

OREGON DEPARTMENT OF INSURANCE AND FINANCE
Corporate Securities Section
21 Labor and Industries Building
Salem, OR 97310
(503) 378-4387

1 Act of 1934 Release No. 30721) (which SEC Order is incorporated by
2 reference herein) and with all provisions of the Oregon Securities
3 Law;

4 2. During the period commencing with the date of this Consent Order
5 through and including October 31, 1993, Salomon shall provide to the
6 Director at the Securities Section, 21 Labor & Industries Building,
7 Salem, Oregon 97310, no less than thirty (30) days prior written
8 notice of its commencement in this state of any material expansion of
9 its retail business involving customers other than institutional
10 investors, Salomon employees, and their affiliates and associated
11 persons, as presently served by Salomon, together with a description
12 of the supervisory procedures to be employed in conjunction with such
13 expansion to prevent and detect violations of the Oregon Securities
14 Law;

15 3. Within thirty (30) days of the issuance of this Consent Order,
16 Salomon will make a payment in the sum of \$50,000 to the State of
17 Oregon as a civil penalty in resolution of this matter pursuant to
18 ORS 59.245 and ORS 59.995;

19 4. This Consent Order represents the complete and final resolution of,
20 no separate complaint, order, notice or charging document shall be
21 issued by the Director regarding, and Salomon is discharged with
22 respect to, all claims, demands, actions and cause of action by the
23 Director against Salomon and its current affiliates, agents and
24 employees for violation of the Oregon Securities Law arising as a
25 result of the conduct referred to in the Treasury Auction Matter.
26 Nothing in this Consent Order shall in any way affect the authority

- 1 of the Director to institute any action against any of the former
2 Salomon employees believed to be responsible for the Treasury Auction
3 Matter or the former Chairman of the Board, President, Chief Legal
4 Officer or any other former member of Salomon management so
5 responsible, nor shall the terms of this Paragraph 4 be construed as
6 applying to any breach or violation of this Consent Order by Salomon;
- 7 5. Neither the Stipulation for Consent Order, this Consent Order, the
8 SEC Injunction nor the SEC Order shall, of itself, be considered a
9 predicate for any subsequent orders or enhancement of sanctions
10 against Salomon or its associated entities or persons, whether or not
11 now existing;
- 12 6. Any limitation or disqualification that might ensue, be claimed,
13 imposed, or instituted as a consequence of the entry of the
14 Stipulation for Consent Order, this Consent Order, the SEC
15 Injunction, or the SEC Order affecting Salomon or its associates or
16 affiliated persons or entities is hereby waived;
- 17 7. Failure by Salomon to comply with any of the provisions of the
18 Stipulation for Consent Order or this Consent Order may result in further
19 proceedings against Salomon based on such failure.

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21 Dated this 27 day of January, 1993, at Salem, Oregon.

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24 GARY K. WEEKS
25 DIRECTOR
26 DEPARTMENT OF INSURANCE AND FINANCE