

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

In the Matter of:

Case No. S-10-0058-2

**James Edward Theeler,**

Respondent.

**Order to Cease and Desist,  
Order Denying Exemptions,  
Order Assessing Civil Penalty  
and Consent to Entry of Order**

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "Director") has conducted an investigation of the activities of James Edward Theeler (hereinafter "Theeler") and has determined that he offered and sold securities in violation of the Oregon Securities Law, ORS 59.005 to 59.451, 59.991 and 59.995; and

WHEREAS Theeler wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signature subscribed herein, Theeler hereby CONSENTS to entry of this ORDER TO CEASE AND DESIST, ORDER DENYING EXEMPTIONS, ORDER ASSESSING CIVIL PENALTY AND CONSENT TO ENTRY OF ORDER (hereinafter "the Order") upon the Director's Findings of Fact and Conclusions of Law as stated hereafter.

I.

FINDINGS OF FACT

The Director FINDS that:

1. During all relevant times herein, James Edward Theeler ("Theeler") was a resident of Oregon. During all relevant times herein, Theeler was an insurance agent licensed by the Oregon Insurance Division to offer and sell life and health insurance products in Oregon.

Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387





1           2. During all relevant times herein, Robert Todd Calvert (“Calvert”) was a resident of  
2 Nevada. Until approximately December 2005, Calvert was a partial owner of Trust Company  
3 of the Pacific (hereinafter “TCOP”), which was a trust company operating in Nevada that  
4 functioned as an individual retirement account (“IRA”) custodian. Calvert held himself out as  
5 a trust executive with TCOP. Calvert also formed, owned and operated Pacific Payment  
6 Xchange, Inc. (“PPX”), which Calvert represented was involved in financing real estate  
7 projects.

8           3. Calvert and Theeler approached and recruited potential investors in Oregon to invest  
9 in IRAs, trusts and annuities through TCOP. Calvert recruited Theeler to refer potential  
10 investors in Oregon to Calvert. Calvert paid Theeler commissions or finder’s fees for each  
11 investor he brought in. Theeler was paid approximately \$40,000 in commissions.

12           4. At all times relevant herein, neither Calvert nor Theeler were licensed to sell securities  
13 in Oregon.

14           5. The Oregon Division of Finance and Corporate Securities (“Division”) has no record  
15 of any securities registration for Calvert, Theeler, PPX or TCOP at any time material to this  
16 Order.

17           6. From September 2004 to at least August 2007, Theeler was part of a scheme to  
18 defraud 17 Oregon investors and sold unregistered securities to those Oregon residents.

19           7. Theeler falsely promised 17 Oregon investors that they would recover their principal  
20 investment and a guaranteed eight percent return on their investment at the end of the  
21 maturation period for the investment, (which typically was 12 to 24 months). Those  
22 representations were false and the investments were fictitious.

23           8. Theeler told some investors that they were investing in TCOP when, in fact, Calvert  
24 had diverted investors’ monies from TCOP to PPX without telling investors. Theeler made no  
25 effort to learn the truth of Calvert’s misrepresentations.

26           9. Calvert knowingly and fraudulently transferred investors’ monies from TCOP’s bank



1 account to a PPX bank account in Nevada. Calvert controlled the PPX bank account and  
2 used investors' monies to pay his personal expenses and Theeler's referral fees.

3 10. Theeler told some investors that PPX invested in under-valued, high-end real estate in  
4 Nevada, then "flipped" the properties by reselling them and making a profit that would be  
5 used to repay investors. In fact, Theeler knew or should have known that the real estate  
6 transactions and profits were fictitious.

7 11. As a result of the scheme to defraud investors, the 17 Oregon investors lost  
8 substantially all of the initial principal they invested with TCOP, and never received the  
9 guaranteed eight percent return on the principal investment at the end of the maturation  
10 period.

11 12. On May 12, 2010, Calvert pleaded guilty to charges of securities fraud in the State of  
12 Nevada. Calvert was sentenced to a suspended sentence of a maximum of 60 months and a  
13 minimum of 18 months incarceration and ordered to pay restitution of \$81,135.46.

14 13. On May 21, 2010, Calvert pleaded guilty in the United States District Court for  
15 Oregon in *United States v. Robert Todd Calvert*, Case No. 3:10-CR-00363-JO ("the Plea  
16 Agreement") to charges of mail fraud in violation of Title 18, United States Code, Section  
17 1341. As part of the Plea Agreement, Calvert admitted: 1) that he made up a scheme or plan  
18 for obtaining money or property by making false promises, representations or statements; 2)  
19 that he knew that the promises, representations or statements were false or fraudulent; 3) that  
20 the promises, representations or statements were material in that they would reasonably  
21 influence a person to part with money or property; 4) that he acted with intent to defraud; and  
22 5) that he used, or caused to be used, the United States Postal Service or a private or  
23 commercial interstate carrier to carry out or attempt to carry out an essential part of the  
24 scheme.

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II.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

14. The investments sold by Theeler constitute securities as defined in ORS 59.015(19)(a).

15. In at least 17 instances, Theeler sold unregistered securities to Oregon residents in violation of ORS 59.055.

16. In at least 17 instances, Theeler sold securities in Oregon without a license issued pursuant to the Oregon Securities Law in violation of ORS 59.165(1).

III.

ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

*Order to Cease and Desist*

17. The Director, pursuant to ORS 59.245, hereby ORDERS that Theeler shall CEASE AND DESIST from:

- A. Transacting business in Oregon as a securities broker-dealer or securities salesperson without a license issued by the Director pursuant to the Oregon Securities Law.
- B. Selling unregistered securities in Oregon in violation of the Oregon Securities Law.
- C. Making any untrue statement of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, in connection with the purchase or sale of a security or the conduct of a securities business.
- D. Engaging in dishonest, fraudulent, illegal, unfair or unethical practices or conduct in connection with the purchase or sale of any security.

*Denial of Securities Exemptions*

18. Pursuant to ORS 59.045(2), for a period of not less than five years from the effective date of this Order and until further Order of the Director, Theeler is DENIED the use of

1 securities registration and transaction exemptions that would otherwise be available to him  
2 pursuant to ORS 59.025 and 59.035.

3 *Financial Services Bar*

4 19. Theeler is, for the protection of the investing public, STRICTLY PROHIBITED from  
5 raising capital, formally or informally, from other individuals for use or investment on their  
6 behalf. Pursuant to ORS 59.205, Theeler is DENIED the ability to obtain a securities broker-  
7 dealer salesperson or investment adviser representative license in Oregon, and is  
8 PROHIBITED from maintaining an ownership interest in or executive role with a broker-  
9 dealer or investment adviser licensed by the Director.

10 20. In addition, Theeler is permanently BARRED from applying for, holding, or renewing  
11 any license or registration required by the Director in Oregon under the Oregon Mortgage  
12 Lender Law, ORS 86A.095 to 86A.198, including the license or authorization to act as a  
13 mortgage loan originator or mortgage loan processor in Oregon.

14 *Order Assessing Civil Penalty*

15 21. Pursuant to the authority of ORS 59.995, any person who violates or who procures,  
16 aids or abets in the violation of ORS 59.005 to 59.451, 59.710 to 59.830, 59.991 and 59.995 or  
17 any rule or order of the Director shall be subject to a penalty of not more than \$20,000 for  
18 every violation.

19 22. The Director, pursuant to ORS 59.995, hereby ASSESSES James Edward Theeler a  
20 CIVIL PENALTY in the amount of \$40,000 (forty thousand dollars).

21 23. Theeler agrees to make an initial down payment of \$5,000 (five thousand dollars) to  
22 the Oregon Department of Consumer and Business Services upon the execution of this order,  
23 and will pay the remaining balance of \$35,000 (thirty-five thousand dollars) in monthly  
24 payments of not less than \$350 (three hundred fifty dollars) per month, beginning no later  
25 than November 15, 2011. Monthly payments will be due on the fifteenth day of each month.  
26 There is no interest on the civil penalty installment payments, so long as payments are timely



1 made in compliance with this payment plan.

2 24. If Theeler fails to comply with the payment schedule, is late with a scheduled  
3 payment, or does not make a scheduled payment, then the entire unpaid portion of the civil  
4 penalty, including statutory interest of nine percent accruing from the date the Director signs  
5 this Order, will become immediately due and payable.

6 25. The Director reserves the right to take further action to enforce this Order or to take  
7 appropriate action upon discovery of new violations of the Oregon Securities Law that arise  
8 from facts and circumstances outside the scope of this Order.

9 IT IS SO ORDERED.

10 Dated this 3rd day of November, 2011 in Salem, Oregon.

11 SCOTT L. HARRA, Acting Director  
12 Department of Consumer and Business Services

13 /s/ David Tatman  
14 David C. Tatman, Administrator  
15 Division of Finance and Corporate Securities

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1 CONSENT TO ENTRY OF ORDER

2 I, James Edward Theeler, state that I am a resident of the State of Oregon, that I have  
3 read the foregoing Order and that I know and fully understand the contents thereof; that I  
4 neither admit nor deny the Findings of Fact in the foregoing Order; that I execute this  
5 Consent as a settlement of the matter referred to in the Order; that I have been advised of my  
6 right to a hearing, and that I have been advised that I could be represented by counsel in this  
7 matter; that I voluntarily consent to the entry of this Order without any force or duress,  
8 expressly waiving any right to a hearing in this matter; that I understand that the Director  
9 reserves the right to take further actions against me to enforce this Order or to take  
10 appropriate action upon discovery of other violations by me of the Oregon Securities Law;  
11 and that I will fully comply with the terms and conditions stated herein.

12 I understand that this Order is a public document.

13 Dated this 31st day of October, 2011.

14  
15  
16 /s/ James Edward Theeler  
James Edward Theeler

17  
18 ACKNOWLEDGMENT

19 State of Oregon

20 County of Marion

21 Signed or attested before me on this 31 day of October, 2011 by

22 James Edward Theeler.

23  
24  
25 /s/ Marina McCarran  
Signature of Notary Public