

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
 DIVISION OF FINANCE AND CORPORATE SECURITIES
 SECURITIES SECTION
 BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
 STATE OF OREGON

5 In the Matter of:) 6 FISCAL FUNDING, INC. (FORMERLY) 7 KNOWN AS FRANKLIN FUNDING, INC.)) 8 AND RICHARD F. YOST) 9 Respondents.)	0-95-0011 ORDER TO CEASE AND DESIST ASSESSMENT OF CIVIL PENALTIES AND CONSENT TO ENTRY OF ORDER BY FISCAL FUNDING, INC. AND RICHARD F. YOST
--	---

10 **WHEREAS** the Director of the Department of Consumer and Business Services,
 11 Division of Finance and Corporate Securities, conducted an investigation of
 12 FISCAL FUNDING, INC. and RICHARD F. YOST, Respondents herein, and determined
 13 that Respondents transacted business as an Investment Adviser in Oregon and
 14 that violations of ORS Chapter 59 occurred in connection with Respondents'
 15 business, and

16 **WHEREAS** FISCAL FUNDING, INC., and RICHARD F. YOST wish to resolve and
 17 settle this matter and agree to conduct all future business in compliance with
 18 the statutory requirements of ORS Chapter 59;

19 **NOW THEREFORE**, as evidenced by the signatures on this Order, Respondents
 20 FISCAL FUNDING, INC. and RICHARD F. YOST **CONSENT** to the entry of this Order to
 21 Cease and Desist and Assessment of Civil Penalties based on the Director's
 22 Findings of Fact and Conclusions of Law as stated hereinafter.

FINDINGS OF FACT

24 The Director **FINDS** that:

25 1. At all times material herein, Respondent FRANKLIN FUNDING, INC.,
 26 (hereinafter FRANKLIN FUNDING) was an Oregon corporation incorporated on

FINAL ORDER WITH CONSENT TO ENTRY OF ORDER

ENF-8107

PAGE 1

Oregon Department of Consumer & Business Services
 Corporate Securities Section
 350 Winter St. NE, Room 21
 Salem, OR 97310
 (503) 378-4387

1 September 24, 1979. The business address was 84544 Hideaway Hills Rd. S..
2 Eugene, Oregon 97405.

3 2. On or about August 31, 1992 Respondent FRANKLIN FUNDING, INC., changed
4 its name to FISCAL FUNDING, INC. (hereinafter FISCAL FUNDING). The business
5 address of Respondent FISCAL FUNDING is 1144 Willagillespie, Ste. 3, Eugene,
6 Oregon 97401.

7 3. At all times material herein, Respondent RICHARD F. YOST (hereinafter
8 YOST) was registered with the Oregon Corporation Division as the president and
9 registered agent of both FRANKLIN FUNDING and FISCAL FUNDING.

10 4. The Division of Finance and Corporate Securities issued investment
11 adviser license A-430 to Respondent FRANKLIN FUNDING on March 20, 1990.
12 Respondent YOST was issued an investment adviser salesperson license on the
13 same date.

14 5. Between November 13, 1989 and November 17, 1991 Respondent FISCAL
15 FUNDING paid referral fees to three individuals (Jerry Harrison, Marty Bauer
16 and Andrew Dinger) for making referrals of investment advisory clients to
17 FISCAL FUNDING;

18 6. Respondent YOST, in a recorded interview with Securities Section
19 examiners on April 28, 1994, made the following statements regarding Harrison,
20 Bauer and Dinger:

- 21 a) the payments to these individuals were finders' fees;
22 b) the payments to these individuals were paid for bringing clients
23 to Respondents FISCAL FUNDING and YOST for financial planning services;
24 c) the payments to these individuals were based on the type of
financial planning service the client selected.

25 7. Harrison, Bauer and Dinger have never been licensed to transact
26 business in Oregon as investment advisers or as salespersons for a licensed

1 investment adviser;

2 8. After November 17, 1991 Respondents YOST and FISCAL FUNDING ceased
3 paying fees to any individuals for the referral of investment adviser clients.

4 **CONCLUSIONS OF LAW**

5 The Director **CONCLUDES** that:

6 1. During the period between March 20, 1990 and November 17, 1991
7 Respondents FISCAL FUNDING and YOST employed unlicensed salespersons in
8 violation of ORS 59.165(3) when they paid fees to Harrison, Bauer and Dinger
9 for referring investment adviser clients to FISCAL FUNDING.

10 **ORDER**

11 The Director, pursuant to ORS 59.245 hereby **ORDERS** that Respondents FISCAL
12 FUNDING and YOST shall **CEASE AND DESIST** from:

13 1. Employing unlicensed investment adviser salespersons in violation of
14 ORS 59.165(3).

15 2. Violating any of the provisions of ORS Chapter 59 and Oregon
16 Administrative Rules, Chapter 441.

17 The Director, pursuant to ORS 59.995, hereby **ORDERS** Respondents FISCAL
18 FUNDING, INC., and RICHARD F. YOST to pay, jointly and severally, a civil
19 penalty of \$500.00 for violations stated herein.

20 The entry of this Order in no way limits further remedies which may be
21 available to the Director under Oregon law.

22 Dated this 23rd day of June, 1995 at Salem, Oregon.

23
24 
25 KERRY BARNETT, DIRECTOR
26 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

CORPORATE ACKNOWLEDGEMENT

There appeared before me this 23 day of June, 1995 RICHARD F. YOST stated that he was and is the President of FISCAL FUNDING, INC. and that he is authorized and empowered to sign this Consent to Entry of Order on behalf of FISCAL FUNDING, INC. and to bind FISCAL FUNDING, INC.

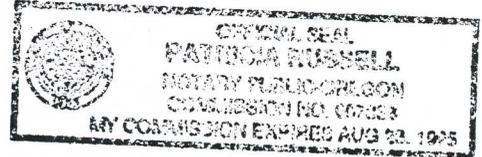
Patricia Russell

Patricia Russell

(Printed Name of Notary Public)

Notary Public for State of: Oregon

My commission expires: 8/23/95



INDIVIDUAL CONSENT TO ENTRY OF ORDER AND ADMISSION OF FACTS

I, RICHARD F. YOST, state that I am a resident of the State of Oregon, that I have read the foregoing Order and that I know and fully understand the contents hereof; that I admit that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing and my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Order without further hearing on this matter without any force or duress, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law; and that I will fully comply with the terms and conditions stated herein.

FINAL ORDER WITH CONSENT TO ENTRY OF ORDER

ENF-8107

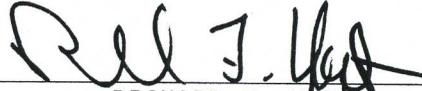
PAGE 5

Oregon Department of Consumer & Business Services
Corporate Securities Section
350 Winter St. NE, Room 21
Salem, OR 97310
(503) 378-4387

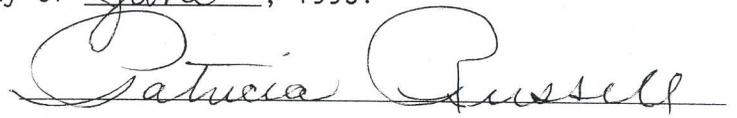
1 I further assure the Director that I will not engage in the activities of
2 a broker-dealer, investment adviser or mortgage broker, or act as a
3 salesperson for any of these unless such activities are in full compliance
4 with Chapter 59 of the Oregon Revised Statutes.

5 I understand that this Consent Order is a public document.

6 Dated this 23 day of JUNE, 1995.

7
8 
9 RICHARD F. YOST

10 SUBSCRIBED before me this 23 day of June, 1995.

11 
12 Patricia Russell
13 (Printed name of Notary Public)

14 NOTARY PUBLIC for State of: Oregon

15
16 My commission expires: 8/23/95

