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**STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCE AND CORPORATE SECURITIES**

**BEFORE THE DIRECTOR OF THE DEPARTMENT  
OF CONSUMER AND BUSINESS SERVICES**

6 **In the Matter of:**

7 **EURO-AMERICAN BANCORP, INC., an**  
8 **Oregon corporation, and FRANCO**  
9 **CORTELLA, an individual,**

**Respondents.**

**B-07-0052-4**

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

10  
11 WHEREAS on December 27, 2007, the Director of the Department of Consumer and  
12 Business Services for the State of Oregon (hereafter "the Director"), acting by the authority of  
13 the Oregon Banking Laws, chapters 705, 706, 707 and 722 of the Oregon Revised Statutes  
14 (hereinafter cited as "the Oregon Banking Law"), issued Administrative Order No. B-07-0052-4,  
15 ORDER TO CEASE AND DESIST AND NOTICE OF RIGHT TO A PUBLIC HEARING ("the  
16 Cease and Desist Order"), against Euro-American Bancorp, Inc. (hereinafter "Respondent" or  
17 "Euro-American") and Franco Cortella (hereinafter "Respondent" or "Cortella").

18 WHEREAS on or about December 28, 2007, Respondents were duly served with a true  
19 copy of the Cease and Desist Order by United States Certified Mail, postage prepaid, addressed  
20 to Cathy Halverson, Registered Agent, 391 NW 179<sup>th</sup> Avenue, Aloha, Oregon 97006.

21 WHEREAS on or about December 31, 2007, Cortella was duly served with a true copy of  
22 the Cease and Desist Order by United States Certified Mail, postage prepaid, and addressed to  
23 Franco Cortella, Euro-American Bancorp, Inc., 2200 B Douglas Blvd #100, Roseville, California  
24 95661.

25 WHEREAS Respondents have not made a written request for a contested case hearing in  
26 this matter and time to do so has expired.



1 NOW THEREFORE, after consideration of the Division's investigative file and related  
2 documents, the Director hereby issues the following Findings of Fact, Conclusions of Law, and  
3 Final Order.

#### 4 FINDINGS OF FACT

5 The Director makes the following Findings of Fact:

6 1. Euro-American Bancorp, Inc., is registered with the State of Oregon Secretary of  
7 State as an Oregon domestic business corporation. Euro-American was incorporated on  
8 December 8, 1999. Euro-American's Oregon registered agent is Cathy Halverson. Her address  
9 and the company's principal place of business are registered as 391 NW 179<sup>th</sup> Avenue, Aloha,  
10 Oregon 97006. Euro-American lists its mailing address as 2200 B Douglas Blvd #100,  
11 Roseville, California 95661. Franco Cortella is listed as the president and secretary of  
12 Respondent Euro-American with an address of 2200 B Douglas Blvd #100, Roseville, California  
13 95661.

14 2. Respondents use the name set out above in the solicitation or transaction of their  
15 business.

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

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

24 5. Respondents have not applied for, or been previously granted, a certificate  
25 pursuant to ORS 705.635. Respondents have not been otherwise approved to conduct a banking  
26 business as defined in ORS 706.005(6) or 722.012.





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

8           7.       On behalf of the Director, staff of the Banking Section of the Division of Finance  
9 and Corporate Securities (“Division”) undertook to inquire and investigate the circumstances  
10 under which the corporate Respondent had come to use the word “bank,” “trust” or any  
11 derivative thereof as set forth in ORS 56.023 in its name. Specifically, Division staff reviewed  
12 and analyzed information from the Oregon Secretary of State, Corporations Division, reflecting  
13 the Respondents’ registration therewith.

14           8.       ORS 707.005 states that “[i]t is unlawful for any person to engage in or transact a  
15 banking or trust business within this state except by means of an entity duly organized for the  
16 purpose.”

17           9.       ORS 707.010 prohibits a person who has not received from the Director a  
18 certificate to do banking business from doing any of the following:

- 19                   (a) Advertising that it is receiving or accepting money on deposit;
- 20                   (b) Using a sign at its place of business containing words indicating that the place is a  
21 place of business: (i) of a banking institution; (ii) where deposits are received or payments made  
22 on check; or (iii) where any other form of banking business is transacted;
- 23                   (c) Making use of or circulating any letterheads, blank notes, blank receipts,  
24 certificates, circulars or any written or printed paper containing words indicating that the  
25 business is the business of a banking institution;
- 26                   (d) Transacting business under any name that the Director determines leads the public



1 to believe that its business is that of a banking institution or that it is affiliated with a banking  
2 institution; or

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

6 ORS 722.012 imposes similar requirements on entities operating as a savings and loan or  
7 with the words "savings and loan" in its name.

8 10. Respondents have filed a name with the Oregon Secretary of State that has the  
9 word "bank," "trust," or a derivative thereof in its name as set forth in ORS 56.023, and/or  
10 implies or may imply that these Respondents are conducting a banking business or are affiliated  
11 with a banking institution.

#### 12 CONCLUSIONS OF LAW

13 The Director **CONCLUDES** that:

14 11. Respondents violated Oregon law, including but not limited to ORS 56.023,  
15 705.635 and 707.010 by failing to obtain a certification from the Division as required by Oregon  
16 Law, failing to properly list their business name with the Oregon Secretary of State, and by  
17 improperly registering to do business in Oregon using at least one of the terms or equivalent  
18 thereof set forth in ORS 56.023, without first obtaining the certificate required under ORS  
19 705.635.

20 12. By virtue of their registration with the Oregon Secretary of State, Corporations  
21 Division, and other materials by which they hold themselves out for business, Respondents are  
22 soliciting or transacting business under a name that the Director determines leads the public to  
23 believe that its business is that of a banking institution or is affiliated with a banking institution  
24 in violation of ORS 707.010.

25 13. Respondents have failed to comply with the registration and certification  
26 requirements under the Oregon Banking Laws, including but not limited to ORS 707.635,

1 707.638, 707.005, 707.010 and/or 722.012. Respondents have failed to meet the necessary  
2 requirements to register or file their business name with the Oregon Secretary of State.  
3 Respondents have used the word "bank," "trust," or a derivative thereof as set forth in ORS  
4 56.023, in their names in violation of the statutes set out in this paragraph.

5 **ORDER**

6 14. The Director, pursuant to ORS 705.640 and ORS 59.885 (4) hereby **ORDERS**  
7 that Respondents Euro-American Bancorp, Inc. and Franco Cortella each **CEASE AND**  
8 **DESIST** from violating any provision of Oregon Law, and specifically cease using the word  
9 "bank," "trust," or a derivative thereof as set forth in ORS 56.023 in their names in violation of  
10 the statutes as set forth above, and any rule, order or policy issued by the Division.

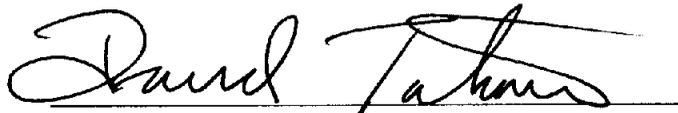
11 The entry of this Order in no way limits further remedies which may be available to the  
12 Director under Oregon law.

13 The date of this Order is the day the Director signs the Order.

14 IT IS SO ORDERED.

15 Dated this 26<sup>th</sup> day of February, 2008 at Salem, Oregon,  
16 NUNC PRO TUNC December 27, 2007.

17 CORY STREISINGER, Director  
18 Department of Consumer and Business Services

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

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