

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 JOHNNY O. VUONG (CA BAR NO. 249570)
Corporations Counsel
4 Department of Business Oversight
320 West 4th Street, Ste. 750
5 Los Angeles, California 90013-2344
Telephone: (213) 576-7585 Fax: (213) 576-7181
6 Attorneys for Complainant

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

11 In the Matter of the Desist and Refrain Order)
12 against)
13) STIPULATION
14 MILESTONE FINANCIAL, LLC; BEAR)
15 BRUIN VENTURES, INC.; and WILLIAM)
16 ROBINSON STUART; and CAROLYN)
17 TOBIASON STUART)

18 This Stipulation is entered into between MILESTONE FINANCIAL, LLC; BEAR BRUIN
19 VENTURES, INC.; and WILLIAM ROBINSON STUART; and CAROLYN TOBIASON STUART
20 (collectively, “Respondents”) and the California Commissioner of Business Oversight
21 (“Commissioner”) with respect to the following facts:

22 **RECITALS**

23 A. At all relevant times, Milestone Financial, LLC. (“Milestone”) was a California limited
24 liability company with its primary place of business at 4970 El Camino Real, Suite 20, Los Altos,
25 California 94022.

26 B. At all relevant times, Bear Bruin Ventures, Inc. (“Bear Bruin”), a California corporation, was
27 Milestone’s manager and real estate broker.
28

1 C. At all relevant times, William Robinson Stuart was the agent of Milestone, the President of
2 Bear Bruin Ventures, Inc. and engaged in soliciting investors for Milestone’s investment products.

3 D. At all relevant times, Carolyn Tobiason Stuart was a beneficial owner of Milestone and is a
4 party to this Stipulation and Order by virtue of Corporations Code section 25504.

5 E. Beginning in or about 2007, William Robinson Stuart, Milestone Financial, LLC and Bear
6 Bruin Ventures, Inc. offered and sold unqualified securities in the form of promissory notes to
7 California investors. The investors were offered 5 year promissory notes with a minimum of an 8
8 percent return. William Robinson Stuart, Milestone Financial, LLC and Bear Bruin Ventures, Inc.
9 sold at least 155 promissory notes and raised over \$30 million between 2007 and 2013. These
10 promissory notes are securities subject to qualification under the California Corporate Securities Law
11 of 1968 (“CSL”).

12 F. Between 2007 and 2013, William Robinson Stuart, Milestone Financial, LLC and Bear Bruin
13 Ventures, Inc. mailed out solicitation materials to prospective investors and represented on
14 Milestone’s website (www.milestonefinancial.net) that Milestone was offering \$50,000 promissory
15 note investments with a 8 percent return for a 5 year term, which set forth Milestone Financial, LLC’s
16 securities offerings.

17 G. Corporations Code section 25110 prohibits the offer and/or sale of non-exempt securities in
18 this state that are subject to qualification. The Department has not issued a permit or other form of
19 qualification authorizing any person to offer and sell the described securities in this state.

20 **TERMS AND CONDITIONS**

21 1. This Stipulation is entered into for the purpose of judicial economy and expediency, and to
22 avoid the expense of a hearing, and possible further court proceedings.

23 2. Respondents acknowledge and waive the right to any hearing, including that provided by
24 Corporations Code sections 25532 and 25609. Further, Respondents waive any and all review by a
25 court of law, including that provided by Government Code section 11523.

26 3. Respondents represent that no promises of any kind or nature whatsoever were made to
27 induce Respondents to enter into this Stipulation, and that this Stipulation is a voluntary act on the
28 part of Respondents.

1 4. Respondents agree and acknowledge that nothing in this Stipulation shall preclude the
2 Commissioner or her agents, officers, or employees, to the extent authorized by law, from referring
3 any evidence or information regarding this matter to any other state or federal law enforcement
4 official, or from assisting or cooperating with regards to any investigation and/or action.

5 5. Desist and Refrain Order: Respondents, without admitting or denying the findings set forth by
6 the Commissioner, agree to the immediate issuance of a Desist and Refrain Order (“Final Order”)
7 pursuant to Corporations Code section 25110. A copy of the Final Order is attached and incorporated
8 as Exhibit A. Respondents further understand and agree that the Final Order remains in effect and is
9 public, and that Respondents shall not make any statement or representation that is inconsistent with
10 this Stipulation or the Final Order.

11 6. The Commissioner stipulates and agrees to not take any further administrative action against
12 Respondents based on information known to the Commissioner or her agents or employees at the
13 time of the issuance of the Final Order, or based on any act or omission alleged in the Final Order.

14 7. Respondents acknowledge that pursuant to Corporations Code section 25255, remedies for
15 violations of the Corporate Securities Law of 1968 (“CSL”) (Corporations Code section 25000, et
16 seq.) are not exclusive and may be sought and employed in any combination to enforce that law.
17 Therefore, it is further stipulated that this agreement does not preclude the Commissioner from
18 seeking additional remedies against Respondents for violating the Final Order or any law under the
19 Commissioner’s jurisdiction not related to this investigation. These remedies include, but are not
20 limited to, administrative actions, civil injunctive and ancillary relief and making a criminal referral
21 pursuant to California law.

22 8. Language Clarification: Respondents agree to clarify language describing Milestone
23 Financial, LLC’s promissory note investment products throughout its website and all solicitation
24 materials as follows, no later than 10 days after the execution date of this stipulation:

- 25 a. Clarify that Milestone Financial, LLC cannot guarantee a minimum rate of
26 return;
- 27 b. Clarify that the promissory notes are not low risk; and
- 28 c. Clarify whether the promised rate of return is per quarter or per year.

1 9. Repurchase Permit Application: Respondents agree to cause Milestone Financial, LLC to file
2 a repurchase permit application (“application”), which was in fact filed with the Commissioner, on or
3 about June 9, 2014, to qualify the promissory notes already offered and sold by Milestone Financial,
4 LLC, pursuant to Corporations Code section 25507. Further, Respondents acknowledge that this
5 Stipulation and Final Order are independent of the repurchase permit application and that outcome of
6 the application will be separately processed and determined by the Department’s Securities
7 Regulation Division.

8 10. Administrative Penalties: Respondents agree to pay to the Commissioner administrative
9 penalties pursuant to Corporations Code section 25252 totaling \$127,000. Payment of the
10 administrative penalties shall be made by Respondents in the form of a cashier’s check, received by
11 the Department no later than 30 days after the execution date of this stipulation. The cashier’s check
12 shall be made payable to “The Department of Business Oversight,” and shall be sent to the following
13 address:

14 Johnny Vuong
15 Enforcement Division
16 Department of Business Oversight
17 320 W. 4th Street, Suite 750
18 Los Angeles, CA 90013

19 9. This Stipulation may be executed in one or more counterparts, each of which shall be an
20 original but all of which, together, shall be deemed to constitute a single document.

21 Dated: 12/04/14
22 Los Angeles, California

23 JAN LYNN OWEN
24 Commissioner of Business Oversight

25 By _____
26 MARY ANN SMITH
27 Deputy Commissioner
28 Enforcement Division

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

MILESTONE FINANCIAL, LLC,
BEAR BRUIN VENTURES, INC. and
WILLIAM ROBINSON STUART

Dated: 11/30/14

By _____
William Robinson Stuart

Dated: 11/30/14

Carolyn Tobiason Stuart

APPROVED AS TO FORM AND CONTENT:

DENNIS H. DOSS, ESQ.
Doss Law
Counsel for Milestone Financial, LLC, Bear Bruin Ventures, Inc., William Robinson Stuart and
Carolyn Tobiason Stuart

JOHNNY O. VUONG
Corporations Counsel
Department of Business Oversight