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**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
ENFORCEMENT SECTION
BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES**

In the Matter of:

S-05-0028

**GORDON RODNEY BAZE, JR., aka
Gordy Baze,**

**ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL PENALTY
AND CONSENT TO ENTRY OF ORDER**

Respondent.

WHEREAS the Director of the Department of Consumer and Business Services has conducted an investigation of certain business activities conducted by Gordon Rodney Baze, Jr. and has determined that he has violated provisions of the Oregon Securities Law, ORS 59.005 to 59.451, 59.991 and 59.995; and the Oregon Mortgage Lender Law, ORS 59.840 to 59.980; and

WHEREAS Gordon Rodney Baze, Jr. wishes to resolve and settle this matter with the **DIRECTOR;**

NOW THEREFORE, as evidenced by the authorized signature subscribed on this Order, Gordon Rodney Baze, Jr. hereby **CONSENTS** to entry of this Order to Cease and Desist upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

FINDINGS OF FACT

The Director **FINDS** that:

1. Gordon Rodney Baze, Jr., aka Gordy Baze, (hereafter referred to as "the Respondent") is an Oregon resident with a current residential address of 244 S. Dogwood Dr.; Cornelius, Oregon 97113.

2. Fay C. Sartor (hereafter "the investor" or "Fay C. Sartor"), is an Oregon resident residing at all times relevant herein in Portland, Oregon.

Division of Finance and Corporate Securities
Law and Industry Building
350 W. Main Street, Suite 410
Salem, OR 97301-3281
Telephone: (503) 378-4387





1 3. During the period 2001 through 2003, Respondent acted as investment adviser to
2 Fay C. Sartor. The Respondent instructed the investor to purchase specific securities and he
3 made trades from the investor's Internet trading company account through the investor's
4 personal computer. The Respondent was subsequently given power of attorney by the
5 investor and made trades directly on behalf of the investor. Under the arrangement with the
6 investor, the Respondent was to receive a commission of thirty-three percent of any profits
7 made on the trades. Respondent was paid approximately \$20,000 in commissions by the
8 investor.

9 4. During the period he managed the investor's account, Respondent misled the
10 investor about the amount of the investment account balance and the amount of losses
11 sustained in trading. When asked by the investor about the status of her portfolio,
12 Respondent portrayed the account as "up and down" when, in fact, the account balance was
13 approximately fifteen percent of its original value. The majority of the losses were sustained
14 in the first days that Respondent managed the investor's account.

15 5. At all times relevant to this matter, Respondent was not licensed in Oregon as an
16 investment adviser representative or exempt from such licensing requirements. He was not
17 employed by a licensed broker-dealer, federal covered investment adviser, state investment
18 adviser, mortgage banker, mortgage broker, or issuer or owner of securities.

19 6. During the period 2004 through March, 2005, Respondent acted as a mortgage
20 broker, soliciting and accepting residential mortgage loan applications from Oregon
21 residents. Respondent submitted completed loan application packages to U.S. Funding at a
22 time when he was not an employee or agent of that firm. Respondent did not provide
23 borrowers with proper disclosure documents.

24 7. At the times relevant hereto, Respondent was not licensed in Oregon as a
25 mortgage banker or mortgage broker or exempt from such licensing requirements.

26 // //

1 **CONCLUSIONS OF LAW**

2 The Director **CONCLUDES** that:

3 1. Respondent Gordon Rodney Baze, Jr. violated ORS 59.165 (6) by transacting
4 business in Oregon as a state investment adviser without being licensed as such under the
5 Oregon Securities Law.

6 2. Respondent violated ORS 59.135 (3) by engaging in any act, practice or course of
7 business which operates or would operate as a fraud or deceit upon any person when
8 Respondent held himself out to act as an investment adviser and falsely portrayed the
9 investor's account as "up and down" when the account balance was approximately fifteen
10 percent of its original value.

11 3. Respondent violated ORS 59.845 (1) by engaging in residential mortgage
12 transactions in this state as a mortgage banker or mortgage broker without a license by
13 making, negotiating or offering to make or negotiate a mortgage loan for Oregon residents for
14 compensation, or in the expectation of compensation.

15 4. Respondent violated ORS 59.855 by acting as a mortgage banker or mortgage
16 broker and failing to provide the borrower with the disclosure required by the real estate
17 lending provisions of 15 U.S.C. §1601, *et seq.*, and Regulation Z, 12 C.F.R. Part 226.

18 5. Respondent violated ORS 59.930 (3) by engaging in any act, practice or course of
19 business which operates or would operate as a fraud or deceit upon any person when the
20 Respondent held himself out to take and process mortgage applications and in acting to take
21 Oregon residential mortgage loan applications without holding the required license.

22 **ORDER**

23 1. The Director, pursuant to ORS 59.245 and ORS 59.885 (4) hereby **ORDERS**
24 that Respondent Gordon Rodney Baze, Jr. shall **CEASE and DESIST** from violating any
25 provision of the Oregon Securities Law, the Oregon Mortgage Lender Law, OAR Chapter
26 441, and any rule, order or policy issued by the Division of Finance and Corporate Securities.

Division of Finance and Corporate Securities
Law and Industry Building
350 W. 5th Street, Suite 410
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500 Winter Street, Suite 410
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1 2. Pursuant to ORS 59.045, Respondent Gordon Rodney Baze, Jr. is
2 permanently **DENIED** the use of any exemptions that would otherwise be available to him
3 under ORS 59.025 and 59.035, concerning securities and securities transactions exempt
4 from the registration requirements of the Oregon Securities Law.

5 3. Pursuant to ORS 59.995 and 59.996, the Director, hereby **ORDERS**
6 Respondent Gordon Rodney Baze, Jr. to pay the State of Oregon a civil penalty of
7 \$30,000.00 (thirty thousand dollars), consisting of a civil penalty of \$15,000.00 (fifteen
8 thousand dollars) for knowingly conducting a mortgage business without a license and failing
9 to provide the required disclosures to borrowers; and a civil penalty of \$15,000 (fifteen
10 thousand dollars) for transacting business in Oregon as a state investment adviser without
11 being licensed as such under the Oregon Securities Law and for the other continuing
12 securities violations alleged above. Payment of the civil penalty is suspended so long as
13 Respondent complies with all terms of this Order; **PROVIDED HOWEVER**, that the
14 suspended civil penalty assessed by this Order will be immediately due and payable upon a
15 determination by the Director that Respondent has violated any term of this Order, or any
16 provision of ORS Chapter 59 or Oregon Administrative Rules Chapter 441.

17 4. Respondent Gordon Rodney Baze, Jr. agrees to pay \$10,000 (ten thousand
18 dollars) as restitution to the Oregon investor, Fay C. Sartor, payment of which shall be made
19 to the investor within 30 days of the date of execution of this Order.

20 5. If Respondent Gordon Rodney Baze, Jr. fails to comply with the terms of this
21 Order, the entire suspended portion of the civil penalty in the amount of \$30,000 (thirty
22 thousand dollars), plus interest at the statutory interest rate of nine percent per annum from
23 the date of default, will become immediately due and payable.

24 6. Respondent Gordon Rodney Baze, Jr. agrees to never apply for an Oregon
25 Investment Adviser Representative License or Securities Broker-Dealer Representative
26 License and agrees to a lifetime ban from the securities industry in Oregon.

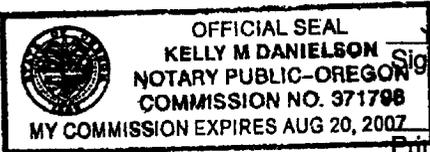
1 I further assure the Director that I will not engage in the activities of a broker-dealer,
2 investment adviser, or mortgage broker, or act as a salesperson for any of these unless such
3 activities are in full compliance with Chapter 59 of the Oregon Revised Statutes and Chapter
4 441 of the Oregon Administrative Rules.

5 I understand that this Consent Order is a public document.

6 Dated this 31 day of May, 2005.

7
8 Gordon R. Baze, Jr.
9 Gordon Rodney Baze, Jr.

10 SUBSCRIBED AND SWORN to before me this day 31 of May, 2005.

11
12  Kelly M. Danielson
13 Signature of Notary Public
14 KELLY M. Danielson
Printed Name of Notary Public

15 Notary Public for the State of: Oregon

16 My commission expires: 8/20/2007

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