

1 **BEFORE THE DIRECTOR OF THE DEPARTMENT OF**
2 **CONSUMER AND BUSINESS SERVICES**
 STATE OF OREGON

3 In the Matter of:) **No. O-98-0024**
4) **STIPULATED ORDER TO CEASE AND**
5 **CRAIG BERKMAN,**) **DESIST, DENYING EXEMPTIONS, and**
6) **ASSESSING CIVIL PENALTIES**
7) **AND**
) **STIPULATION AND CONSENT TO**
) **ENTRY OF ORDER BY RESPONDENT**
8 _____)

9 **WHEREAS**, the Director of the Department of Consumer and Business
10 Services for the State of Oregon (hereafter the "Director"), acting by and pursuant
11 to the authority of Oregon Securities Law, Chapter 59 of the Oregon Revised
12 Statutes (hereinafter cited as ORS Chapter 59), and other applicable authority, has
13 a pending investigation into the offer and sale of convertible promissory notes by
14 Craig Berkman (hereafter "Respondent").

15 **WHEREAS**, Respondent, without admitting or denying the allegations by the
16 Director, wishes to avoid the time and expense of further investigation and an action
17 by or before the Director and desires to obtain disposition of this matter without
18 invoking any rights to a hearing before the Director.

19 **WHEREAS**, Respondent is represented by legal counsel and has
20 acknowledged fully reading and understanding the contents of this Stipulated Order
21 to Cease and Desist, Denying Exemptions, and Assessing Civil Penalties (hereafter
22 the "Order"), and has waived any right to a hearing with respect to this matter and
23 to challenge or appeal this Order.

24 **WHEREAS**, Respondent has consented to the jurisdiction of the Director of
25 the Department of Consumer and Business Services, State of Oregon for the
26 purpose of this Order and the issuance thereof.

DIVISION OF FINANCE AND CORPORATE SECURITIES
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
STATE OF OREGON
350 Winter Street, NE, Suite 410
Salem, OR 97310

CONCLUSIONS OF LAW

The Director, based upon the findings of fact above, **CONCLUDES** that:

1. The notes which were offered and sold in or from Oregon or to Oregon residents by Respondent, as described herein above, are "securities" under ORS 59.015(19)(a) and other applicable authority.

2. The above described securities were never registered in Oregon nor were said securities exempt from registration under ORS 59.035(12) or any other provision of Oregon Securities Law.

3. Respondent issued, offered, and sold unregistered securities in Oregon in violation of ORS 59.055 when the above described securities were offered and sold in or from Oregon or to Oregon residents.

4. The offer and sale of the above described securities in or from Oregon and to Oregon residents by Respondent constitutes the transaction of securities business in Oregon by a broker-dealer and/or salesperson under ORS 59.015(1) and (18)(a), and other applicable authority.

5. Respondent is not licensed in Oregon to effect transactions in the above described securities, either as a salesperson or broker-dealer, in violation of ORS 59.165.

ORDER

NOW, THEREFORE, THE DIRECTOR ORDERS, pursuant to the stipulation and consent of Respondent, that:

1. Respondent Craig Berkman shall **CEASE AND DESIST** from offering, selling, and transferring, directly or indirectly, any of the above described securities, or any other security which is issued by Respondent or any company in which Respondent owns all or a majority ownership interest, including but not limited to Craig Berkman & Associates, Inc., in or from the State of Oregon or to Oregon

1 residents, in violation of ORS Chapter 59, Oregon Administrative Rules Chapter
2 441, or Oregon Securities Law.

3 2. Respondent Craig Berkman, and any company in which Respondent
4 owns all or a majority ownership interest, including but not limited to Craig Berkman
5 & Associates, Inc., are hereby **DENIED** the use of any exemptions authorized by
6 ORS 59.025 and ORS 59.035, until further order of the Director.

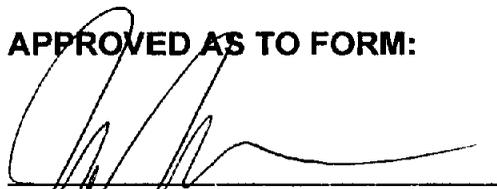
7 3. Respondent Craig Berkman is **ASSESSED** a **CIVIL PENALTY** in the
8 sum of **\$10,000** which shall be paid by cashier's or attorney's trust account check
9 prior to or contemporaneous with the issuance of this Order.

10 4. Entry of this Order in no way limits or prevents further remedies,
11 sanctions, or actions which may be available to the Director under Oregon law to
12 enforce this Order, for violations of this Order, for conduct or actions of Respondent
13 which are not covered by this Order, or against any party not covered by this Order.

14 Dated this 18th day of NOVEMBER, 1998 at Salem, Oregon.

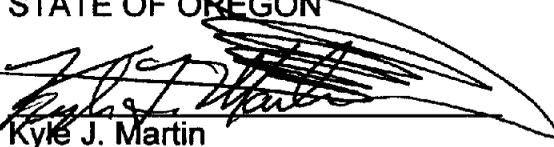
15 
16 _____
17 **MICHAEL GREENFIELD, DIRECTOR**
18 **DEPARTMENT OF CONSUMER & BUSINESS SERVICES**
19 **STATE OF OREGON**

20 **APPROVED AS TO FORM:**

21 
22 _____
23 **Marc D. Blackman**
24 **Attorney for Respondent**

25 Dated: 11/10/98

26 **DEPARTMENT OF CONSUMER**
AND BUSINESS SERVICES,
STATE OF OREGON

27 
28 _____
29 **Kyle J. Martin**
30 **Securities Compliance Officer**
31 **Division of Finance and Corporate Securities**

32 Dated: 11/17/98

DIVISION OF FINANCE AND CORPORATE SECURITIES
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
STATE OF OREGON
350 Winter Street, NE, Suite 410
Salem OR 97310

3245_CONOR4

STIPULATION AND CONSENT TO ENTRY OF ORDER
BY RESPONDENT CRAIG BERKMAN

I, **CRAIG BERKMAN**, having been duly sworn, hereby state the following:

1. I **CONSENT** to the jurisdiction of the Director of the Department of Consumer and Business Services, State of Oregon for the purpose of the issuance and entry by the Director of the foregoing **STIPULATED ORDER TO CEASE AND DESIST, DENYING EXEMPTIONS, AND ASSESSING CIVIL PENALTIES** (hereafter referred to as the "Order").

2. I **HAVE FULLY READ AND UNDERSTOOD** the contents of the Order and hereby **CONSENT**, voluntarily and without any force or duress, to the issuance and entry of the Order without admitting or denying the Findings of Fact and Conclusions of Law stated therein.

3. I **ACKNOWLEDGE** having been fully advised of the right to a hearing and hereby **WAIVE** any such right and all rights to challenge or appeal the Order.

4. I **REPRESENT** and **WARRANT** that I will fully comply with the terms of the Order and that neither I, nor any agent, representative, or company in which I own all or a majority ownership interest, including but not limited to Craig Berkman & Associates, Inc., will effect securities transactions in or from Oregon or with Oregon residents unless and until such activities are in full compliance with the Order, ORS Chapter 59, Chapter 441 of Oregon Administrative Rules (hereafter cited as "OAR Chapter 441"), and every other applicable provision of Oregon Securities Law.

5. I further **ACKNOWLEDGE** and **UNDERSTAND** that issuance of the Order in no way limits or prevents the Director from taking action or seeking sanctions or remedies which may be available to the Director under Oregon law against any other party or against me for conduct or actions not covered by the Order or to enforce the Order.

6. I further **ACKNOWLEDGE** and **UNDERSTAND** that this Order and Stipulation and Consent to Entry of Order is a public document.

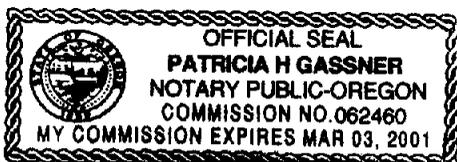


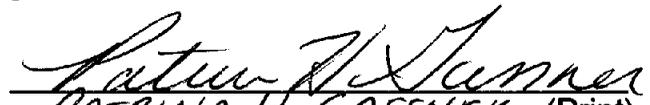
CRAIG BERKMAN, Individual

Dated: 11/10/98

State of Oregon) ss.
County of Multnomah)

SUBSCRIBED AND SWORN TO voluntarily before me this 10th day of NOVEMBER, 1998, by Craig Berkman, an individual.





PATRICIA H. GASSNER (Print)
Notary Public for the State of Oregon
My commission expires: 3/3/2001

DIVISION OF FINANCE AND CORPORATE SECURITIES
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
STATE OF OREGON
350 Winter Street, NE, Suite 410
Salem OR 97310