STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:	Case No. S-15-0142
JOSHUA E. STROUD, Respondent.	FINAL ORDER TO CEASE AND DESIST, FINAL ORDER ASSESSING CIVIL PENALTY, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director"), acting in accordance with the Oregon Securities Law, Oregon Revised Statutes ("ORS") 59.005 to 59.451, 59.991 and 59.995, and Oregon Administrative Rules ("OAR") chapter 441, has investigated the securities salesperson ("salesperson") and investment adviser representative ("IAR") license applications, and the amendments thereto, of Joshua E. Stroud ("Respondent").

Respondent has cooperated with the Director's investigation and wishes to resolve this matter with the Director;

Now, therefore, as evidenced by the signature subscribed herein, Respondent hereby CONSENTS to the entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is licensed in Oregon to work as an IAR for an investment adviser. From September 11, 2008 to August 31, 2015, Respondent was licensed in

Oregon as a salesperson to work for a broker-dealer as an IAR to work for an investment adviser. The Central Registration Depository ("CRD") number for Respondent is #4448453.

2. In order to become licensed as a salesperson and IAR in Oregon, Respondent was required to complete the CRD Uniform Application for Securities Industry Registration or Transfer ("Form U-4"). The Form U-4 includes Disclosure Questions, wherein Respondent was required to disclose certain information identified therein, including, but not limited to, the "Financial Disclosure" information set forth in Question 14M of the application. Respondent, as a licensee, has a responsibility to keep the information in the application, including the financial disclosure information, continually updated.

3. As part of the salesperson and IAR licensing process in Oregon, Respondent completed a Form U-4, including the Financial Disclosure section of the form, on or about September 11, 2008. Respondent became licensed in Oregon as a salesperson and IAR on or about September 11, 2008.

4. Question 14M of the Form U-4 asks: "Do you have any unsatisfied judgments or liens against you?"

5. On or about November 8, 2013, a tax lien was filed against the Respondent. The tax lien remained unsatisfied until January 9, 2015.

6. Respondent did not disclose the above-described tax lien on his license application, in response to Question 14M of Form U-4, until February 6, 2015, more than 30 days from the date of occurrence.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

7. Respondent is licensed as an "investment adviser representative" in Oregon,

as defined by ORS 59.015(8)(a). At times material to this Order, Respondent was also licensed as a "salesperson" in Oregon, as defined by ORS 59.015(18)(a).

8. Respondent, as a licensed salesperson and IAR, is required to amend his license application on Form U-4 "when there are material changes in the information contained in the original application." ORS 59.175(6); OAR 441-175-0105(3)(c).

9. In accordance with OAR 441-175-0105(2), Respondent is required to amend his Oregon license application within 30 days of the occurrence of any material changes in the information contained in the original application or any amendments thereto.

10. Question 14M of the Form U-4, "Financial Disclosure," requires that a licensed salesperson and IAR disclose a tax lien.

11. The tax lien is a "material change" of the information contained in the original application, as that term is used in ORS 59.175(6) and OAR 441-175-0105(2).

12. Respondent failed to timely file an amendment to his Oregon salesperson and IAR application within 30 days of the occurrence of a material change, in violation ORS 59.175(6) and OAR 441-175-0105(2).

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ORDERS

The Director issues the following ORDERS:

Final Order to Cease and Desist

13. In accordance with ORS 59.245, Respondent is hereby ORDERED to CEASE AND DESIST from:

A. Failing to timely file a required amendment to his Oregon salesperson and investment adviser license application after a material change to the information contained in the application, as required by ORS 59.175(6) and OAR 441-175-0105(2); and

B. Violating any provision of Oregon Revised Statutes chapter 59 or Oregon

Administrative Rules chapter 441.

Final Order Assessing Civil Penalty

14. In accordance with ORS 59.995, the Director may assess CIVIL PENALTIES in an amount not to exceed $20,000 per violation against persons who violate the Oregon Securities Law. In the case of a continuing violation, each day's continuance is a separate violation, but the maximum penalty for any continuing violation shall not exceed $100,000.

15. In accordance with ORS 59.995(1), the Director hereby ORDERS Respondent to pay a CIVIL PENALTY in the total amount of $5,000 for violations of ORS 59.175(6) and OAR 441-175-0105(2).

16. The Director SUSPENDS the collection of $4,000 of the civil penalty assessed above, so long as Respondent complies with all terms and conditions of this Order and all requirements of the Oregon Securities Law. If Respondent complies with the terms of this Order and the Director has not initiated an enforcement action for new violations of the Oregon Securities Law during the three-year period from the effective date of this Order, the Director WAIVES the collection of the suspended CIVIL PENALTY assessed herein.

17. Respondent must pay $1,000 of the civil penalty at signing, prior to the entry of this Order.

18. The Director reserves the right to immediately take enforcement action, pursuant to the procedures set forth in ORS 183.745, to impose the suspended CIVIL PENALTY if Respondent violates any term of this Order.

19. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that

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provision, the entry of this Order does not limit other remedies that are available to the Director under Oregon law.

SO ORDERED this 26 day of January, 2016.

PATRICK M. ALLEN, Director
Department of Consumer and Business Services

/s/ Laura N Cali
Laura N. Cali, Administrator
Division of Financial Regulation

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CONSENT OF JOSHUA E. STROUD TO ENTRY OF ORDER

I, Joshua E. Stroud, state that I am a resident of the State of Oregon, that I have read the foregoing Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

/s/ Joshua E Stroud
Joshua E. Stroud

State of Oregon

County of Lane

Subscribed and affirmed before me by Joshua E. Stroud this 12th day of January, 2016.

/s/ Carmen Clarice Meyers
Signature of Notary Public

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