

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

In the Matter of:)	
ALETHEIA SECURITIES, INC.)	Docket No. 16-020-S
CRD NUMBER 44784)	

DEFAULT JUDGMENT AND ORDER

Findings of Fact

1. Aletheia Securities, Inc. (“Aletheia”) is or was a California corporation with a main office located at 100 Wilshire Blvd., Suite 1900, Santa Monica, CA 90401.
2. Aletheia first registered with the Vermont Securities Division (“Division”) as a broker-dealer on February 16, 2011.
3. Vermont has different registration requirements for members of the Financial Industry Regulatory Authority (“FINRA”), a self-regulatory organization for broker-dealers, and for non-FINRA member broker-dealers. See Department Order 6-43-S, Exhibit 6.2.
4. FINRA operates the Central Registration Depository (“CRD”), the central licensing and registration system for the United States securities industry and its regulators.
5. At the time of registration, Aletheia was a member of FINRA. Aletheia was expelled from FINRA on July 18, 2013.
6. Vermont requires broker-dealers who are FINRA members to file Form BD in its initial application for registration and thereafter to file amendments to Form BD within thirty (30) days of an event that requires an amendment. Department Order 06-43-S, Exhibit 6.2.
7. Form BD lists the principal business address and the mailing address of the broker-dealer. FINRA requires broker-dealers to amend Form BD for a change of address.

8. Aletheia's Vermont registration expired on December 31, 2013. Aletheia failed to file a renewal of registration and the associated filing fee with the Division as required under 9 V.S.A. § 5410.

9. The Division sent a notice to Aletheia on March 22, 2016 by certified mail to the address of record in CRD to inform Aletheia that the failure to remit the filing fee would be cause to revoke Aletheia's registration.

10. Aletheia failed to respond to the notice or to remit the filing fee.

11. Revocation of Aletheia's registration is in the public interest because Aletheia failed to renew its Vermont registration and to pay the associated filing fee.

12. Revocation of Aletheia's registration is in the public interest because Aletheia was expelled from FINRA.

13. On June 29, 2016 the Department served upon Respondent the Petition for Revocation of Broker-Dealer Registration ("Petition") and Notice of Right to Request Hearing ("Notice") in this action by sending copies of same to the Respondent at its address of record in the Central Registration Depository ("CRD") by certified mail, return receipt requested, pursuant to Section 4(b) of Regulation 82-1.

14. The certified mailing was returned to the Department on July 7, 2016 marked "Return to Sender, Attempted – Not Known, Unable To Forward". The Department's Petition was properly served because the Department's obligation is to serve Respondent at the address in the CRD and it is incumbent upon Respondent to update the address.

15. On August 8, 2016 the Department served upon Respondent the Motion for Default Judgment in this action by sending copies of same to the Respondent at its address of

record in the Central Registration Depository (“CRD”) by certified mail, return receipt requested, pursuant to Section 4(b) of Regulation 82-1.

16. The certified mailing was returned to the Department on August 14, 2016 marked “Return to Sender, Undeliverable As Addressed, Unable To Forward”. The Department’s Motion was properly served because the Department’s obligation is to serve Respondent at the address in the CRD and it is incumbent upon Respondent to update the address.

17. To date, Respondent has not paid the required filing fee; has not responded to the Petition; and has not responded to the Motion for Default Judgment.

Violations of Law

18. Pursuant to the authority contained in 9 V.S.A. §§ 5601 - 5604, the Commissioner of the Department (the “Commissioner”) is charged with administering and enforcing the Vermont Uniform Securities Act.

19. Broker-dealers are required to register with the Department to transact business in Vermont. 9 V.S.A. § 5401. A registration is effective until midnight of December 31 of the year for which the application for registration is filed. 9 V.S.A. § 5406.

20. Vermont registrations may be automatically renewed by filing record(s) required by the Department and by paying a filing fee. 9 V.S.A. §§ 5406, 5410.

21. The Commissioner may issue an order to revoke the registration of a broker-dealer if the person has not paid the proper filing fee within 30 days after having been notified by the Commissioner of a deficiency. 9 V.S.A. § 5412(d)(10).

22. Aletheia was properly notified of the failure to pay the filing fee because notice was sent to the address of record in the Central Registration Depository (“CRD”).

23. Aletheia failed to pay the filing fee within 30 days after having been notified by the Department of this deficiency in violation of 9 V.S.A. § 5412(d)(10).

24. The Commissioner may issue an order to revoke the registration of a broker-dealer if the Commissioner finds that the order is in the public interest and if 9 V.S.A. § 5412(d) authorizes the action.

25. Revocation of Aletheia's registration is in the public interest because Aletheia's registration expired on December 31, 2013 and Aletheia did not properly renew the registration and pay the required filing fee, therefore, Aletheia is not authorized to transact business in Vermont. Revocation of Aletheia's registration is in the public interest because Aletheia was expelled from FINRA.

26. The Department filed and served a Petition for Revocation of Broker-Dealer Registration to which Respondent, pursuant to Section 5(a) of Regulation 82-1 (Revised) ("Regulation 82-1"), was required to file an answer no later than 30 days after the date of service of the petition in this contested case.

27. Section 12 of Regulation 82-1 provides that where a Respondent, against whom a pleading initiating a contested case has been properly served, fails to answer within the time period specified in Section 5(a) or fails to defend the charge, the Petitioner may move for a decision by default. The Commissioner may render a decision by default at any time after the passage of ten days from the date of filing and service of the motion for default, whereupon the Commissioner may issue any applicable order.

28. Section 5(b) of Regulation 82-1 provides that if a Respondent fails to serve an answer timely, the allegations contained in the pleading that initiated the contested case will be

treated as proven and a default judgment may be entered as provided in Section 12 of this regulation.

29. Respondent has failed to respond to the Division's Motion for Default Judgment and ten (10) days has passed since the time of the filing and service of the motion.

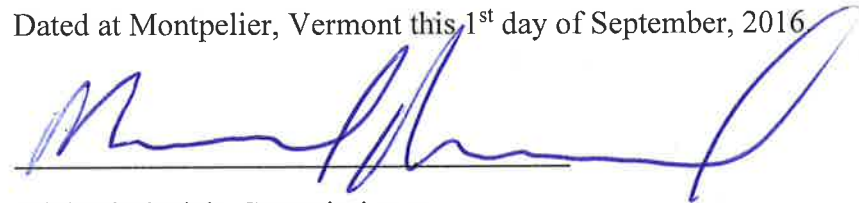
ORDER

IT IS ORDERED THAT:

1. A Default Judgment is entered against Respondent pursuant to Section 12 of Regulation No. 82-1 and a decision by default is rendered.

2. The Vermont broker-dealer registration of Respondent, Aletheia Securities, Inc., is revoked, effective immediately.

Dated at Montpelier, Vermont this 1st day of September, 2016.



Michael Pieciak, Commissioner
Vermont Department of Financial Regulation