

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

In the Matter of:

Case No. S-13-0050

CATALYST FINANCIAL RESOURCES,
LLC, MARCUS WHITNEY ROBINS, and
SCOTT DAVID BUTLER,

ORDER TO CEASE AND DESIST; ORDER
WITHDRAWING EXCLUSIONS FROM
THE DEFINITION OF INVESTMENT
ADVISER; ORDER WITHDRAWING
EXCLUSIONS FROM DEFINITION OF
INVESTMENT ADVISER
REPRESENTATIVE; ORDER ASSESSING
CIVIL PENALTIES; AND CONSENT TO
ENTRY OF ORDER.

Respondents.

The Director of the Department of Consumer and Business Services for the State of Oregon (the “Director”) has determined that Catalyst Financial Resources, LLC (“Catalyst”), Marcus Whitney Robins, and Scott David Butler, (collectively, the “Respondents”) violated certain provisions of ORS 59.005 to 59.451, 59.991 and 59.995 (the “Oregon Securities Law”); and

The Respondents agree to waive their rights to an administrative hearing and to resolve and settle this matter by CONSENTING to entry of this Order.

Now, therefore, as evidenced by the authorized signature subscribed on this document, the Director issues the following Order.

I. FINDINGS OF FACT

1. Catalyst Financial Resources, LLC (“Catalyst”) is an Oregon limited liability company (Business Registry No.: 153836-98) formed on or about June 9, 2003 with a principal place of business of 3220 SW First Avenue – Suite 201; Portland, Oregon 97239. At all times

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 material to this Order, Catalyst was not licensed by the Division of Finance and Corporate
2 Securities as an “investment adviser” or a “broker-dealer.”

3 2. Marcus Whitney Robins (“Robins”) controls and is the 60% owner of Catalyst. At all
4 times material to this Order, Robins was not licensed by the Division of Finance and Corporate
5 Securities as an “investment adviser representative” to Catalyst. On March 8, 2013, the Division
6 licensed Robins as a broker-dealer salesperson (CRD No. 870347) under Monarch Bay
7 Securities, LLC, (CRD No. 141391.)

8 3. Scott David Butler (“Butler”) at all times material to this Order was employed by
9 Catalyst as an independent contractor. Also at all times material to this Order, Butler was not
10 licensed by the Division of Finance and Corporate Securities as an “investment adviser
11 representative” to Catalyst. On January 2, 2013, the Division licensed Butler as a broker-dealer
12 salesperson (CRD No. 2297067) under Monarch Bay Securities, LLC.

13 4. At all times material to this Order, Catalyst was an investment advisory firm who
14 advised others as to the value of securities or as to the advisability of investing in, purchasing, or
15 selling securities. On February 3, 2011, Catalyst stated that they were “covering” the stock of
16 seven companies in exchange for compensation. That “coverage” included the publication of
17 research reports, notes, recommendations, and updates. Robins and Butler prepared those reports.

18 5. From approximately 2004 to 2011, Catalyst maintained websites at
19 <http://www.catalystresearch.com> and <http://catalystresearch.biz> that allowed members of the
20 general public to view those reports. Access to those websites was unrestricted (i.e. there were no
21 mechanisms in place, such as a firewall, that prevented a person – including persons located in
22 Oregon – from viewing the contents of those websites) . Catalyst or the companies it covered
23 would sometimes issue press releases that would, among other things, direct a reader of the
24 release to Catalyst’s websites to obtain further information about the company.

25 6. As an example, on May 23, 2008, Catalyst posted a research report on its website that
26 recommended that investors immediately buy the shares of Zagg, Inc., a corporation whose



1 securities were traded on the OTC-BB. That research report included, among other things,
2 earnings projections for the company, a price target for the company’s stock, as well as a written
3 valuation and recommendation. The research report also stated that Catalyst was being paid
4 \$7,500 per month for 12 months and were given warrants by Zagg, Inc. for its services. Catalyst
5 also supplemented that initial report periodically with additional notes, recommendations, and
6 research updates.

7 7. Zagg, Inc. also identified Catalyst as its “investor relations” firm in press releases and
8 stated that interested parties could contact Catalyst if they had any questions about their
9 company.

11 II. CONCLUSIONS OF LAW

12 8. By advising members of the general public as to the value of securities and investing
13 in, purchasing or selling securities in Oregon for compensation without being licensed as a state
14 investment adviser, Catalyst violated ORS 59.165(6)(a).

15 9. By preparing research reports for Catalyst that rendered advice regarding securities
16 without being licensed as an investment adviser representative to Catalyst, Robins violated ORS
17 59.165(5)(b).

18 10. By preparing research reports for Catalyst that rendered advice regarding securities
19 without being licensed as an investment adviser representative to Catalyst, Butler violated ORS
20 59.165(5)(b).

22 III. ORDERS

23 Now, therefore, the Director issues the following ORDERS:

25 Order to Cease and Desist

26 11. Pursuant to the authority under ORS 59.245, the Director ORDERS the Respondents

1 and any successor or affiliated company to CEASE AND DESIST from violating any provision
2 of the Oregon Securities Law.

3
4 Order Withdrawing Exclusions from the Definition of Investment Adviser

5 12. Pursuant to the authority under ORS 59.015(6) and OAR 441-175-0030(8)
6 promulgated thereunder, the Director withdraws Catalyst's ability to rely on the exclusions from
7 the definition of "investment adviser" under ORS 59.015(20)(b) and OAR 441-175-0030.

8
9 Order Withdrawing Exclusions from the Definition of Investment Adviser Representative

10 13. Pursuant to the authority under ORS 59.015(8) and OAR 441-175-0041(3)
11 promulgated thereunder, the Director withdraws Robins' and Butler's ability to rely on the
12 exclusions from the definition of "investment adviser representative" under ORS 59.015(8) and
13 OAR 441-175-0041.

14
15 Order Assessing Civil Penalties against Catalyst

16 14. Pursuant to the authority under ORS 59.995, the Director assesses \$10,000 in Civil
17 Penalties against Catalyst for its violation of ORS 59.165(6)(a). The Director agrees to suspend
18 \$5,000 of the civil penalties assessed against Catalyst if, no later than 60 days from the date of
19 the entry of this Order, Catalyst applies for an investment adviser license using the procedures
20 set forth under OAR 441-175-0100 and ultimately obtains and continuously maintains licensure
21 thereof.

22
23 Order Assessing Civil Penalties against Robins

24 15. Pursuant to the authority under ORS 59.995, the Director assesses \$5,000 in Civil
25 Penalties against Robins for his violation of ORS 59.165(5)(b). The Director agrees to suspend
26 \$4,000 of the Civil Penalties assessed against Robins if, no later than 60 days from the date of



1 the entry of this order, Robins applies for an investment adviser representative license using the
2 procedures set forth under OAR 441-175-0120 and ultimately obtains and continuously
3 maintains licensure thereof.

4 Order Assessing Civil Penalties against Butler

5 16. Pursuant to the authority under ORS 59.995, the Director assesses \$5,000 in Civil
6 Penalties against Butler for his violation of ORS 59.165(5)(b). The Director agrees to suspend
7 \$4,000 of the Civil Penalties assessed against Butler if, no later than 60 days from the date of the
8 entry of this order, Butler applies for an investment adviser representative license using the
9 procedures set forth under OAR 441-175-0120 and ultimately obtains and continuously
10 maintains licensure thereof.

11
12 IV. AUTHORITY OF THE DIRECTOR TO SEEK OTHER REMEDIES UNDER
13 OREGON LAW

14 17. This Order is a “Final Order” under ORS 183.310(6)(b). It is not subject to judicial
15 review under ORS chapter 183. Subject to ORS 183.310(6)(b), the entry of this Order does not
16 limit other remedies that are available to the Director under Oregon Law.

17
18 IT IS SO ORDERED.

19
20 Dated this 9th day of July, 2013.

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

23
24 /s/ David Tatman
25 David C. Tatman, Administrator
26 Division of Finance and Corporate Securities



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CONSENT TO ENTRY OF ORDER BY CATALYST FINANCIAL RESOURCES, LLC

Catalyst Financial Resources, LLC (“Catalyst”) by signing this Consent Order is attesting that it read the Order and knows and fully understands its contents; that it consents to the entry of this Consent Order and will fully comply with its terms.

Catalyst further attests that it has been advised of its right to a hearing and voluntarily and without any force or duress expressly waives any right to a hearing in this matter.

Catalyst understands that this Consent Order is a public document.

/s/ Marcus W. Robins is the Managing Member of Catalyst Financial Resources, LLC and is authorized to enter into this Consent Order on behalf of Catalyst Financial Resources, LLC.

Catalyst Financial Resources, LLC

By: /s/ Marcus W Robins
Signature

Marcus W. Robins
Printed name

CEO and Managing Partner
Position held

State of Oregon

County of Multnomah

Subscribed and sworn to before me June 28, 2013.

/s/ Joan E. Schaub
Notary Public

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CONSENT TO ENTRY OF ORDER BY MARCUS WHITNEY ROBINS

I affirm that I have read the foregoing Consent Order and know and fully understand the contents hereof. I voluntarily and without any force or duress, consent to the entry of this Consent Order and will fully comply with its terms and conditions. Before signing this Consent, I was advised of my right to a hearing and waive any right to a hearing that I may have in this matter. I also understand that this Consent Order is a public document.

/s/ Marcus W Robins
Marcus Whitney Robins

State of Oregon

County of Multnomah

Subscribed and sworn to before me June 28, 2013.

/s/ Joan E. Schaub
Notary Public

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CONSENT TO ENTRY OF ORDER BY SCOTT DAVID BUTLER

I affirm that I have read the foregoing Consent Order and know and fully understand the contents hereof. I voluntarily and without any force or duress, consent to the entry of this Consent Order and will fully comply with its terms and conditions. Before signing this Consent, I was advised of my right to a hearing and waive any right to a hearing that I may have in this matter. I also understand that this Consent Order is a public document.

/s/ Scott David Butler
Scott David Butler

State of Oregon

County of Multnomah

Subscribed and sworn to before me June 28, 2013.

/s/ Joan E. Schaub
Notary Public

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