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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

11	In the Matter of)	CASE NO.
12	THE CALIFORNIA COMMISSIONER OF)	FILE NO. 1791367
13	BUSINESS OVERSIGHT,)	ACCUSATION TO SUSPEND PAUL MATA
14	Complainant,)	(CORPORATIONS CODE SECTION 25213)
15	v.)	
16	PAUL MATA,)	
17	Respondent.)	
18)	
19)	

20
21 Jan Lynn Owen, the California Commissioner of Business Oversight ("Commissioner")
22 alleges and charges as follows:

23 **I. JURISDICTION AND VENUE**

- 24 1. The Commissioner brings this action pursuant to California Corporations Code
25 ("CC") section 25213 and the rules and regulations promulgated thereunder.
- 26 2. The Commissioner is authorized to administer and enforce the provisions of the
27 Corporate Securities Law of 1968, CC section 25000 et seq. ("CSL").
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II. STATEMENT OF FACTS

3. This action is brought in order to issue an order suspending Paul Mata (referenced hereinafter as "Mata") from any position of employment, management or control of any broker-dealer or investment adviser pursuant to CC section 25213.

4. On or about March 24, 2009, Mata was terminated from Ameriprise Financial Services, Inc. ("Ameriprise") for violating company policy, including but not limited to engaging in private securities transactions and failing to disclose outside business activities.

5. Mata's conduct while employed by Ameriprise constituted violations of FINRA and NASD rules. Based on these violations, Mata entered into FINRA's Letter of Acceptance, Waiver, and Consent ("AWC"), which is attached as Exhibit 1. On April 4, 2011, FINRA accepted the AWC, which included Mata consenting to the imposition of a twelve month suspension from association in any capacity with any FINRA member firm, starting April 4, 2011.

III. RESPONDENT MATA SHOULD BE SUSPENDED FROM ANY POSITION OF EMPLOYMENT, MANAGEMENT OR CONTROL OF ANY BROKER-DEALER OR INVESTMENT ADVISER BECAUSE MATA HAS BEEN SUBJECT TO AN ORDER OF FINRA SUSPENDING HIM FROM ASSOCIATION WITH ANY MEMBER FIRM

6. CC Section 25213 provides, in pertinent part:

The commissioner may, after appropriate notice and opportunity for hearing, by order censure, or suspend for a period not exceeding 12 months, or deny or bar from any position of employment, management or control of any broker-dealer or investment adviser, any officer, director, partner, agent, employee of, or person performing similar functions for, a broker-dealer, or any other person, if the commissioner finds that the censure, suspension, denial, or bar is in the public interest and that the person has committed any act or omission enumerated in subdivision (a), (e), (f), or (g) of Section 25212 or has been convicted of, or pled nolo contendere to, any offense or been held liable in any civil action specified in subdivision (b) of Section 25212, or is enjoined from any act, conduct or practice specified in subdivision (c) of Section 25212 or is subject to any order specified in subdivision (d) of Section 25212.

7. CC section 25212 provides, in pertinent part:

The commissioner may, after appropriate notice and opportunity for hearing, by order censure, deny a certificate to, suspend for a period not exceeding 12 months or revoke the certificate of, any broker-dealer if the commissioner finds that the censure, denial, suspension, or revocation is in the public interest and that the broker-dealer, whether prior or subsequent to becoming a

1 broker-dealer, or any partner, officer, director, or branch manager of the
2 broker-dealer, whether prior or subsequent to becoming associated with the
3 broker-dealer, or any person directly or indirectly controlling the broker-
4 dealer, whether prior or subsequent to becoming such, or any agent employed
5 by the broker-dealer while so employed has done any of the following

6 (d) Is or has been subject to ... (2) any order of any national securities
7 association or national securities exchange (registered under the Securities
8 Exchange Act of 1934) suspending or expelling that person from membership
9 in the association or exchange or from association with any member thereof.

10 8. NASD Rule 2110 and FINRA Rule 2010 state that a member in the conduct of its
11 business shall observe high standards of commercial honor and just and equitable principles of trade.

12 9. NASD Rule 3030 requires persons associated with a member firm in any registered
13 capacity to give prompt written notice to the member firm if he engages in an outside business
14 activity (except a passive investment) or accepts compensation from anyone, other than his employer
15 firm.

16 10. NASD Rule 3040 provides that any person associated with a member who
17 participates in a private securities transaction must, prior to participating in the transaction, provide
18 written notice to the member with which he is associated.

19 11. In 2008 and 2009, Mata participated in three private securities transactions without
20 providing prior written notice to, or obtaining prior written approval from Ameriprise in violation of
21 NASD Conduct Rules 3040 and 2110 and FINRA Rule 2010. These transactions included
22 participating in purchasing: a) a \$108,000 membership interest in Emerald Isle Stakes (Grade 1),
23 LLC in February 2008; b) a \$165,769.99 promissory note in Secured Capital in October 2008; and c)
24 a \$67,000 membership interest in Secured Capital in February 2009.

25 12. Mata also failed to provide prompt written notice to Ameriprise regarding two outside
26 business activities for which he received compensation in 2007, 2008 and 2009, in violation of
27 NASD Conduct Rules 3030 and 2110 and FINRA Rule 2010. From June 2007 through March 2009,
28 Mata received \$21,022.44 in compensation from Renaissance Management, LLC, a real estate
management company, which Mata owned and operated. From September 2007 through February
2008, Mata received \$395 in compensation for his sale of health drinks from MonaVie, a health
drinks business.

