

1 STATE OF OREGON  
2 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
3 DIVISION OF FINANCE AND CORPORATE SECURITIES

4 BEFORE THE DIRECTOR OF THE DEPARTMENT  
5 OF CONSUMER AND BUSINESS SERVICES

6 **In the Matter of:** ) **S-11-0061**  
7 )  
8 **Dale Stuart Lauder,** ) **FINAL ORDER TO CEASE AND**  
9 **Respondent.** ) **DESIST, ORDER DENYING**  
10 ) **EXEMPTIONS, AND ORDER**  
11 ) **ASSESSING CIVIL PENALTY**  
12 ) **ENTERED BY DEFAULT**  
13 )

14 On July 6, 2011, the Director of the Department of Consumer and Business Services for  
15 the State of Oregon (hereinafter, “the Director”), acting by the authority of the Oregon Securities  
16 Law, Oregon Revised Statutes Chapter 59, and Oregon Administrative Rules Chapter 441, issued  
17 Administrative Order No. S-11-0061, ORDER TO CEASE AND DESIST, DENYING  
18 EXEMPTIONS, PROPOSED ORDER ASSESING CIVIL PENALTIES, AND NOTICE OF  
19 RIGHT TO HEARING (“the Proposed Order”) against Respondent Dale Stuart Lauder  
20 (“Lauder”).

21 On July 6, 2011, Lauder was duly served with a true copy of the Proposed Order by  
22 certified United States Mail, postage prepaid, Item No. 7008 3232 0001 1430 5771, addressed to  
23 Lauder at the following last known address: 4437 NW Metolius Court, Portland, Oregon 97070.

24 On July 13, 2011, a DFCS investigator personally served a certified true copy of the  
25 Proposed Order to Lauder’s father at 4437 Metolius Court, Portland, OR 97070. On July 14,  
26 2011, in a phone conversation with a DCBS investigator, Lauder verbally confirmed receipt of  
the Proposed Order.

Lauder has not made a written demand for a contested case hearing in this matter and

Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-5888  
Telephone: (503) 578-4387



1 time to do so has now expired.

2 NOW THEREFORE, after consideration of the file in this matter maintained by the  
3 Division of Finance and Corporate Securities, including any materials that Lauder may have  
4 submitted, the Director hereby issues the following Finding of Fact, Conclusion of Law, and  
5 Final Orders.

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7

**I.**

8

**FINDINGS OF FACT**

9 The Director FINDS that:

- 10 1. Lauder’s last known address is 4437 NW Metolius Court, Portland, Oregon 97070.  
11 2. From April 1998 to April 1999, Lauder held a limited securities license that permitted  
12 him to engage in sales of mutual funds and variable annuities (CRD#3045584).  
13 3. Lauder has not been licensed by the Department of Consumer and Business Services’  
14 Division of Finance and Corporate Securities (“DFCS”) to sell any other types of securities,  
15 including investment contracts.

16

17 A. Previous Enforcement Action Against Lauder

18 4. On November 7, 1997, Lauder entered into an Assurance of Voluntary Compliance  
19 (“AVC”) with the State of Oregon’s Department of Justice (“Oregon DOJ”) for unlawful trade  
20 practices and agreed to “permanently not sell securities if not licensed to do so.”

21

22 5. On October 31, 2007, DFCS issued a Final Order to Cease and Desist, Denying  
23 Exemptions, and Assessing Civil Penalties, number S-07-0043, against a number of companies  
24 and individuals associated with Yucatan Resorts, including Lauder, who acted as a sales agent  
25 for Yucatan Resorts. The 2007 order, entered into by default against Lauder, assessed a total  
26 civil penalty of \$30,000 against Lauder and strictly prohibited Lauder from “raising capital,  
formally or informally, from other individuals for use or investment on their behalf.”

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1        B. Lauder's Business Filings

2        6. On June 13, 2002, Lauder registered Elite Funding Group, LLC as a limited liability  
3 company with the Nevada Secretary of State. Lauder is listed as a manager along with Integrity  
4 Solutions. Lauder's address is listed as 22040-A SW Grahams Ferry Rd., Tualatin, Oregon  
5 97062.

6        7. On August 05, 2003, Lauder registered Roseland Investments as an assumed business  
7 name with the State of Oregon's Secretary of State. Lauder is listed as the authorized  
8 representative. Roseland Investments' principal place of business is listed as 22040-A SW  
9 Grahams Ferry Rd., Tualatin, Oregon 97062.

10       8. On November 3, 2003, Lauder registered Elite Funding Group, LLC as a foreign limited  
11 liability company with the State of Oregon's Secretary of State. Lauder is listed as the registered  
12 agent. Elite Funding Group, LLC's address is listed as 22040-A SW Grahams Ferry Rd,  
13 Tualatin, Oregon 97062.

14       9. On February 17, 2005, Lauder registered Elite Funding Group as an assumed business  
15 name with the State of Oregon's Secretary of State. Lauder is listed as the authorized  
16 representative and registrant. Elite Funding Group's principal place of business is listed as 8855  
17 SW Holly Ln #104, Wilsonville, Oregon 97070.

18       10. In addition to the registered entities listed above, Lauder used the following assumed  
19 business names, which were not registered with the State of Oregon, in transactions with  
20 consumers: 1) Portland Real Estate, Inc.; 2) Roseland Investment, LLC; 3) Equity Funding, Inc.;  
21 and 4) JOPTA Holdings, LLC.

22  
23       C. Investments

24       11. At all times relevant to the matter herein, B.B. and J.T. were residents of the State of  
25 Oregon.

26       12. At all times relevant to the matter herein, L.E. was a resident of Alberta, Canada.



1 13. Lauder conducted all business relevant to the matter herein while in Oregon.

2 14. DFCS has no record of any securities offering ever being registered in the name of  
3 Lauder or any of the entities with which he is affiliated, as noted in this Order in Section B.

4

5 Investor L.E.

6 15. On or about April 16, 2003, Lauder solicited an investment of \$30,000 from L.E. for  
7 Roseland Investments, LLC. Lauder and L.E. both signed a document titled “Supplement to  
8 Subscription Agreement of Roseland Investments, LLC, A Nevada, Limited Liability Company.”  
9 The agreement states the purpose of Roseland Investment, LLC is to “engage in all aspects of the  
10 business of making loans and equity investments for the production of income” and “carry on  
11 any and all lawful business activities related to the foregoing or in advancement of the interest of  
12 the company.” This agreement also states that L.E. “agrees to become a Member of Roseland  
13 Investments, LLC” for a cash contribution of \$30,000 and notes that Roseland Investments, LLC  
14 agrees “to pay the Member a 12% Priority Return per annum.”

15 16. L.E. expected a return on the investment made with Lauder. L.E. was not involved in the  
16 management of and had no control over Roseland Investments, LLC, and was not required to do  
17 anything more than provide the investment to Lauder to obtain the stated returns.

18

19 Investor B.B.

20 17. On or about August 1, 2003, Lauder solicited an investment of \$50,000 from B.B. for  
21 Roseland Investments, LLC. Lauder and B.B. both signed a document titled “Supplement to  
22 Subscription Agreement of Roseland Investments, LLC, A Nevada, Limited Liability Company.”  
23 The agreement states the purpose of Roseland Investment, LLC is to “engage in all aspects of the  
24 business of making loans and equity investments for the production of income” and “carry on  
25 any and all lawful business activities related to the foregoing or in advancement of the interest of  
26 the company.” This agreement also states that B.B. “agrees to become a Member of Roseland



1 Investments, LLC” for a cash contribution of \$50,000 and notes that Roseland Investments, LLC  
2 agrees “to pay the Member a 12% Priority Return per annum.”

3 18. B.B. was also provided a “Joint Venture Agreement,” which states that the agreement is  
4 between B.B. and Portland Real Estate, Inc. The Joint Venture Agreement also states:

5 Portland Real Estate, which is currently in the business of development, sales, and  
6 acquisition of real estate properties, shall offer real estate purchased or optioned  
7 by Portland Real Estate to the joint venture. The joint venture shall have the right  
8 of first refusal to purchase additional real estate as presented. Portland Real  
9 Estate will manage and operate all aspects of the joint venture.

10 19. Furthermore, the Joint Venture Agreement states that Portland Real Estate, Inc. has  
11 agreed to pay B.B. “12% Priority Return for annum” and that at the end of the 2 year term of the  
12 agreement, Portland Real Estate will pay B.B. or his/her beneficiary “all principal and priority  
13 returns.”

14 20. B.B. expected a return on the investment made with Lauder. B.B. was not involved in  
15 the management of and had no control over Roseland Investments, LLC or Portland Real Estate,  
16 Inc., and was not required to do anything more than provide the investment to Lauder to obtain  
17 the stated returns.

18 Investor J.T.

19 21. On or about January 16, 2004, Lauder solicited an investment of \$25,000 from J.T. for  
20 Roseland Investments, LLC. Lauder and J.T. both signed a document titled “Supplement to  
21 Subscription Agreement of Roseland Investments, LLC, A Nevada, Limited Liability Company.”  
22 The agreement states the purpose of Roseland Investment, LLC is to “engage in all aspects of the  
23 business of making loans and equity investments for the production of income” and “carry on  
24 any and all lawful business activities related to the foregoing or in advancement of the interest of  
25 the company.” This agreement also states that J.T. “agrees to become a Member of Roseland  
26 Investments, LLC” for a cash contribution of \$25,000 and notes that Roseland Investments, LLC



1 agrees “to pay the Member a 12% Priority Return per annum.”

2 22. On October 08, 2004, Lauder solicited a second investment of \$50,000 from J.T. for  
3 Portland Real Estate, Inc. Lauder provided J.T. a “Joint Venture Agreement,” which states that  
4 the agreement is between J.T. and Portland Real Estate, Inc. The Joint Venture Agreement also  
5 states:

6 Portland Real Estate, which is currently in the business of development, sales, and  
7 acquisition of real estate properties, shall offer real estate purchased or optioned  
8 by Portland Real Estate to the joint venture. The joint venture shall have the right  
9 of first refusal to purchase additional real estate as presented. Portland Real  
10 Estate will manage and operate all aspects of the joint venture.

11 23. Furthermore, the Joint Venture Agreement states that Portland Real Estate, Inc. has  
12 agreed to pay J.T. “12% Priority Return for annum” and that at the end of the 5 year term of the  
13 agreement, Portland Real Estate will pay J.T. or his/her beneficiary “all principal and priority  
14 returns.”

15 24. J.T. expected a return on the investment made with Lauder. J.T. was not involved in the  
16 management of and had no control over Roseland Investments, LLC or Portland Real Estate,  
17 Inc., and was not required to do anything more than provide the investment to Lauder to obtain  
18 the stated returns.

19 **D. Investor Funds**

20 25. None of the investors received the promised rate of return or the return of their  
21 investment from Lauder or any of his affiliated entities.

22 26. Lauder did not use investments provided by B.B. and J.T. to engage in the business of  
23 investing in real estate.

24 27. Lauder did not use investments provided by B.B., L.E. or J.T. to engage in the business  
25 of making loans and equity investments for the production of income.

26 28. Lauder used the funds provided by the investors to pay personal expenses, including rent

1 on his home, his car payments, and for attorney's fees on a personal matter.

2 29. Lauder did not disclose that he was the subject of an AVC with the Oregon DOJ and that  
3 the AVC prohibited him from selling securities unless he was licensed to do so.

4

5

## II.

6

### CONCLUSIONS OF LAW

7 The Director CONCLUDES that:

8 30. The investments sold by Lauder constitute investment contracts, and therefore are  
9 securities as defined by ORS 59.015(19)(a).

10 31. Lauder sold unregistered securities in Oregon in violation of ORS 59.055.

11 32. Lauder sold securities in Oregon without a license in violation of ORS 59.165(1).

12 33. Lauder made untrue statements of material fact in connection with the sale of securities in  
13 violation of ORS 59.135(2) by: (a) promising a 12% rate of return to investors, which was not  
14 provided; (b) telling investors their money would be used for real estate projects, when in fact  
15 Lauder used the investors' money for his own personal benefit; and (c) representing that  
16 Roseland Investments, LLC was a Nevada limited liability company, when in fact the entity was  
17 not registered with the State of Nevada.

18 34. Lauder omitted to state material facts in connection with the sale of securities in violation  
19 of ORS 59.135(2) by failing to disclose that he was the subject of an AVC with the Oregon DOJ  
20 and that he was prohibited from selling securities unless licensed to do so.

21

22

## III.

23

### FINAL ORDERS

24 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

25

#### Cease and Desist Order

26 35. Pursuant to the authority of ORS 59.245, the Director hereby ORDERS Lauder to



- 1 CEASE AND DESIST from:
- 2 a. Selling securities without a license in violation of ORS 59.165;
- 3 b. Selling unregistered securities in the State of Oregon in violation ORS 59.055; and
- 4 c. Violating any provision of the Oregon Securities Laws, including ORS Chapter 59 and
- 5 OAR Chapter 441.
- 6

7 Order Denying the Use of Any Exemptions

8 36. Pursuant to the authority of ORS 59.045, the Director ORDERS that Lauder and any

9 entities that employ or otherwise utilize his services be DENIED THE USE OF ANY

10 EXEMPTIONS to the securities registration requirements that would otherwise be available to

11 them under ORS 59.025 and ORS 59.035.

12

13 Order Assessing Civil Penalty

14 37. Pursuant to the authority of ORS 59.995, the Director may asses a CIVIL PENALTY in

15 any amount determined by the Director of not more than \$20,000 for each violation. Pursuant to

16 this provision, the Director hereby assesses Lauder a CIVIL PENALTY in the amount of

17 \$100,000 (one hundred thousand dollars) for the following violations:

- 18 a. A CIVIL PENALTY of \$7,500 (seven thousand five-hundred dollars) for each of
- 19 the sales of unregistered securities in violation of ORS 59.055, for a total of
- 20 \$30,000 (thirty thousand dollars).
- 21 b. A CIVIL PENALTY of \$12,500 (twelve thousand five-hundred dollars) for each
- 22 of the sales of securities without a license in violation of ORS 59.165(1), for a
- 23 total of \$50,000 (fifty thousand dollars).
- 24 c. A CIVIL PENALTY of \$12,500 (twelve thousand five-hundred dollars) for the
- 25 untrue statements of material facts made in connection with the sale of securities
- 26 in violation of ORS 59.135(2).



1 d. A CIVIL PENALTY of \$7,500 (seven thousand five-hundred dollars) for the  
2 omissions of material facts in connection with the sale of securities in violation of  
3 ORS 59.135(2).

4 38. The entry of this Order in no way limits further remedies which may be available to the  
5 Director under the Oregon Law.

6  
7 IT IS SO ORDERED.

8 Dated this 9th day of August, 2011, at Salem, Oregon, NUNC PRO  
9 TUNC July 6, 2011.

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

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

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Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 578-4387

