

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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Department of Corporations
9 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF CORPORATIONS
11 OF THE STATE OF CALIFORNIA
12

13 In the Matter of) FILE NO. 925-3693
14) OAH No. 2007100771
15 THE CALIFORNIA CORPORATIONS)
16 COMMISSIONER,) ORDER (1) BARRING JOHN D. STEWART
17 Complainant,) FROM ANY POSITION OF EMPLOYMENT,
18 v.) MANAGEMENT OR CONTROL OF ANY
19) INVESTMENT ADVISER, BROKER-
20 JOHN D. STEWART, CORNERSTONE) DEALER OR COMMODITY ADVISER
21 EQUITY PARTNERS, LLC,) PURSUANT TO CORPORATIONS CODE
22 Respondents.) SECTION 25232.1 AND (2) REVOKING
23) CORNERSTONE EQUITY PARTNERS, LLC's
24) INVESTMENT ADVISER CERTIFICATE
25) PURSUANT TO CORPORATIONS CODE
26) SECTION 25232
27)
28)

24 TO: John D. Stewart
25 Cornerstone Equity Partners, LLC
26 1700 Soscol Avenue, Suite 20
27 Napa, CA 94559-2515

28 1. John D. Stewart ("Stewart") is the president of Cornerstone Equity Partners, LLC
("Cornerstone") a California corporation which held a valid and unrevoked investment adviser

1 certificate issued by the California Corporations Commissioner (Commissioner) pursuant to
2 Corporations Code section 25230 (CRD#128721)

3 2. On July 6, 2007 the Commissioner issued a notice to Stewart and Cornerstone of the
4 intention of the Commissioner to issue orders: (1) revoking Cornerstone’s investment adviser
5 certificate pursuant to Corporations Code section 25232, and (2) barring Stewart from any
6 position of employment, management or control of any broker-dealer or investment adviser
7 pursuant to Corporations Code section 25213.1, as a result of Stewart and Cornerstones
8 engaging in unlicensed broker-dealer activities in violation of Corporations Code section 25210
9 and failing to disclose material facts and conflicts of interest to its investment adviser clients in
10 violation of 25235, and California Code of Regulations, Title 10 Section 260.238 (k), (1), (2) and
11 (o).

12 3. Respondents Stewart and Cornerstone issued a timely request for an administrative
13 hearing to contest the Commissioner’s issuance of the orders and waived the right to a hearing
14 within 15 days. Respondents Stewart and Cornerstone subsequently entered into a Settlement
15 Agreement and Stipulation with the Commissioner to resolve this matter without the need for a
16 hearing or other litigation. Pursuant to the terms of the Settlement Agreement and Stipulation,
17 Stewart and Cornerstone stipulated to the entry of this order by the Commissioner barring Stewart
18 and revoking Cornerstone’s investment adviser certificate.

19 Based on the forgoing the Commissioner finds it is in the public interest to issue the
20 following order.
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22 **GOOD CAUSE APPEARING THEREFORE, IT IS ORDERED THAT**

23 1. John D. Stewart is barred in the State of California from any position of employment,
24 management or control of any investment adviser, broker-dealer or commodity adviser pursuant to
25 Corporations Code section 25213.1.
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2. The investment adviser certificate of Cornerstone Equity Partners, LLC (CRD#128721).
issued by the California Corporations Commissioner is hereby revoked pursuant to Corporations
Code section 25232.

This order is effective immediately.

Dated: January 30, 2008
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Lead Corporations Counsel
Enforcement Division