

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 67658A/ August 14, 2012

INVESTMENT ADVISERS ACT OF 1940
Release No. 3444A/ August 14, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14983

In the Matter of

STANLEY C. BROOKS and
BROOKSTREET
SECURITIES CORP.,

Respondents.

CORRECTED
ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934, AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND NOTICE OF HEARING

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”), against Stanley C. Brooks (“Brooks”) and Brookstreet Securities Corp. (“Brookstreet”), and pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Stanley C. Brooks.

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. From January 1990 through June 2007, Brooks was the president and CEO of Brookstreet. He held Series 1, 3, 4, 40, 63, and 65 licenses. Between 1992 and 1997, Brooks was sanctioned by state securities regulators and FINRA, which resulted in cumulative fines of

more than \$400,000 and more than three years of suspensions. The charges against Brooks included failure to supervise, failure to establish and maintain supervisory procedures, failure to conduct branch examinations, dishonest and unethical conduct, and flawed registration filings. From March 6, 2006 through May 4, 2008, FINRA suspended Brooks from serving in any supervisory capacity and fined him \$95,000 for, among other things, failing to commence and complete compliance inspections. From August 2007 through September 2008, Brooks was a registered representative with Wedbush Morgan Securities, Inc., a registered broker-dealer and investment adviser. Brooks is currently associated with Gold Coast Futures Inc., which is not registered. Brooks is 64 and resides in San Clemente, California.

2. Brookstreet is a California Corporation that was a dually registered broker-dealer and investment adviser, headquartered in Irvine, California. In June 2007, Brookstreet failed to meet its net capital requirements and ceased operations. Brookstreet filed a form ADV-W on December 7, 2007, and is therefore no longer registered with the Commission as an investment adviser. On April 21, 2008, FINRA suspended Brookstreet pursuant to NASD Rule 9552, and Brookstreet was expelled from FINRA six months later. Brookstreet is no longer registered with FINRA.

B. ENTRY OF THE INJUNCTION

1. On February 28, 2012, a final judgment was entered against Brooks and Brookstreet, permanently enjoining them violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Brookstreet Securities Corp. and Stanley C. Brooks, Civil Action Number SA 8:09-cv-1431-DOC (ANx) in the United States District Court for the Central District of California.

2. The Commission's complaint alleged that, from 2004 through 2007, Brookstreet and Brooks committed securities fraud involving the sale of unsuitable Collateralized Mortgage Obligations ("CMOs") to retail customers. Brooks helped create, promote and facilitate an investment program, the "CMO Program," through which Brookstreet and its registered representatives improperly sold risky, illiquid CMOs to retail customers with conservative investment goals, including retirees. More than 1,000 Brookstreet customers invested about \$300 million through the CMO Program.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 15(b) of the Exchange Act;

C. What, if any, remedial action is appropriate in the public interest against Respondent Brooks pursuant to Section 203(f) of the Advisers Act; and

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondents personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary

