

BrokerCheck Report

FEDERICO R. BUENROSTRO JR.

CRD# 5679397

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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.



FEDERICO R. BUENROSTRO JR.
CRD# 5679397

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:

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

Registration History

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

B ARVCO FINANCIAL VENTURES, LLC
CRD# 148204
STATELINE, NV
08/2009 - 04/2011

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
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 0 principal/supervisory exams, 1 general industry/product exam, and 1 state securities law exam.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
<div>B</div> General Securities Representative Examination	Series 7	08/11/2009

State Securities Law Exams

Exam	Category	Date
<div>B</div> Uniform Securities Agent State Law Examination	Series 63	06/15/2009

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
<div>B</div> 08/2009 - 04/2011	ARVCO FINANCIAL VENTURES, LLC	148204	STATELINE, NV

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
07/2008 - Present	SELF-EMPLOYED	CONSULTANT	N	SACRAMENTO, CA, 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
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.

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:	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Injunction Monetary Penalty other than Fines
Date Court Action Filed:	04/23/2012
Product Type:	Other: PRIVATE PLACEMENT SECURITIES
Type of Court:	Federal Court
Name of Court:	UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEVADA
Location of Court:	NEVADA
Docket/Case #:	CIVIL ACTION NO. 3:12-CV-00221
Employing firm when activity occurred which led to the action:	CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS)
Allegations:	SEC LITIGATION RELEASE 22342, APRIL 23, 2012: THE SECURITIES AND EXCHANGE COMMISSION CHARGED FEDERICO R. BUENROSTRO, THE FORMER CEO OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS), AND HIS CLOSE PERSONAL FRIEND WITH SCHEMING TO DEFRAUD AN INVESTMENT FIRM INTO PAYING \$20 MILLION IN FEES TO THE FRIEND'S PLACEMENT AGENT FIRMS. THE DEFENDANT VIOLATED SECTION 17(A)(1) OF THE SECURITIES ACT OF 1933 AND SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 10B-5(A) AND 10B-5(C). THE SEC ALLEGES THAT FORMER CALPERS CEO FEDERICO R. BUENROSTRO AND HIS FRIEND FABRICATED DOCUMENTS GIVEN TO A NEW YORK-BASED PRIVATE EQUITY FIRM. THOSE DOCUMENTS GAVE THE FIRM THE FALSE IMPRESSION THAT CALPERS HAD REVIEWED AND SIGNED PLACEMENT AGENT FEE DISCLOSURE LETTERS IN ACCORDANCE WITH ITS ESTABLISHED PROCEDURES. IN FACT, BUENROSTRO AND HIS



FRIEND INTENTIONALLY BYPASSED THOSE PROCEDURES TO INDUCE THE PRIVATE EQUITY FIRM TO PAY PLACEMENT AGENT FEES TO THE FRIEND'S FIRMS. THE FALSE LETTERS BEARING A FAKE CALPERS LOGO AND BUENROSTRO'S SIGNATURE WERE PROVIDED TO THE PRIVATE EQUITY FIRM, WHICH THEN WENT AHEAD WITH THE PAYMENTS. ACCORDING TO THE SEC'S COMPLAINT, THE PRIVATE EQUITY FIRM BEGAN REQUIRING SIGNED INVESTOR DISCLOSURE LETTERS IN 2007 FROM INVESTORS SUCH AS CALPERS BEFORE IT WOULD PAY FEES TO A PLACEMENT AGENT THAT ASSISTED IN RAISING FUNDS. THE FRIEND'S FIRM AGREED TO THIS CONTRACTUAL PROVISION IN A PLACEMENT AGENT AGREEMENT WITH THE PRIVATE EQUITY FIRM RELATED TO CALPERS' INVESTMENT IN THE PRIVATE EQUITY FIRM'S PRODUCT. HOWEVER, WHEN THE FRIEND'S FIRM REQUESTED AN INVESTOR DISCLOSURE LETTER FROM CALPERS' INVESTMENT OFFICE TO PROVIDE THE PRIVATE EQUITY FIRM, IT WAS INFORMED THAT CALPERS' LEGAL OFFICE HAD ADVISED IT NOT TO SIGN A DISCLOSURE LETTER. THE FRIEND'S FIRM NEVER AGAIN CONTACTED CALPERS' INVESTMENT OFFICE FOR AN INVESTOR DISCLOSURE LETTER. THE SEC ALLEGES THAT IN JANUARY 2008, THE FRIEND INSTEAD FABRICATED A LETTER USING A PHONY CALPERS LOGO. AT THE FRIEND'S REQUEST, BUENROSTRO THEN SIGNED WHAT APPEARED TO BE A CALPERS DISCLOSURE LETTER. UPON RECEIPT OF THE FAKE DISCLOSURE LETTER FOR THE FINANCIAL PRODUCT, THE PRIVATE EQUITY FIRM PAID THE FRIEND'S FIRM ABOUT \$3.5 MILLION IN PLACEMENT AGENT FEES. THE SEC'S COMPLAINT FURTHER ALLEGES THAT LESS THAN TWO WEEKS LATER, THE FRIEND AND BUENROSTRO CREATED FALSE CALPERS DISCLOSURE LETTERS FOR AT LEAST FOUR MORE FUNDS OF THE PRIVATE EQUITY FIRM UNDER SIMILARLY SUSPICIOUS CIRCUMSTANCES. AS PART OF THE SCHEME, BUENROSTRO SIGNED BLANK SHEETS OF FAKE CALPERS LETTERHEAD THAT HIS FRIEND AND THE FRIEND'S FIRM THEN USED TO GENERATE ADDITIONAL INVESTOR DISCLOSURE LETTERS AS THEY NEEDED THEM. BASED ON THESE FALSE DOCUMENTS, THE EQUITY FIRM WAS INDUCED TO PAY THE FRIEND'S FIRM MORE THAN \$20 MILLION IN PLACEMENT AGENT FEES IT WOULD NOT HAVE PAID WITHOUT THE DISCLOSURE LETTERS.

Current Status: Final

Resolution: Judgment Rendered

Resolution Date: 04/07/2015

Sanctions Ordered or Relief Granted: Injunction

Capacities 1 of 1

Capacities Affected: see comments



Duration: permanent

Start Date: 04/07/2015

End Date:

Regulator Statement

On April 7, 2015 the U.S. District Court for the District of Nevada issued this judgment as to defendant Federico Buenrostro. The SEC having filed a Complaint and Defendant Buenrostro having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Judgment; waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment; and Defendant having admitted the facts set forth in the Consent and acknowledged that his conduct violated the federal securities laws: It is hereby ordered, adjudged, and decreed that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (Securities Act), directly or indirectly, and permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 promulgated thereunder. It is hereby further ordered that Defendant shall pay disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty pursuant to 21A of the Exchange Act. The Court shall determine the amounts of the disgorgement and civil penalty upon motion of the Commission. It is further ordered that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.

End of Report



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