

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No.79521 / December 9, 2016

INVESTMENT ADVISERS ACT OF 1940
Release No. 4586 / December 9, 2016

INVESTMENT COMPANY ACT OF 1940
Release No. 32388 / December 9, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17718

In the Matter of

DONALD M. STUTHERS

Respondent.

ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 15(b) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, SECTION 203(f) OF THE INVESTMENT ADVISERS ACT OF 1940 AND SECTION 9(b) OF THE INVESTMENT COMPANY ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”), Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”), and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”) against Donald M. Stuthers (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings

herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, and Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, Section 203(f) of the Investment Advisers Act of 1940 and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

A. SUMMARY

1. From October 2006 to November 2008, Respondent appeared in Westmoore Securities, Inc. transactional documents as the registered representative on numerous securities purchases made through Westmoore Securities for investment advisory clients of a third party (the "Third Party"). These securities purchases, which were made at the Third Party's recommendation, yielded brokerage commissions totaling approximately \$385,000. Respondent paid over all of these commissions to Third Party, whom Respondent knew was not an associated person of Westmoore Securities or of any other broker-dealer during the relevant time. By this conduct, Respondent aided and abetted and caused Third Party's violation of Exchange Act Section 15(a).

B. RESPONDENT

2. **Donald M. Stuthers**, age 47 and a resident of San Diego, California, was a registered representative of Westmoore Securities, Inc. from approximately October 2006 to January 2009, and a registered investment advisor representative of a registered investment adviser from October 2006 through April 2010. During the relevant period, he held Series 7, 24, 51 and 66 securities licenses.

C. OTHER RELEVANT PARTIES

3. The **Third Party** refers to a person who, at all relevant times, was associated with an investment adviser registered with the Commission, but was not associated with Westmoore Securities.

4. **Westmoore Securities, Inc. ("Westmoore Securities")** was at all relevant times a broker-dealer registered with the Commission and headquartered in Anaheim, California.

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

D. BACKGROUND

5. Between approximately October 2006 and November 2008, the Third Party, as Respondent knew, recommended scores of securities purchases for the Third Party's advisory clients which were transacted, in interstate commerce, through Westmoore Securities. Respondent appeared in Westmoore Securities transaction documents as the registered representative on these purchases, for which Respondent was paid approximately \$385,000 in securities commissions.

6. As Respondent received these commissions, he promptly paid them over to Third Party, who, as Respondent knew, was, at no point during the relevant period, an associated person of Westmoore Securities or of any other registered broker-dealer.

E. VIOLATIONS

7. Section 15(a)(1) of the Exchange Act prohibits, among other things, a natural person from effecting any transactions in, or inducing or attempting to induce the purchase or sale of, any security by making use of the mails or any means or instrumentality of interstate commerce, unless such natural person is associated with a registered broker-dealer.

8. Third Party violated Exchange Act Section 15(a)(1) by acting as an unregistered broker, since, among other things, Third Party solicited the securities transactions referenced above and received all of their transaction-based compensation, all without being associated with a registered broker-dealer.

9. For his part, Respondent knew of Third Party's violation of Exchange Act Section 15(a)(1) and, by his actions, knowingly and substantially assisted Third Party's commission of the same. By so doing, Respondent willfully aided and abetted and caused Third Party's violation of Exchange Act Section 15(a).

Cooperation

10. In determining to accept the Offer, the Commission considered Respondent's cooperation afforded Commission staff and other authorities in this and related proceedings.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Stuthers' Offer.

Accordingly, pursuant to Sections 15(b) and 21C of the Exchange Act, Section 203(f) of the Advisers Act, and Section 9(b) of the Investment Company Act it is hereby ORDERED that:

A. Respondent Stuthers cease and desist from committing or causing any violations and any future violations of Section 15(a)(1) of the Exchange Act.

B. Respondent Stuthers be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent; prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter; and barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock;

with the right to apply for reentry after one (1) year to the appropriate self-regulatory organization, or if there is none, to the Commission.

C. Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields
Secretary