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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**

In the Matter of:

**Case No. S-12-0031-1**

**STEPHEN W. FINLEY,**

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

Respondent.

WHEREAS the Director of the Department of Consumer and Business Services (hereinafter, “the Director”) has conducted an investigation of certain business activities conducted by Stephen W. Finley (“Finley”), and the Director has determined that he violated provisions of Oregon Revised Statutes (“ORS”) 59.005 to 59.451, 59.991, and 59.995 (“the Oregon Securities Law”) and

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

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this Order, Finley 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.

**I.**

**FINDINGS OF FACT**

The Director FINDS that:

1. Finley was, at all times material to this matter, a resident of Oregon.
2. Webster E. Barth III (“Barth”) was, at all times material herein, a resident of the State of Washington.
3. Raging River Corporation (“RRC”) was, at all times material to this matter, a Nevada business corporation. According to the Nevada Secretary of State records, RRC had business offices located at 5190 Neil Road, Suite 430, Reno, Nevada 89502. Barth was, at all times material

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 to this matter, corporation president and a director. The company was revoked by the Nevada  
2 Secretary of State on February 28, 2011.

3 4. At all times material to this matter, the individual identified hereinafter as "JCM" was  
4 an Oregon resident.

5 5. Finley and JCM were acquainted prior to October 2009 having met socially. In October  
6 2009, Finley approached JCM to invest in RRC. Initially, Finley asked JCM to purchase a  
7 promissory note from Barth for \$25,000 to assist in finalizing agreements to merge RRC with a  
8 public company and another private capital investor. JCM declined.

9 6. After declining the initial offer, JCM agreed to purchase a \$13,000 promissory note from  
10 Barth. The terms of the note, dated November 18, 2009, required Barth to repay JCM \$13,000 in  
11 principal and \$7,000 in interest by December 18, 2009. As additional consideration for making the  
12 transaction, Barth agreed to transfer to JCM 20,000 shares of common stock in RRC owned by  
13 Barth and Barth promised to assign 100,000 additional shares of common stock owned by Barth as  
14 collateral.

15 7. JCM wrote a check made out to Finley for purchase of the promissory note. Finley  
16 cashed the check and kept \$2,000 as his commission and passed the remaining \$11,000 to Barth.

17 8. Barth failed to pay the promissory note on December 18, 2009 or anytime since. Barth  
18 conveyed 25,000 shares of RRC common stock to JCM, but did not assign the 100,000 shares of  
19 other common stock to JCM.

20 9. In February 2010, with the prior note from Barth in default, Finley approached JCM to  
21 purchase a \$7,000 promissory note. The terms of this note required Finley to repay \$10,000 to  
22 JCM in 60 days, on or before April 6, 2010. JCM paid the funds to Finley by check on February 5,  
23 2010. Finley cashed the check, retaining \$2,000, and wired the remainder to a company believed  
24 to be based in Richmond, Virginia as an advance on a line of credit. As of the date of this Consent  
25 Order, the line of credit was not provided. Finley has not repaid the note.

26 10. The promissory notes offered and sold by Finley to JCM were not registered with the



1 Director for sale in Oregon pursuant to ORS chapter 59.

2 11. At no time relevant to this matter was Finley licensed pursuant to ORS chapter 59 to sell  
3 securities in Oregon.

4 **II.**

5 **CONCLUSIONS OF LAW**

6 12. The promissory notes offered and sold by Finley to JCM on November 18, 2010 and  
7 February 5, 2010 are securities as defined by ORS 59.015(19)(a).

8 13. The promissory note offerings were not registered with the Director pursuant to ORS  
9 59.055.

10 14. Finley was not licensed to sell securities in Oregon pursuant to ORS 59.165 and rules  
11 adopted thereunder.

12 **III.**

13 **ORDERS**

14 THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

15 **Cease and Desist Order**

16 15. Pursuant to ORS 59.245, the Director hereby ORDERS Respondent Finley to CEASE  
17 AND DESIST from:

18 A. Offering or selling unregistered securities in the State of Oregon, in violation of the  
19 Oregon Securities Law;

20 B. Transacting business in Oregon as a securities salesperson without a license in violation  
21 of the Oregon Securities Law; and

22 C. Violating any provision of the Oregon Securities Law, ORS chapter 59, or Oregon  
23 Administrative Rules chapter 441.

24 **Order Denying Use of Exemptions**

25 16. Respondent Finley, and any entities that employ or otherwise utilize his services for the  
26 purpose of raising capital, are, pursuant to ORS 59.045, DENIED THE USE OF ANY

1 EXEMPTIONS, that would otherwise be available to them under ORS 59.025 and ORS 59.035.

2 **Financial Services Bar**

3 17. For the protection of the investing public, Respondent Finley is PROHIBITED from  
4 raising capital, formally or informally, from other individuals for use or investment on their behalf.  
5 Pursuant to ORS 59.205, Respondent is DENIED the ability to obtain a broker-dealer salesperson  
6 or investment adviser representative license, and is PROHIBITED from maintaining an ownership  
7 interest in or executive role with a broker-dealer or investment adviser licensed by this state.

8 18. In addition, Respondent Finley is permanently BARRED from all of the following  
9 financial services business activities in Oregon:

10 A. Applying for, holding, or renewing any license or registration required by the Director in  
11 Oregon, including but not limited to insurance, consumer finance, collection agency,  
12 manufactured structure dealer, or mortgage lending; and

13 B. Respondent is further BARRED from acting as a residential mortgage loan originator or  
14 mortgage loan processor in Oregon.

15 **Order Assessing Civil Penalty**

16 19. Pursuant to the authority of ORS 59.995, the Director hereby ORDERS the assessment  
17 of a CIVIL PENALTY against Respondent Finley in the amount of \$20,000 (twenty thousand  
18 dollars) for violation of ORS 59.055, offering or selling unregistered securities in the State of  
19 Oregon, and ORS 59.165, selling securities in Oregon without a license. The Director will  
20 SUSPEND the entire CIVIL PENALTY so long as the Respondent complies with all terms of this  
21 Order; PROVIDED HOWEVER, that the suspended portion of the CIVIL PENALTY will be  
22 immediately due and payable upon a determination by the Director that the Respondent has  
23 violated any term of this Order, or any provision of the Oregon Securities Law.

24 **Suspension and Waiver of Civil Penalty**

25 20. The Director agrees to suspend and waive the assessed CIVIL PENALTY of \$20,000  
26 provided that Respondent Finley complies with the provisions of this Consent Order and pays



1 restitution to JCM as outlined herein.

2 21. Respondent Finley agrees to pay to JCM the sum of \$9,000 (nine thousand dollars) plus  
3 the statutory interest rate of nine percent simple per annum per ORS 82.010 from the due date of  
4 the first promissory note, December 18, 2009. Payment must be made in one payment by certified  
5 check payable to JCM and forwarded to the Division of Finance and Corporate Securities  
6 (“Division”). The Division must receive payment not later than 5 p.m., Pacific Time, Wednesday,  
7 May 30, 2012. Specific payment information, including the total amount and mailing information,  
8 will be provided to Respondent Finley by letter.

9 22. In the alternative, as the Director understands that Finley is presently employed by JCM,  
10 the Director agrees to accept a written statement from JCM to the effect that the entire restitution  
11 amount has been paid as proof that the terms of this Order have been met.

12 **Payment to the Consumer Financial Education Account**

13 23. In addition to the CIVIL PENALTY assessed herein, Respondent Finley agrees to and is  
14 ordered to pay \$1,000 (one thousand dollars) to the Department of Consumer and Business  
15 Services for the Consumer Financial Education Account. Payment is to be made no later than  
16 May 30, 2012.

17 24. The Director reserves the right to immediately impose the suspended portion of this  
18 CIVIL PENALTY upon a determination that Respondent Finley has violated any term of this  
19 Order, any provision of the Oregon Securities Law, ORS chapter 59, or the administrative rules  
20 adopted thereunder.

21 25. The entry of these Orders in no way limits further remedies which may be available to  
22 the Director under Oregon law.

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IT IS SO ORDERED.

Dated this 7th day of May, 2012 at Salem, Oregon.

PATRICK M. ALLEN, Director  
Department of Consumer and Business Services

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

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**CONSENT OF STEPHEN W. FINLEY TO ENTRY OF ORDER**

I, Stephen W. Finley, state that I am a resident of the State of Oregon, that I have read the foregoing Order and that I know and fully understand the contents hereof; that I neither admit nor deny the factual allegations stated herein; that I have been advised of my right to a hearing, and that I have been represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of Oregon law by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

/s/ Stephen W. Finley  
Stephen W. Finley

**ACKNOWLEDGMENT**

State of OREGON  
County of Clackamas

Signed or attested before me on 4-20, 2012 by Stephen W. Finley.

/s/ Marie Jensen  
Signature of Notary Public

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