

1 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
2 DIVISION OF FINANCE AND CORPORATE SECURITIES
3 SECURITIES SECTION
4 BEFORE THE DIRECTOR OF THE
5 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
6 STATE OF OREGON

7 In the Matter of:) 0-01-0006
8 International Financial) ORDER TO CEASE AND DESIST;
9 Resources, LLC, Norman Jansen,) ORDER DENYING USE OF
10 and Edward Johnson,) EXEMPTIONS, AND CONSENT TO
11 Respondents.) ENTRY OF ORDER.

12 **WHEREAS** the Director of the Department of Consumer and
13 Business Services has conducted a preliminary investigation
14 of International Financial Resources, LLC and Edward Johnson
15 [hereafter, Respondents] and has determined that Respondents
16 have engaged in conduct in violation of the Oregon
17 Securities Law; and,

18 **WHEREAS** Respondents wish to resolve and settle this
19 matter by entry into this Consent Order;

20 **NOW THEREFORE**, as evidenced by the authorized
21 signatures subscribed on this Order, and without admitting
22 or denying the findings of fact contained herein,
23 Respondents hereby **CONSENT** to entry of this Order to Cease
24 and Desist, based upon the Director's Findings of Fact and
25 Conclusions of Law as stated hereinafter.

26 **FINDINGS OF FACT**

The Director FINDS that:

1. At all times material herein, International
Financial Resources, LLC, is a limited liability company



1 chartered in the state of Nevada on August 21, 2000, with a
2 principal place of business at 5917 SE McNary Road,
3 Milwaukie, Oregon 97267.

4 2. Edward M. Johnson is a member and the president of
5 International Financial Resources, LLC, and resides at 5917
6 SE McNary Road, Milwaukie, Oregon 97267.

7 3. Edward M. Johnson is not licensed to sell
8 securities in Oregon or in any other state and worked
9 primarily if not exclusively in Oregon at all times material
10 to this Order.

11 4. Norman Janzen is a member and the
12 Secretary/Treasurer of International Financial Resources,
13 LLC, and resides at 16817 SE Blanton Street, Milwaukie,
14 Oregon 97267.

15 5. Norman Janzen is not licensed to sell securities
16 in Oregon or in any other state and worked primarily if not
17 exclusively in Oregon at all times material to this Order.

18 6. Between on or about August 21, 2000 and September
19 5, 2000 International Financial Resources, LLC, acting by
20 and through Edward M. Johnson and Norman Janzen, offered
21 investments to one or more Oregon residents in the form of a
22 "joint venture" program administered by Respondents.

23 7. The Respondents offered to combine the investors
24 funds to create a larger pool of money for the purpose of
25 trading in discounted financial instruments including "bank
26 debentures", "bank purchase orders", "stand-by letters of



1 credit", "medium term notes" and other financial instruments
2 in connection with unnamed "traders" or "providers" in a
3 program designed to generate income to the investors and
4 Respondents in the form of scheduled disbursements of the
5 proceeds of the trading program.

6 8. Respondent Edward Johnson prepared offering
7 documents, including an informational sheet on bank
8 debenture trading and forfeiting programs and a joint
9 venture agreement, which he copied from other similar
10 documents appearing on various internet web sites.

11 9. Respondent Norman Janzen approved and authorized
12 participation in trading programs by Edward Johnson and
13 International Financial Resources LLC.

14 10. There are no known legitimate "trading" programs
15 of the type described in Respondents' informational
16 materials or joint venture agreement. In fact, the trading
17 program was predicated on the use of fictitious "prime bank
18 instruments".

19 11. The Respondents made misrepresentations to
20 investors in connection with the offers of prime bank
21 instruments. Respondents attempted to offer investment
22 opportunities in these instruments through the use of
23 documents and oral statements containing representations
24 that the Respondents knew, or were reckless in not knowing,
25 were false.

26 12. Respondents represented that prime bank



1 instruments were legitimate, tradable, and risk-free
2 investments and that substantial profits could be realized
3 from the trading program.

4 13. However, none of the Respondents had ever seen a
5 prime bank instrument, engaged in a prime bank transaction,
6 or taken any affirmative steps to investigate the accuracy
7 of the representations made to potential investors.

8 14. Respondents' trading program is an investment
9 contract and a security under ORS 59.015.

10 15. The Respondents' trading program was not
11 registered as a security in Oregon, or in any other state.

12 CONCLUSIONS OF LAW

13 The Director **CONCLUDES** that:

14 1. Respondents International Financial Resources LLC,
15 Edward M. Johnson, and Norman Janzen offered an unregistered
16 security in Oregon in violation of ORS 59.055;

17 2. Respondent Edward M. Johnson transacted business
18 as a securities salesperson in Oregon without a license, in
19 violation of ORS 59.165;

20 3. Respondent Norman Janzen transacted business as a
21 securities salesperson in Oregon without a license, in
22 violation of ORS 59.165; and

23 4. Respondents International Financial Resources,
24 LLC., Edward M. Johnson, and Norman Janzen, in connection
25 with the offer or sale of a security, made untrue statements
26 of material fact, or omitted material facts, or engaged in



1 acts, practices, or a course of business which operated as a
2 fraud or deceit upon a person, in violation of ORS 59.135.

3 **ORDER**

4 The Director, pursuant to ORS 59.245 hereby ORDERS that
5 Respondents International Financial Resources, LLC; Edward
6 M. Johnson; and Norman Janzen and any successor business or
7 corporation, shall CEASE and DESIST from:

- 8 1. Offering and/or selling unregistered securities in
9 Oregon in violation of ORS 59.055;
- 10 2. Offering and/or selling securities in Oregon in
11 violation of ORS 59.135;
- 12 3. Offering and/or selling securities without being
13 licensed in Oregon in violation of ORS 59.165;
- 14 4. Violating any provision of the Oregon Securities
15 Laws, including ORS Chapter 59 and OAR Chapter 441.

16 The Director, pursuant to ORS 59.045, **HEREBY DENIES**
17 **Respondents the use of any exemptions** allowed under ORS
18 59.025 or ORS 59.035.

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Division of Finance and Corporate Securities
Division of Administration
150 W. Lane Street, NE, Suite 410
Salem, OR 97310
Telephone: (503) 378-4387



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

4 Dated this 21st day of September, 2001, at Salem,
5 Oregon.

6
7 MARY NEIDIG, DIRECTOR
8 DEPARTMENT OF CONSUMER AND
9 BUSINESS SERVICES
10 STATE OF OREGON

11 BY David C. Tatman
12 David C. Tatman (OSB #81392)
13 Chief of Enforcement
14 Oregon Division of Finance and
15 Corporate Securities
16 350 Winter St NE, Suite 410
17 Salem, OR 97301
18 (503) 378-4140

19 APPROVED AS TO FORM:

20 Thomas E. Knapp
21 Thomas E. Knapp (OSB #85257)
22 Attorney for Respondents

23 Date: 9.17.01

24
25
26
Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97310
Telephone: (503) 378-4387

1 **CORPORATE CONSENT TO ENTRY OF ORDER**
2 for Edward M. Johnson on behalf of
International Financial Resources, LLC.

3 I, Edward M. Johnson, state that I am an officer of
4 International Financial Resources, LLC., and I am authorized
5 to act on behalf of this entity; that I have read the
6 foregoing Order and that I know and fully understand the
7 contents hereof; that I and this entity have been advised of
8 the right to a hearing and of the right to be represented by
9 counsel in this matter; that International Financial
10 Resources, LLC voluntarily and without any force or duress,
11 consents to the entry of this Order, expressly waiving any
right to a hearing in this matter; that International
Financial Resources, LLC understands that the Director
reserves the right to take further actions to enforce this
Order or to take appropriate action upon discovery of other
violations of the Oregon Securities Law; and that
International Financial Resources, LLC will fully comply
with the terms and conditions stated herein.

12 International Financial Resources, LLC further assures
13 the Director that neither International Financial Resources,
14 LLC, nor its officers, directors, employees or agents will
effect securities transactions in Oregon unless such
activities are in full compliance with Chapter 59 of the
Oregon Revised Statutes.

15 International Financial Resources, LLC understands that
16 this Consent Order is a public document.

17 Dated this 28TH day of AUGUST, 2001.

18 By: Edward M. Johnson
(Signature of officer)
19 President
(Office Held)
20



CORPORATE ACKNOWLEDGMENT

There appeared before me this 28th day of AUGUST, 2001, EDWARD M. JOHNSON, who was
(name of affiant)

first duly sworn on oath, and stated that he was and is PRESIDENT of International Financial Resources, LLC, and that as PRESIDENT (Office held) he is authorized and empowered to sign this Consent to Entry of Order on behalf of International Financial Resources, LLC and to bind International Financial Resources, LLC to the terms hereof.



Pamela Hobson
Notary Public for Oregon
My commission expires: 7/22/02

CONSENT TO ENTRY OF ORDER BY EDWARD M. JOHNSON

I, Edward M. Johnson, state that I am a Respondent herein; that I have read the foregoing order and that I know and fully understand the contents thereof; that I have been advised of my right to a hearing; that I consent to the entry of this Order voluntarily, and without any force or duress; that I understand that the Director reserves the right to take further actions to enforce this Order, or, upon discovery, to enforce other violations of the Oregon Securities Law by me; that I will fully comply with the terms and conditions stated herein. I further assure the Director that I will not transact business in the State of

Division of Finance and Corporate Securities
Luhner and Ingraham Building
505 Western Street NE, Suite 410
Salem, OR 97310
Telephone: (503) 378-4387



1 Oregon unless such transactions are in full compliance with
2 Chapter 59 of the Oregon Revised Statutes and Chapter 441 of
3 the Oregon Administrative Rules. I acknowledge receipt of
4 the notice letter concerning prime bank schemes and high-
5 yield investment programs, a copy of which is attached
6 hereto. I understand that this Consent Order is a public
7 document.

8 Dated this 28th day of AUGUST, 2001.

9
10 Edward M. Johnson
11 Edward M. Johnson

12 SUBSCRIBED AND SWORN to before me this 28th day of
13 August, 2001.



18 Pamela Hobson
19 Notary Public for Oregon
20 My commission expires: 7/22/02

21 **CONSENT TO ENTRY OF ORDER BY NORMAN JANZEN**

22 I, Norman Janzen, state that I am a Respondent herein;
23 that I have read the foregoing order and that I know and
24 fully understand the contents thereof; that I have been
25 advised of my right to a hearing; that I consent to the
26 entry of this Order voluntarily, and without any force or
duress; that I understand that the Director reserves the
right to take further actions to enforce this Order, or,

Division of Business and Corporate Securities
Lithium and Industrial Building
340 W. Main Street, NE, Suite 410
Salem, OR 97310
Telephone: (503) 778-4387



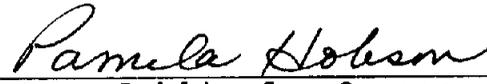
1 upon discovery, to enforce other violations of the Oregon
2 Securities Law by me; that I will fully comply with the
3 terms and conditions stated herein. I further assure the
4 Director that I will not transact business in the State of
5 Oregon unless such transactions are in full compliance with
6 Chapter 59 of the Oregon Revised Statutes and Chapter 441 of
7 the Oregon Administrative Rules. I acknowledge receipt of
8 the notice letter concerning prime bank schemes and high-
9 yield investment programs, a copy of which is attached
10 hereto. I understand that this Consent Order is a public
11 document.

12 Dated this 28th day of August, 2001.

13
14 
15 Norman Janzen

16 SUBSCRIBED AND SWORN to before me this 28th day of
17 August, 2001.



21 
22 Pamela Hobson
23 Notary Public for Oregon
24 My commission expires: 7/22/02

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street, NE, Suite 410
Salem, OR 97310
Telephone: (503) 378-4187

