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3 **STATE OF OREGON**  
4 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**  
5 **DIVISION OF FINANCE AND CORPORATE SECURITIES**  
6 **ENFORCEMENT SECTION**

7  
8 **BEFORE THE DIRECTOR OF THE DEPARTMENT**  
9 **OF CONSUMER AND BUSINESS SERVICES**

10 **In the Matter of:**

**B-05-0041-33**

11 **JOHN BROWN, aka Johnny Brown, an**  
12 **individual, dba American First Trust &**  
13 **Assoc., fdba American First & Assoc**  
14 **Trust,**

**FINAL ORDER TO CEASE AND**  
**DESIST ENTERED BY DEFAULT**

**Respondent.**

15 On July 11, 2005, the Director of the Department of Consumer and Business  
16 Services for the State of Oregon (hereafter "the Director"), acting by and pursuant to the  
17 authority of the Oregon Banking Laws, Oregon Revised Statutes ("ORS") Chapters 705,  
18 706, 707 and 722, and other applicable authority (hereinafter cited as "the Oregon  
19 Banking Law"), issued Administrative Order No. B-05-0041-33 **ORDER TO CEASE**  
20 **AND DESIST AND NOTICE OF RIGHT TO A PUBLIC HEARING** ("the Proposed  
21 Order") against Respondent John Brown, aka Johnny Brown ("Brown").

22 On July 13, 2005, Brown was duly served with a true copy of the Proposed Order  
23 by United States Mail, postage prepaid, and addressed to 19280 SW Gassner Road,  
24 Beaverton, Oregon 97007.

25 **NOW THEREFORE**, after consideration of the Investigation Report and  
26 accompanying exhibits submitted in this matter by Margaret V. Green, the Director  
hereby issues the following Findings of Fact, Conclusions of Law, and Final Order.

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1 **FINDINGS OF FACT**

2 The Director makes the following Findings of Fact:

3 1. John Brown, also known as Johnny Brown, is, by information and belief,  
4 an individual residing at 19280 SW Gassner Road; Beaverton, Oregon 97007. On or  
5 about May 17, 2004, Brown registered the assumed business name "American First  
6 Trust & Assoc." with the Oregon Secretary of State. Brown was listed as the registrant  
7 in the filing with the Secretary of State. The registration will expire on May 17, 2006.

8 2. Brown previously registered the assumed business name "American First  
9 & Assoc Trust" with the Oregon Secretary of State. The principal place of business was  
10 filed as 12750 Pacific Highway; Tigard, Oregon 97223. Brown, filing as "Johnny  
11 Brown," was listed as registrant at the same address. The registration expired on  
12 August 1, 2003.

13 3. Brown used or uses the names set out above in the solicitation or  
14 transaction of his business.

15 4. ORS 56.023(1) requires a certificate issued under ORS 705.635 for a  
16 business registry filing to be appropriately made with the Oregon Secretary of State if  
17 the name is to contain, inter alia, the word or words "banc," "bancorp," "bank," "trust," or  
18 "trustee," or their equivalents in English or another language.

19 5. ORS 705.635 sets out the procedure by which a person may submit a  
20 request to the Director for a certificate of compliance with the Oregon banking  
21 requirements, which would permit the person to lawfully file a business registry with the  
22 Secretary of State as set forth in ORS 56.023(1).

23 6. Brown has not applied for, or been previously granted, a certificate  
24 pursuant to ORS 705.635. Brown has never been approved to conduct a banking  
25 business as defined in ORS 706.005(6) or 722.012 using either the assumed business  
26 name "American First Trust & Assoc." or "American First & Assoc Trust."

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Labor and Industries Building  
350 Winter Street, NE, Suite 410  
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1           7.       ORS 705.638 imposes regulations on businesses engaging in banking  
2 activities. It states in relevant part that, “[a] company organized under the laws of this  
3 state for the purposes of conducting a banking business as defined in ORS 706.005(6)  
4 either within or outside this state shall be organized under ORS chapter 707” and, “[a]  
5 company organized under the laws of this state to transact savings and loan business  
6 as defined in ORS 722.004(25) either within or outside this state shall be organized  
7 under ORS chapter 722.” ORS 705.638(2) and (3) respectively. Brown is not  
8 organized under these statutes.

9           8.       On behalf of the Director, staff of the Banking Section of the Division of  
10 Finance and Corporate Securities (“Division”) undertook to inquire and investigate the  
11 circumstances under which Brown, using the assumed business names “American First  
12 Trust & Assoc.” and “American First & Assoc Trust,” had come to use the word “bank,”  
13 “trust” or any derivative thereof as set forth in ORS 56.023 in the assumed business  
14 names. Specifically, Division staff undertook the following during the period beginning  
15 at least as early as December 1, 2004 through the present:

16           a.       The Division reviewed and analyzed information from the Oregon  
17 Secretary of State, Corporations Division, reflecting the Brown’s registration  
18 therewith.

19           b.       The Division made significant attempts to contact Brown, including  
20 multiple mailings to him as both authorized representative and as registrant.

21           c.       The Division requested that Brown contact the Division, and requested  
22 that he comply with the requirements of ORS 705.635. Brown failed to contact the  
23 Division, failed to provide adequate information about his business and operations,  
24 and failed to amend his business registry filings to comply with Oregon law.

25           9.       ORS 707.005 states that “[i]t is unlawful for any person to engage in or  
26 transact a banking or trust business within this state except by means of an entity duly



1 organized for the purpose.”

2 10. ORS 707.010 prohibits a person who has not received from the Director a  
3 certificate to do banking business from doing any of the following:

4 (a) Advertising that it is receiving or accepting money on deposit;

5 (b) Using a sign at its place of business containing words indicating that the  
6 place is a place of business: (i) of a banking institution; (ii) where deposits are  
7 received or payments made on check; or (iii) where any other form of banking  
8 business is transacted;

9 (c) Making use of or circulating any letterheads, blank notes, blank receipts,  
10 certificates, circulars or any written or printed paper containing words indicating  
11 that the business is the business of a banking institution;

12 (d) Transacting business under any name that the Director determines leads  
13 the public to believe that its business is that of a banking institution or that it is  
14 affiliated with a banking institution; or

15 (e) Soliciting or receiving deposits or transacting business in the manner of a  
16 banking institution or in such a manner as to lead the public to believe that its  
17 business is that of a banking institution.

18 11. ORS 722.012 imposes requirements similar to those described in  
19 Paragraph 10 above on entities operating as a savings and loan or with the words  
20 “savings and loan” in its name.

21 12. Brown has filed the assumed business names “American First Trust &  
22 Assoc.” or “American First & Assoc Trust” with the Oregon Secretary of State. These  
23 names have the word “bank,” “trust,” or a derivative thereof in them as set forth in ORS  
24 56.023, and/or imply or may imply that Brown is conducting a banking business or is  
25 affiliated with a banking institution.

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1 **CONCLUSIONS OF LAW**

2 The Director **CONCLUDES** that:

3 13. Brown has violated Oregon law, including but not limited to ORS 56.023,  
4 705.635 and 707.010 by failing to obtain a certification from the Division as required by  
5 Oregon Law, failing to properly list his assumed business name with the Oregon  
6 Secretary of State, and by improperly registering to do business in Oregon using at  
7 least one of the terms or equivalent thereof set forth in ORS 56.023, without first  
8 obtaining the certificate required under ORS 705.635.

9 14. By virtue of his registration with the Oregon Secretary of State,  
10 Corporations Division, and other materials by which he holds himself out for business,  
11 Brown has used at least one sign at or in the conduct of his business containing words  
12 indicating that the place is a place of business of a banking institution where deposits  
13 are received, or payments made on check or where any other form of banking business  
14 is transacted. Brown is soliciting or transacting business in violation of ORS 707.010.

15 15. Brown has failed to comply with the registration and certification  
16 requirements under the Oregon Banking Laws, including but not limited to ORS  
17 707.635, 707.638, 707.005, 707.010 and/or 722.012. Brown has failed to meet the  
18 necessary requirements to register or file his assumed business name with the Oregon  
19 Secretary of State. Brown has used the word "bank," "trust," or a derivative thereof as  
20 set forth in ORS 56.023, in his assumed business name in violation of the statutes set  
21 out in this paragraph.

22 **NOW, THEREFORE, THE DIRECTOR**, pursuant to ORS 705.640 and  
23 ORS 59.885(4), hereby **ORDERS** Respondent John Brown, aka Johnny Brown, dba  
24 American First Trust & Assoc. and fdba American First & Assoc Trust, to **CEASE AND**

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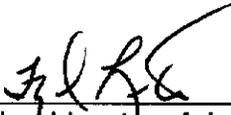
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350 Winter Street NE, Suite 410  
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1 **DESIST** from violating any provision of Oregon Law as set forth above, and any rule,  
2 order or policy issued by the Division.

3 Dated this 9<sup>th</sup> day of ~~July~~ <sup>August</sup>, 2005 at Salem, Oregon NUNC PRO TUNC  
4 July 11, 2005.

5 CORY STREISINGER, Director  
6 Department of Consumer and Business Services

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10 Floyd Lanter, Administrator  
11 Division of Finance and Corporate Securities

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