

1 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
2 DIVISION OF FINANCE AND CORPORATE SECURITIES  
3 SECURITIES SECTION  
4 BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND  
5 BUSINESS SERVICES

4 In the Matter of: ) No. A-05-0017(A)  
5 )  
6 ) ORDER TO CEASE AND DESIST AND  
7 ) CONSENT TO ENTRY OF ORDER  
8 ) AGAINST BROOKSTREET  
9 ) SECURITIES CORPORATION, INC.  
10 ) ONLY  
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5 **BROOKSTREET SECURITIES**  
6 **CORPORATION, INC. and RICARDO**  
7 **CABEZAS,**  
8  
9 **Respondents.**

11 WHEREAS, the Director of the Department of Consumer and Business Services for the  
12 State of Oregon (hereafter the "Director"), acting pursuant to the authority granted by the Oregon  
13 Securities Law (ORS 59.005 *et seq.*), has conducted an investigation into the activities of  
14 **BROOKSTREET SECURITIES CORPORATION, INC.** (hereafter "**BROOKSTREET**  
15 **SECURITIES**") and **RICARDO CABEZAS** (hereafter "**CABEZAS**");

16 WHEREAS, **BROOKSTREET SECURITIES** wants to avoid the additional costs and  
17 expenses resulting from an action by the Director, does not desire to expend further time on this  
18 matter, and seeks to obtain finality without invoking its right to a hearing before the Director;

19 NOW THEREFORE, the Director hereby issues the following Findings of Fact and  
20 Conclusions of Law, which **BROOKSTREET SECURITIES** neither admits nor denies, and  
21 issues the following Order, to which **BROOKSTREET SECURITIES** has consented, as  
22 evidenced by the signature of an officer of **BROOKSTREET SECURITIES** on the Consent to  
23 Entry of Order attached hereto.  
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1 **FINDINGS OF FACT**

2 The Director **FINDS** that:

3 **Part One: The Respondents**

4 1. Respondent **BROOKSTREET SECURITIES** was, on May 11, 2002, a broker-  
5 dealer firm with at least one office located in the State of Oregon. The firm's Central Records  
6 Depository (CRD) number is 14667. The firm is headquartered at 2361 Campus Drive, Suite  
7 210, Irvine, California 92612. The firm's President and CEO is Stanley Brooks.

8 2. Kathleen McPherson was, on May 11, 2002, the Executive Vice President of  
9 Compliance for **BROOKSTREET SECURITIES**. McPherson's Central Records Depository  
10 (CRD) number is 1526361. McPherson conducts business from 2361 Campus Drive, Suite 210,  
11 Irvine, California 92612.

12 3. Respondent **CABEZAS** was, on May 11, 2002, a broker-dealer salesperson in the  
13 employ of **BROOKSTREET SECURITIES**. **CABEZAS**'s Central Records Depository (CRD)  
14 number is 2809119. On May 11, 2002, **CABEZAS** conducted business from 2361 Campus  
15 Drive, Suite 210, Irvine, California 92612.

16 4. Respondent **BROOKSTREET SECURITIES** was, on May 11, 2002, licensed to  
17 conduct business as a broker-dealer in the State of Oregon.

18 5. Kathleen McPherson, who has passed the Series 24 examination, was, on May 11,  
19 2002, authorized to act in a supervisory capacity over a broker-dealer salesperson.

20 6. While licensed in several other jurisdictions, Respondent **CABEZAS** was, on May  
21 11, 2002, not licensed to sell securities in the State of Oregon.

22 7. Respondent **BROOKSTREET SECURITIES** had, pursuant to OAR 441-205-0210  
23 (2), a duty to designate a supervisor for each associated person in its employ, including broker-  
24 dealer salespersons. Kathleen McPherson, Executive Vice President of Compliance, was the  
25 designated supervisor of Respondent **CABEZAS** with respect to his duties involving  
26 "brooksdirect.com."



