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7

8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
9 OF THE STATE OF CALIFORNIA  
10

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:  
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23 **RECITALS**

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

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

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. 4<sup>th</sup> 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

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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