

1 The Director **FINDS** that:

2 1. The Cody Group, Inc. (TCGI) is an Oregon
3 corporation whose corporate office is located at 2782 NE
4 Liberty Ave., Gresham, OR 97030 and whose agent for service
5 of process in Oregon is Steven A. Chase located at 10260 SW
6 Greenburg Road., Suite 400, Portland, OR 97223. At all
7 times relevant to this order, TCGI's office was located at
8 2782 NE Liberty Ave., Gresham, OR 97030;

9 2. Respondent Stuart E. Cody (Cody) is President of
10 TCGI, and his address for service of process is 1616 NW
11 16 Way, Apt. #104, Gresham, OR 97030;

12 3. Cody admits that he filed and was discharged in
13 Bankruptcy in connection with a restaurant business known as
14 Bogey's Inc. in 1989 and also in connection with a timber
15 business in 1991;

16 4. TCGI is not now nor has it ever been licensed to
17 sell securities in Oregon either as an issuer or broker-
18 dealer;

19 5. Respondent Cody is not now nor has he ever been
20 licensed to sell securities in Oregon as a salesperson for
21 any broker-dealer or for TCGI as issuer;

22 6. Respondents sold "promissory notes" issued by TCGI
23 to Oregon investors which were based on the following terms:
24 in exchange for invested funds, the investors were to
25 receive monthly payments of 1% of the outstanding principal,
26 with the principal to be paid in full within nine (9) months

Division of Finance and Corporate Securities
State of Oregon
1400 NE Oregon Street, Suite 410
Salem, OR 97331
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1 from the date of the original investment;

2 7. From on or about March, 1993 until on or about
3 April, 1993, Cody, acting as authorized agent for TCGI,
4 offered and/or sold the following "promissory notes"
5 totaling \$12,500.00, to no fewer than three (3) investors:

6	<u>NAME</u>	<u>AMOUNT</u>	<u>DATE OF INVESTMENT</u>
7	Joannie Griffiths 2910 SE 267th St. 8 Gresham, OR 97080	\$ 5,000.00	03/21/93
9	Robert Buscher 16330 NE Holladay St 10 Portland, OR 97230-5728	\$ 5,000.00	03/23/93
11	Dailey Holman 9161 Ankeny St. 12 Portland, OR 97216-1507	\$ 2,500.00	04/29/93
13	<u>Total Amount Sold: \$12,500.00</u>		

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15 8. The "promissory notes" described in paragraph seven
16 (7) of these Findings of Fact were not registered for sale
17 in Oregon;

18 9. In connection with the offer and sale of
19 "promissory notes" described in paragraph seven (7) of these
20 Findings of Fact Respondents failed to provide any investor
21 with a history of past bankruptcies pertaining to Cody and
22 former business experiences;

23

CONCLUSIONS OF LAW

24 The Director **CONCLUDES** that:

25 1. The "promissory notes" issued by TCGI are
26 "securities" as that term is defined under ORS 59.015(17);



1 and Oregon Administrative Rules Chapter 441.

2 Pursuant to the authority of ORS 59.045 Respondents The
3 Cody Group, Inc. and Cody are DENIED the use of any
4 exemptions allowed by ORS 59.025 and/or ORS 59.035.

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

7 1. Stuart E. Cody and The Cody Group, Inc., jointly and
8 severally are ORDERED TO PAY the sum of \$1,000.00 for
9 violations stated herein.

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

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

20 Dated this 12th day of Aug., 1996 at
21 Salem, Oregon.

22
23 
24 KERRY BARNETT, DIRECTOR
25 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
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Division of Finance and Corporate Securities
Admission Inspection Building
200 West Street, SE, Salem, OR 97301
Telephone: (503) 779-4387



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Dated this 12th day of August, 1996.

By Stewart E. Cody
(Signature of officer)
President
(Office Held)

CORPORATE ACKNOWLEDGEMENT

There appeared before me this 12th day of Aug.,
1996 Stewart E. Cody, who was
(name of affiant)
first duly sworn on oath, and stated that he/she was and is
the President of THE CODY GROUP, INC.,
(title)
and that he/she is authorized and empowered to sign this
Consent to Entry of Order on behalf of THE CODY GROUP, INC.,
and to bind THE CODY GROUP, INC., to the terms hereof.

DOC. NO. 457
PAGE NO. 92
BOOK NO. 54
EXPIRES ON 1996

NOTARY PUBLIC for State of: REPUBLIC OF THE PHILIPPINES
PASIG CITY

[Signature]
(Printed name of Notary Public)

ATTY. PABLITO A. CARPIO
My commission expires:
NOTARY PUBLIC
UNTIL DECEMBER 31/1997
PTR NO. 435912
I-3-96/ PASIG CITY

Division of Finance and Corporate Registration
Lakewood Building
300 W. Lake Street, Suite 410
Schaumburg, IL 60196
Telephone: (815) 370-4387



1 DATED this 12th day of Aug., 1996.

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SUBSCRIBED AND SWORN to before me this 12th
day of Aug., 1996.

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NOTARY PUBLIC for State of ~~REPUBLIC OF THE PHILIPPINES~~
PASIG CITY

8

9 VOL NO 458

(Printed name of Notary Public)

10 PAGE NO 92

11 BOOK NO 54

12 SERIES OR 1996

ATTY. PABLITO A. CARPIO
My commission expires

NOTARY PUBLIC

UNTIL DECEMBER 31/1997

PTR NO. 435912

I-3-96/ PASIG CITY

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Salem, OR 97310
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