

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

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:

| 22 | <u>NAME</u> | <u>AMOUNT</u> | <u>DATE OF INVESTMENT</u> |
|----|---|---------------|---------------------------|
| 23 | | | |
| 24 | Jerry W. GOERTZEN 10773 SE Riverway Ln. Milwaukie, OR 97222 503-653-6085 | \$ 5,000.00 | 09/18/92 |
| 25 | // | | |
| 26 | // | | |

ORDER TO CEASE AND DESIST, DENIAL OF EXEMPTIONS,
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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 |
| | 395 Holley | \$ 7,500.00 | 06/16/93 |
| 3 | North Bend, OR | <u>\$ 7,500.00</u> | 10/21/93 |
| | c/o 503-269-2711 | | |
| 4 | Total: | \$20,000.00 | |
| 5 | Myrtle M. FLAMAN | \$ 5,000.00 | 08/19/92 |
| | PO Box 844 | <u>\$ 2,500.00</u> | 01/12/93 |
| 6 | The Dalles, OR 97058 | | |
| | 503-296-9219 | | |
| 7 | Total: | \$ 7,500.00 | |
| 8 | Justin C. TALLMAN | \$ 2,000.00 | 04/01/92 |
| | PO Box 681 | | |
| 9 | Gresham, OR 97030 | | |
| | 503-632-4559 | | |
| 10 | Eric HESS | \$ 4,000.00 | 11/13/91 |
| 11 | 125 NW 20th Pl. | | |
| | Portland, OR 97209 | | |
| 12 | 503-243-2975 | | |
| 13 | D.V. Price & Bonita VANHOVEN | \$ 2,000.00 | 07/08/92 |
| | 1821 SE 151st Ave | | |
| 14 | Portland, OR 97233 | | |
| | 503-253-4522 | | |
| 15 | Donald G. & Susan L. HANSEN | \$ 5,000.00 | 09/01/92 |
| 16 | 23601 NE 206th St. | | |
| | Battle Ground, WA 98604 | | |
| 17 | 206-687-3874 | | |
| 18 | Total Amount Sold: | <u>\$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 Mother Nature's Remedies, Inc.,
22 and Phillip L. Peters shall **CEASE AND 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 Respondents Mother Nature's
2 Remedies, Inc. and Peters are **DENIED** the use of any exemptions allowed by
3 ORS 59.025 and/or ORS 59.035.

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

6 1. Philip L. Peters and Mother Nature's Remedies, Inc., jointly and
7 severally are **ORDERED TO PAY** the sum of \$1,000.00 for violations stated herein.

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

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

15 Dated this 25th day of May, 1995 at Salem, Oregon.

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

21
22 **CONSENT TO ENTRY OF ORDER**
23 **ADMISSION OF FACTS**

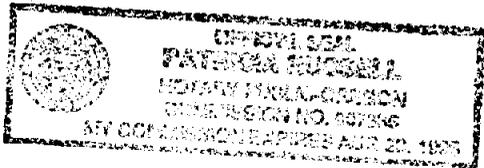
24 I, Phillip L. Peters, state that I am the President of Mother Nature's
25 Remedies, Inc. and that I am authorized to act on its behalf; that I have
26 read the foregoing Order and that I know and fully understand the contents
thereof; that Respondent admits that the factual allegations contained herein
are true and correct; that Respondent has been advised that it may be

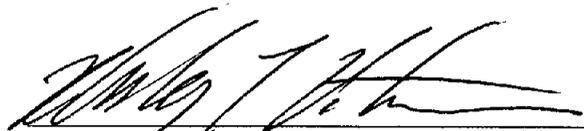
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1 represented by counsel in this matter; that Respondent has been advised of
2 its right to a hearing, and that Respondent consents to the entry of this
3 Order without further hearing; that Respondent consents to the entry of this
4 Order without any force or duress; that Respondent understands that the
5 Director reserves the right to take further actions to enforce this Order, or,
6 upon discovery, to enforce other violations of the Oregon Securities Laws by
7 Respondent; that Respondent will fully comply with the terms and conditions
8 stated herein.

9 Respondent Mother Nature's Remedies, Inc. further assures the Director
10 that it will not transact any business in the State of Oregon unless such
11 transactions are in full compliance with Chapter 59 of the Oregon Revised
12 Statutes.

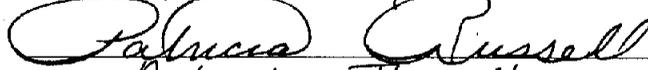


13
14 
15 Phillip L. Peters, President
Mother Nature's Remedies, Inc.

16 SUBSCRIBED AND SWORN to before me this 25th day of May, 1995.

17 NOTARY PUBLIC for State of: Oregon

18 County of: Marion

19 
20 Patricia Russell
(Printed name of Notary Public)

21 My commission expires: 8/23/95

22
23 **CONSENT TO ENTRY OF ORDER**

24 I, Phillip L. Peters, state that I am a resident of the State of Oregon,
25 that I have read the foregoing Order and that I know and fully understand the
26 contents hereof; that I admit that the factual allegations stated herein are

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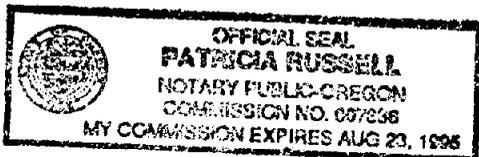
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1 true and correct; that I have been advised of my right to a hearing, and that
2 I have been advised that I may be represented by counsel in this matter; that
3 I voluntarily consent to the entry of this Order without further hearing on
4 this matter without any force or duress, expressly waiving any right to a
5 hearing in this matter; that I understand that the Director reserves the right
6 to take further actions against me to enforce this Order or to take
7 appropriate action upon discovery of other violations of the Oregon Securities
8 Law by me; and that I will fully comply with the terms and conditions stated
9 herein.

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

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

15 DATED this 25th day of May, 1995.



16
17 [Signature]
18 Phillip L. Peters, Individually

19 SUBSCRIBED AND SWORN to before me this 25th day of May, 1995.

20 NOTARY PUBLIC for State of: Oregon

21 County of: Marion

22 [Signature]
Patricia Russell

(Printed name of Notary Public)

23 My commission expires: 8/23/95
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