

1 Investigator and other Division staff, the Director hereby issues the following Findings
2 of Fact, Conclusions of Law, and Final Order:

3 **FINDINGS OF FACT**

4 The Director **FINDS** that:

5 1. Douglas Trust Company, LLC, (hereinafter "Respondent"), is registered with the
6 State of Oregon Secretary of State as an assumed business name. Respondent was
7 registered on December 13, 2001. Its registration number is 054004-94. The
8 registered agent for the Respondent is Charles Mathias, with an address of 942
9 Windemere Dr. NW; Salem, OR 97304. This is also the Respondent's principal place
10 of business.

11 2. Respondent uses the name set out above on business-related materials such as
12 stationary, signs, correspondence, business cards, or other mechanisms related to the
13 conduct of the business. This constitutes an advertisement that the Respondent is
14 receiving or accepting money on deposit or acting as a trust.

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

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

23 5. Respondent has not applied for, or been previously been granted a certificate
24 pursuant to ORS 705.635. Respondent has not otherwise been approved to conduct
25 banking or trust business as set out in ORS 706.005(6) or 722.012.

26 6. ORS 705.638 imposes regulations on businesses engaging in banking activities.





1 It states in relevant part that, "[a] company organized under the laws of this state for the
2 purposes of conducting a banking business as defined in ORS 706.005 (6) either within
3 or outside this state shall be organized under ORS chapter 707" and, "[a] company
4 organized under the laws of this state to transact savings and loan business as defined
5 in ORS 722.004 (25) either within or outside this state shall be organized under ORS
6 chapter 722." ORS 705.638(2) and (3) respectively. Respondent is not organized
7 under these statutes.

8 7. On behalf of the Director of the Department of Consumer and Business Services,
9 staff of the Banking Section of the Division of Finance and Corporate Securities
10 undertook to inquire and investigate the circumstances under which the Respondent
11 has come to use the word "trust" or any derivative thereof in its name. Specifically,
12 Division staff undertook the following during the period beginning at least as early as
13 December 1, 2004 through the present:

- 14 a. The Division reviewed and analyzed information from the Oregon Secretary of
15 State, Corporations Division, reflecting the Respondent's registration therewith.
- 16 b. The Division made significant attempts to contact the Respondent, including
17 multiple mailings to the Respondent directly, through the Registered Agent, or both.
- 18 c. The Division requested that the Respondent contact the Division, and requested
19 that the Respondent comply with the requirements of ORS 705.635. Respondent
20 failed to contact the Division, failed to provide adequate information about its
21 business and operations, and failed to amend its business registry filing to comply
22 with Oregon law.

23 8. ORS 707.005 states that "It is unlawful for any person to engage in or transact a
24 banking or trust business within this state except by means of an entity duly organized
25 for the purpose."

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1 9. ORS 707.010 prohibits an entity that has not received a certificate from the
2 Director of the Department of Consumer and Business Services, from advertising that it
3 is accepting money on deposit, using a sign at the place of business containing words
4 that indicate the business is a bank or trust, that the business accepts deposits, or
5 transact business under any name that the Director determines leads the public to
6 believe that it is engaged in the business of banking or is affiliated with a banking
7 institution, such as the business of trusts.

8 10. Respondent has filed a name with the Oregon Secretary of State that has the
9 word bank or trust, or a derivative thereof, in its name, and/or implies or may imply that
10 it is conducting a banking or trust business.

11 **CONCLUSIONS OF LAW**

12 The Director **CONCLUDES** that:

13 11. Respondent violated Oregon law, including but not limited to ORS 56.023,
14 705.635 and 707.010 by failing to obtain a certification from the Division as required by
15 Oregon Law, failing to properly list its name with the Oregon Secretary of State, and by
16 improperly registering to do business in Oregon using at least one of the terms or
17 equivalent thereof set forth in ORS 56.023, without first obtaining the certificate required
18 under ORS 705.635.

19 12. By virtue of its registration with the Oregon Secretary of State, Corporations
20 Division, and other materials by which it is holding itself out for business, Respondent
21 has advertised that it is receiving or accepting money on deposit. Respondent has also
22 used at least one sign at or in the conduct of its business containing words indicating
23 that the place is a place of business of a banking institution, or affiliated therewith,
24 where deposits are received or payments made on check, or where any other form of
25 banking business is transacted. Respondent is therefore representing that it is engaged
26 in business in violation of ORS 707.010.

1 13. Respondent's failure to comply with the registration and certification
2 requirements under the Oregon banking and trust chartering laws, including but not
3 limited to ORS 707.635, 707.638, 707.005, 707.010 and/or 722.012, Respondent has
4 failed to meet the necessary requirements to register or file its name with the Oregon
5 Secretary of State. Respondent has used the word "bank" or "trust" or a derivative
6 thereof, in its name in violation of the statutes set out in this paragraph.

7 **ORDER**

8 The Director, pursuant to ORS 705.640 and ORS 59.885(4) hereby **ORDERS**
9 that the Respondent **CEASE AND DESIST** from violating any provision of Oregon Law,
10 as set forth above and any rule, order or policy issued by the Division.

11 The date of this order is the day the Director signs the order. The entry of this
12 Order in no way limits further remedies which may be available to the Director under
13 Oregon law.

14 Dated this 10th day of November, 2005 at Salem, Oregon.

15
16 **CORY STREISINGER, Director**
Department of Consumer and Business Services

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18 
19 David C. Tatman, Acting Administrator
20 Division of Finance and Corporate Securities

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