing firm when activity occurred which led to the regulatory action:	EQUITAS AMERICA, LLC
Product Type:	Other
Other Product Type(s):	LIMITED PARTNERSHIP INTERESTS
Allegations:	NASD RULES 2110, 3040, 3050(C), 8210 - WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE RESPONDENT CONSENTED TO THE ENTRY OF FINDINGS THAT HE PARTICIPATED, FOR COMPENSATION, IN PRIVATE SECURITIES TRANSACTIONS AND FAILED AND NEGLECTED TO GIVE WRITTEN NOTICE TO HIS MEMBER FIRM AND FAILED TO RECEIVE WRITTEN APPROVAL FROM THE FIRM PRIOR TO ENGAGING IN SUCH ACTIVITIES; OPENED A SECURITIES ACCOUNT WITH ANOTHER NASD MEMBER AND PLACED ORDERS FOR THE PURCHASE OR SALES OF SECURITIES WITH THE FIRM AND FAILED TO PROVIDE, IN WRITING, NOTIFICATION TO HIS MEMBER FIRM THAT HE HAD OPENED THE ACCOUNT, FAILED TO ADVISE THE OTHER FIRM OF HIS ASSOCIATION WITH HIS MEMBER FIRM, AND FAILED TO GIVE PRIOR WRITTEN NOTICE OF HIS INTENTION TO EXECUTE THE ORDERS FOR THE PURCHASE AND SALE OF SECURITIES WITH THE OTHER FIRM; AND RESPONDED UNTRUTHFULLY TO NASD REQUESTS FOR INFORMATION AND DOCUMENTS.
Current Status:	Final
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/10/2002
Sanctions Ordered:	Bar
Other Sanctions Ordered:	
Sanction Details:	BARRED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY.



Civil - Final

This type of disclosure event involves an injunction issued by a court in connection with investment-related activity or a finding by a court of a violation of any investment-related statute or regulation.

Disclosure 1 of 1

Reporting Source:	Regulator
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Relief Sought:	Injunction
Other Relief Sought:	DISGORGEMENT, CIVIL PENALTIES
Date Court Action Filed:	06/20/2002
Product Type:	Other
Other Product Types:	UNSPECIFIED TYPE OF FINANCIAL PRODUCT
Court Details:	U.S. DISTRICT COURT FOR THE CENTRAL DISTRICT OF ILLINOIS CIVIL ACTION NO. 02-2147 (MCCUSKEY, J.)
Employing firm when activity occurred which led to the action:	HOUSE EDGE, L.P. AND HOUSE ASSET MANAGEMENT L.L.C.
Allegations:	SEC LITIGATION RELEASE 17583, JUNE 24, 2002; THE COMMISSION ALLEGED THAT, FROM AT LEAST MARCH 2000 TO THE PRESENT, THE DEFENDANTS RAISED APPROXIMATELY \$2.9 MILLION FROM AT LEAST 60 INVESTORS THROUGH AN UNREGISTERED OFFERING OF UNITS IN THE HEDGE FUND. THE COMMISSION ALLEGED IN ITS COMPLAINT THAT HOUSE AND ANOTHER DEFENDANT CONTROLLED THE HEDGE FUND. THE COMPLAINT ALLEGED THAT THE DEFENDANTS SOLICITED INVESTORS AND POTENTIAL INVESTORS TO INVEST THEIR RETIREMENT SAVINGS IN THE HEDGE FUND BY MAKING FALSE AND MISLEADING STATEMENTS IN OFFERING MATERIALS AND ON THE HEDGE FUND'S WEBSITE. THE COMMISSION'S COMPLAINT ALLEGED THAT THE DEFENDANTS TOLD INVESTORS THAT THE HEDGE FUND HAD GENERATED CUMULATIVE RETURNS OF 148% SINCE ITS INCEPTION BECAUSE IT USED INVESTOR PROCEEDS TO ENGAGE IN A SOPHISTICATED SECURITIES TRADING STRATEGY. THE COMMISSION ALLEGED THAT THE HEDGE FUND HAD, IN FACT, SUFFERED LOSSES TOTALING AT LEAST \$850,000 SINCE ITS INCEPTION. FURTHER, THE COMPLAINT ALLEGED THAT FROM AT LEAST MAY 2001 TO JUNE 2002, DEFENDANTS BORROWED APPROXIMATELY \$425,000 FROM THE HEDGE FUND TO PURCHASE THEIR PERSONAL RESIDENCES AND THE ADVISER'S OFFICE BUILDING. THE COMPLAINT ALLEGED THAT THE DEFENDANTS FAILED TO DISCLOSE TO INVESTORS THAT THEY HAD USED INVESTOR PROCEEDS IN THIS MANNER AND THAT



THE DEFENDANTS HAD EACH EMERGED FROM PERSONAL BANKRUPTCY IN THE LAST TWO YEARS. THE COMPLAINT ALSO ALLEGED THAT THE DEFENDANTS MADE FALSE AND MISLEADING STATEMENTS ABOUT HOUSE'S BACKGROUND IN THE OFFERING MATERIALS. THE OFFERING MATERIALS TOUTED HOUSE'S SIX YEARS OF EXPERIENCE IN THE SECURITIES INDUSTRY, BUT FAILED TO DISCLOSE THAT HOUSE WAS TERMINATED AS A REGISTERED REPRESENTATIVE FOR UNAUTHORIZED SALES OF HEDGE FUND UNITS AND THAT HE WAS BARRED BY THE NASD FOR MAKING UNAUTHORIZED SALES OF HEDGE FUND UNITS AND FOR PROVIDING THE NASD WITH FALSE INFORMATION.

Current Status: Final

Resolution: Judgment Rendered

Resolution Date: 06/20/2002

Sanctions Ordered or Relief Granted: Cease and Desist/Injunction

Other Sanctions:

Sanction Details: THE COMMISSION OBTAINED AN ORDER OF PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF ("ORDER OF PERMANENT INJUNCTION") AGAINST DEFENDANTS ENJOINING THEM FROM VIOLATING THE ANTI-FRAUD AND REGISTRATION PROVISIONS OF THE SECURITIES LAWS. THE ORDER OF PERMANENT INJUNCTION ALSO FREEZES THE ASSETS OF THE DEFENDANTS PENDING THE RESOLUTION OF THE APPROPRIATE AMOUNT OF DISGORGEMENT AND CIVIL PENALTIES, REQUIRES THE DEFENDANTS TO GIVE AN ACCOUNTING, PROHIBITS DOCUMENT DESTRUCTION AND PERMITS EXPEDITED DISCOVERY. THE DEFENDANTS CONSENTED TO THE ORDER OF PERMANENT INJUNCTION WITHOUT ADMITTING OR DENYING THE ALLEGATIONS OF THE COMMISSION'S COMPLAINT.

End of Report



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