

BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF KANSAS



In the Matter of:

STONEHAVEN, LLC, (CRD #118913), and
RANA PRASAD (CRD #4390181)

Docket No. 2015E005
KSC No. 2015-6241

Respondents.

_____/
Pursuant to K.S.A. 17-12a412

CONSENT ORDER

1. The Staff of the Securities Commissioner of Kansas (“KSC Staff”) alleges that Respondent Stonehaven, LLC (“Stonehaven”) and Respondent Rana Prasad (“Prasad”) engaged in conduct that constitute violations of the Kansas Uniform Securities Act and that Respondents are subject to discipline pursuant to K.S.A. § 17-12a412.
2. Respondents and KSC Staff desire to settle the matters raised by KSC Staff relating to Respondents’ alleged violations.

CONSENT TO JURISDICTION

3. Respondents and the KSC Staff stipulate and agree that the Securities Commissioner of Kansas (“the Commissioner”) has jurisdiction over Respondents and these matters pursuant to the Kansas Uniform Securities Act, K.S.A. §§ 17-12a101-17-12a703.
4. Respondents and the KSC Staff stipulate and agree that the Commissioner has authority to enter this Order pursuant to K.S.A. § 17-12a604.

WAIVER AND EXCEPTION

5. Respondents waive their right to a hearing with respect to these matters.
6. Respondents waive any rights that they may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically

forever release and hold harmless the Kansas Securities Commissioner, the KSC Staff and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.

7. Respondents stipulate and agree that, should the facts contained herein prove to be false, KSC Staff preserves the right to pursue any and all legal and administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondents and KSC Staff agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondents admit the allegations made by KSC Staff and agree to the issuance of this Consent Order solely for the purposes of this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.
10. Respondents agree not to take any action or to make or permit to be made any public statement creating the impression that this Order is without a factual basis. Nothing in this Order affects Respondents' (a) testimonial obligations; or (b) right to take legal or factual position in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party.

I. FINDINGS OF FACT

11. Respondent Stonehaven is a limited liability company incorporated under the laws of the State of Delaware. Its address is listed as 275 Madison Avenue, Suite 2002, New York, New York 10016. Stonehaven has been registered as a broker-dealer with the Securities

and Exchange Commission since March 15, 2002, and has been a member of the Financial Industry Regulatory Authority ("FINRA") since March 15, 2002.

12. Respondent Rana Prasad is an individual with a residential address listed as [REDACTED]. Prasad has been a FINRA-licensed registered representative of Stonehaven since April 29, 2010.
13. Torrey Capital Group, LLC, ("Torrey") is a limited liability company incorporated under the laws of the State of California. Its address is listed as 1240 India Street, Suite 101, San Diego, California 92101.
14. Respondent Prasad serves as the President of Torrey.
15. Pathfinder Partners Realty Ventures III, LLC ("Pathfinder") is a limited liability company incorporated under the laws of the State of Delaware. Its address is listed as 4380 La Jolla Village Drive, Suite 250, San Diego, CA 92122.
16. Pathfinder Partners Opportunity Fund III, LP ("Fund III") is a limited partnership organized under the laws of the State of Delaware. Its address is listed as 4380 La Jolla Village Drive, Suite 250, San Diego, CA 92122.
17. Pathfinder provided investment management services for Fund III.
18. Although Fund III filed a Notice of Exempt Offering of Securities Form D with the Securities Exchange Commission, Fund III failed to notice file with the Office of the Kansas Securities Commissioner.
19. In March 2011, Respondent Stonehaven, Pathfinder, and Torrey contractually agreed that Respondent Stonehaven and Torrey would, for compensation, provide referrals and introductions of potential investors to Fund III.

20. Respondent Prasad, operating on behalf of Torrey and Respondent Stonehaven, brokered purchases of interests in Fund III to a total of fourteen (14) Kansas residents between September 2 and November 23, 2011.
21. Pathfinder paid Respondent Stonehaven for facilitating the purchases of Fund III interests to Kansas residents and other investors outside of Kansas. In turn, Respondent Stonehaven netted payment accordingly to Respondent Prasad for his role in consummating sales of Fund III in Kansas and other investors outside of Kansas.
22. Although Respondents Prasad and Stonehaven initiated registration in Kansas on September 22, 2011, neither party was registered as an agent and a broker-dealer, respectively, until November 23, 2011.

Failure to Register as a Broker-Dealer

23. From September 2011 to June 2012, Respondent Stonehaven transacted broker-dealer business by selling interests in the Fund III limited partnership on behalf of Pathfinder to Kansas residents.
24. Respondent Stonehaven was required to register with the State of Kansas as a broker-dealer.
25. From September 2011 until November 23, 2011, Respondent Stonehaven was not registered with the Office of the Kansas Securities Commissioner as a broker-dealer while it sold securities to Kansas residents on behalf of Pathfinder.

Employing or Associating with an Individual Required to be Registered as an Agent

26. From September 2011 through June 2012, Respondent Prasad sold limited partnership interests in Fund III on behalf of Respondent Stonehaven to Kansas residents.

27. Respondent Stonehaven in turn netted payments received by Pathfinder to Respondent Prasad for selling Fund III in Kansas.
28. Respondent Prasad was required to be registered with the Office of the Kansas Securities commissioner as an agent.
29. From September 2011 until November 23, 2011, Respondent Prasad was not registered with the Office of the Kansas Securities Commissioner as an agent while he effectuated sales of Fund III to Kansas residents.

Failure to Register as an Agent

30. From September 2011 through June 2012, Respondent Prasad sold limited partnership interests in Fund III on behalf of Respondent Stonehaven to Kansas residents.
31. Respondent Prasad was required to be registered with the Office of the Kansas Securities commissioner as an agent.
32. From September 2011 until November 23, 2011, Respondent Prasad was not registered with the Office of the Kansas Securities Commissioner as an agent while he sold interests of Fund III to Kansas residents.

II. CONCLUSIONS OF LAW

33. Paragraphs 1–32 are incorporated by reference as though fully set forth herein.
34. Respondent Stonehaven failed to register as a broker-dealer in Kansas while selling securities on behalf of Pathfinder to Kansas residents in violation of K.S.A. § 17-12a401(a).
35. In violation of K.S.A. § 17-12a402(d), Respondent Stonehaven employed or associated with an individual (Respondent Prasad) required to be registered as an agent while that individual transacted business on behalf of Respondent Stonehaven in Kansas.

36. Respondent Prasad failed to register as an agent in Kansas while representing Respondent Stonehaven in selling securities to Kansas residents in violation of K.S.A. § 17-12a402(a).
37. The Commissioner has jurisdiction over Respondents and this matter. The following Order is in the public interest and is consistent with the purposes intended by the Kansas Uniform Securities Act.

III. ORDER

IT IS, THEREFORE ORDERED by the Securities Commissioner of Kansas that:

(1) Respondent Stonehaven shall make a contribution in the amount of five thousand dollars (\$5,000) to the Investor Education Fund. Payment shall be delivered along with an executed copy of this Order to KSC Staff offices.

Respondent Prasad shall make a contribution in the amount of five thousand dollars (\$5,000) to the Investor Education Fund. Payment shall be delivered along with an executed copy of this Order to KSC Staff offices.

(2) IT IS SO ORDERED BY THE COMMISSIONER.

Entered at Topeka, Kansas this ^{10th} ~~26th~~ day of ^{April} ~~March~~, 2015.

[Redacted Signature]
Joshua A. Ney
Securities Commissioner



CONSENTED TO BY:

[Redacted Signature]
J.P. Rankin
Staff Attorney
Office of the Kansas Securities Commissioner



Rana Prasad
Respondent



Stonehaven, LLC
David Frank
CEO & Managing Partner