

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

In the Matter of:	)	O-95-0016
	)	
MOTHER NATURE'S REMEDIES, INC.	)	ORDER TO CEASE AND DESIST
PHILLIP L. PETERS, AND	)	DENIAL OF EXEMPTIONS
BRUCE E. SCHULTE,	)	ASSESSMENT OF CIVIL PENALTIES
	)	AND
	)	CONSENT OF BRUCE E. SCHULTE
Respondents.	)	TO ENTRY OF ORDER

**WHEREAS** the Director of Consumer and Business Services has conducted an investigation of **MOTHER NATURE'S REMEDIES, INC., PHILLIP L. PETERS,** and **BRUCE E. SCHULTE,** and determined that they transacted securities business in the State of Oregon in Violation of ORS chapter 59, The Oregon Securities Law; and

**WHEREAS BRUCE E. SCHULTE** wishes to resolve and settle this matter, and agrees to conduct all future business in compliance with the statutory requirements of ORS Chapter 59, The Oregon Securities Law;

**NOW THEREFORE,** as evidenced by the signature on this Order, Respondent **BRUCE E. SCHULTE CONSENTS** to the entry of this Order to Cease and Desist, Denial of Exemptions, and Assessment of Civil Penalties, based on the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

**FINDINGS OF FACT**

The Director **FINDS** that:

1. Mother Nature's Remedies, Inc. (MNR) is an Oregon corporation whose corporate office is located at 419 S 1st St. Canby, Oregon 97013 and whose agent for service of process in Oregon is Phillip L. Peters. At all times

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Oregon Department of Consumer & Business Services  
 Corporate Securities Section  
 350 Winter St. NE, Room 21  
 Salem, OR 97310  
 (503) 378-4887

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1 relevant to this order, MNR's office was located at 4020 SE International Way,  
2 Milwaukie, OR;

3 2. Respondent Phillip L. Peters (Peters) is President of MNR, and his  
4 address for service of process is the same as the address of MNR listed in  
5 paragraph one (1);

6 3. Respondent Bruce E. Schulte (Schulte), an individual residing in  
7 Beaverton, Oregon and the marketing manager of MNR, may be served with process  
8 at 14155 SW Hart Rd. Beaverton, Oregon; telephone: (503) 646-6638;

9 4. MNR is not now nor has it ever been licensed as an issuer or  
10 broker-dealer in Oregon;

11 5. Neither Respondent Peters nor Respondent Schulte are now nor have  
12 either of them ever been licensed to sell securities in Oregon as a  
13 salesperson for any broker-dealer or for MNR as issuer;

14 6. Respondents sold "royalty interests" to Oregon investors which were  
15 based on the following formula: for each \$5,000.00 investment, the investor  
16 was to be paid 0.5% of the first \$1,000,000.00 in gross earnings and 0.125% of  
17 all subsequent earnings for the first ten years of MNR operations.

18 7. From on or about November, 1991 until on or about October, 1993,  
19 Peters and Schulte, acting as authorized agents for MNR, offered and/or sold  
20 the following "royalty interests" totaling \$45,500.00, to no fewer than six  
21 (6) investors:

<u>NAME</u>	<u>AMOUNT</u>	<u>DATE OF INVESTMENT</u>
Jerry W. GOERTZEN 10773 SE Riverway Ln. Milwaukie, OR 97222 503-653-6085	\$ 5,000.00	09/18/92
//		
//		

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1	<u>NAME</u>	<u>AMOUNT</u>	<u>DATE OF INVESTMENT</u>
2	Ted & Frances SMITH	\$ 5,000.00	12/23/92
3	395 Holley	\$ 7,500.00	06/16/93
4	North Bend, OR	<u>\$ 7,500.00</u>	10/21/93
5	c/o 503-269-2711	Total: \$20,000.00	
6	Myrtle M. FLAMAN	\$ 5,000.00	08/19/92
7	PO Box 844	<u>\$ 2,500.00</u>	01/12/93
8	The Dalles, OR 97058		
9	503-296-9219	Total: \$ 7,500.00	
10	Justin C. TALLMAN	\$ 2,000.00	04/01/92
11	PO Box 681		
12	Gresham, OR 97030		
13	503-632-4559		
14	Eric HESS	\$ 4,000.00	11/13/91
15	125 NW 20th Pl.		
16	Portland, OR 97209		
17	503-243-2975		
18	D.V. Price & Bonita VANHOVEN	\$ 2,000.00	07/08/92
19	1821 SE 151st Ave		
20	Portland, OR 97233		
21	503-253-4522		
22	Donald G. & Susan L. HANSEN	\$ 5,000.00	09/01/92
23	23601 NE 206th St.		
24	Battle Ground, WA 98604		
25	206-687-3874		
26	<u>Total Amount Sold: \$45,500.00</u>		

19 8. The royalty interests described in paragraph seven (7) of these  
20 Findings of Fact were not registered for sale in Oregon;

21 9. In connection with the offer and sale of "royalty interests"  
22 described in paragraph seven (7) of these Findings of Fact Respondents failed  
23 to provide any investor with a prospectus, current and accurate financial  
24 information, or history of past business experience pertaining to MNR or its  
25 officers.

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1 **CONCLUSIONS OF LAW**

2 The Director **CONCLUDES** that:

3 1. The "royalty interests" issued by MNR are "investment contracts" and  
4 are therefore "securities" as that term is defined under ORS 59.015(17);

5 2. The offer and sale of "royalty interests" issued by MNR constitutes  
6 the sale of unregistered securities in the State of Oregon in violation of  
7 ORS 59.055;

8 3. Respondents MNR, Peters and Schulte offered and/or sold unregistered  
9 securities in the State of Oregon when they sold "royalty interests" to  
10 investors described in paragraph seven (7) of the Findings of Fact in  
11 violation of ORS 59.055;

12 4. Respondents Peters and Schulte effected securities transactions as  
13 unlicensed salespersons in the State of Oregon in violation of ORS 59.165;

14 5. Respondents MNR, Peters and Schulte, in connection with the purchase  
15 or sale of any security, omitted to state a material fact necessary in order  
16 to make the statements made, in the light of the circumstances under which  
17 they were made, not misleading when they failed to provide investors with the  
18 information described in paragraph nine (9) of the Findings of Fact  
19 hereinabove, in violation of ORS 59.135(2).

20 **ORDER**

21 **NOW THEREFORE, THE DIRECTOR ORDERS** that Bruce E. Schulte shall **CEASE AND**  
22 **DESIST** from:

23 1. Offering and/or selling securities in the State of Oregon in  
24 violation of ORS Chapter 59.

25 2. Violating any of the provisions of ORS Chapter 59 and Oregon  
26 Administrative Rules Chapter 441.

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1 Pursuant to the authority of ORS 59.045 Respondent Schulte is **DENIED** the  
2 use of any exemptions allowed by ORS 59.025 and/or ORS 59.035.

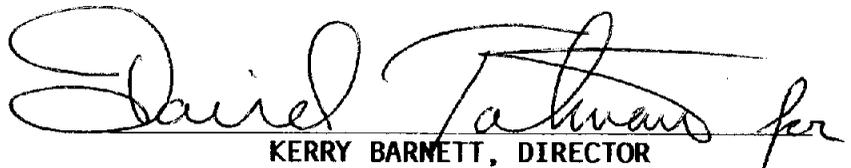
3 Pursuant to the authority of ORS 59.995, THE DIRECTOR **ASSESSES** the  
4 following civil penalties:

5 1. Bruce E. Schulte is **ORDERED TO PAY** the sum of \$1,000.00 for violations  
6 stated herein.

7 Further, the Director **ORDERS** that payment of the civil penalty herein  
8 assessed shall be suspended unless and until Respondent should engage in the  
9 unlawful offer and/or sale of securities in Oregon or engage in conduct or  
10 activities that constitute violations of ORS Chapter 59, Chapter 441 of the  
11 Oregon Administrative Rules, and/or this order.

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

14 Dated this 7<sup>th</sup> day of June, 1995 at Salem, Oregon.

15  
16  
17 

18 **KERRY BARNETT, DIRECTOR**  
19 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

20 **CONSENT TO ENTRY OF ORDER**

21 I, Bruce E. Schulte, state that I am a resident of the State of Oregon,  
22 that I have read the foregoing Order and that I know and fully understand the  
23 contents hereof; that I admit that the factual allegations stated herein are  
24 true and correct; that I have been advised of my right to a hearing, and that  
25 I have been advised that I may be represented by counsel in this matter; that  
26 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

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1 hearing in this matter; that I understand that the Director reserves the right  
2 to take further actions against me to enforce this Order or to take  
3 appropriate action upon discovery of other violations of the Oregon Securities  
4 Law by me; and that I will fully comply with the terms and conditions stated  
5 herein.

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

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

11 DATED this 7<sup>th</sup> day of June, 1995.

12  
13   
14 BRUCE E. SCHULTE

15 SUBSCRIBED AND SWORN to before me  
16 this 7<sup>th</sup> day of June, 1995.

17 NOTARY PUBLIC for State of: Oregon  
18 Dayna Marsha  
19 Dayna Marsha  
20 (Printed name of Notary Public)

21 My commission expires: 3/22/96



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