

1 WAYNE STRUMPFER
Acting California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
Acting Deputy Commissioner
3 LINDSAY B. HERRICK (CA BAR NO. 224986)
4 Corporations Counsel
Department of Corporations
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8 Attorneys for Complainant

9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
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12	In the Matter of)	FILE NO. 925-2651
13)	
14	THE CALIFORNIA CORPORATIONS)	ORDER TO DISCONTINUE VIOLATIONS
15	COMMISSIONER,)	PURSUANT TO CORPORATIONS CODE
16)	SECTION 25249
17	Complainant,)	
18	v.)	
19	WHITCRAFT CAPITAL MANAGEMENT,)	
20	INC.,)	
21	Respondent.)	

22 TO: Whitcraft Capital Management, Inc.
23 660 Rhodes
24 Palo Alto, California 94303-3032

25 The California Corporations Commissioner, Wayne Strumpfer, ("Commissioner") finds that:

- 26 1. Whitcraft Capital Management, Inc. ("Whitcraft") has violated the books and records
- 27 requirements under California Code of Regulations, title 10, sections 260.241.2, and 260.241.3, and
- 28 260.241.4, and the fair, equitable and ethical principle prohibitions under section 260.238 of the

1 California Code of Regulations, title 10. Whitcraft violated California Code of Regulations, title 10,
2 section 260.241.2 by failing to file annual financial reports for years 1999, 2000, 2001, 2002, 2003,
3 2004, and 2005. Whitcraft violated California Code of Regulations, title 10, section 260.241.3 by
4 failing to properly maintain on a monthly basis proper books and records, including journals, general
5 ledgers, financial statements, bank statements, trial balances, income statements, balance sheets, and
6 cash reconciliation on all cash accounts. Whitcraft also violated section 260.241.4 of California
7 Code of Regulations, Title 10 by failing to disclose on its Form ADV the location of its books and
8 records, as well as section 260.238 for charging clients fees for investment advisory services without
9 permission pursuant to a written contract.

10 NOW, BASED UPON THE FOREGOING, AND GOOD CAUSE APPEARING, it is hereby
11 ORDERED under the provisions of Corporations Code section 25249 that Whitcraft Capital
12 Management, Inc. immediately discontinue those acts that were in violation of California Code of
13 Regulations, title 10, sections 260.241.2, and 260.241.3, 260.241.4, and 260.238.

14 Dated: June 6, 2006

WAYNE STRUMPFER
Acting California Corporations Commissioner

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16 By: _____
17 ALAN S. WEINGER
18 Acting Deputy Commissioner
19 Enforcement Division
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