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

5
6 **BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND**
7 **BUSINESS SERVICES**

8 **In the Matter of:**) **S-13-0133**
9)
10 **Clifford Puterbaugh dba The Wealth Keys,**) **ORDER TO CEASE AND DESIST,**
11) **ORDER DENYING THE USE OF**
12) **EXEMPTIONS TO THE SECURITIES**
13) **REGISTRATION REQUIREMENTS,**
14) **ORDER ASSESSING CIVIL**
15) **PENALTIES, AND CONSENT TO**
16) **ENTRY OF ORDER**
17)

18 **Respondent.**

19 WHEREAS, the Director of the Department of Consumer and Business Services for the
20 State of Oregon (hereinafter “the Director”), acting by the authority of the Oregon Securities
21 Law, Oregon Revised Statutes Chapter 59, has conducted an investigation of Clifford Puterbaugh
22 dba The Wealth Keys (“Puterbaugh”) and concluded that violations of Oregon law have been
23 committed; and

24 WHEREAS Puterbaugh wishes to resolve this matter with the Director;

25 NOW THEREFORE, as evidenced by the signature(s) subscribed on this Order,
26 Puterbaugh hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and
27 Conclusions of Law as stated hereinafter.

28 **I.**

29 **FINDINGS OF FACT**

30 The Director FINDS that:

- 31 1. Puterbaugh’s last known address is 10125 SW 153rd Ave., Beaverton, Oregon 97006. At
32 all times relevant to this matter herein, Puterbaugh was a resident of Oregon and conducted all
33 business relevant to the matter herein while in Oregon.

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350 Winter Street NE, Suite 410
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Telephone: (503) 378-4387





1 2. The Oregon Division of Finance and Corporate Securities (“DFCS”) has no record of
2 Puterbaugh ever having been licensed by any federal or state government agency to offer or sell
3 securities. Furthermore, DFCS has no record of Puterbaugh having registered any securities with
4 the U.S. Securities and Exchange Commission or with the State of Oregon.

5 3. From approximately October 11, 2007 to July 30, 2012, Puterbaugh solicited and/or sold
6 investments in Oregon to at least 40 consumers totaling \$1,362,005.00.

7 4. The investment opportunities offered and/or sold by Puterbaugh in Oregon included a
8 billion dollar trading platform, bringing a \$400 million bond note to market in Europe; and
9 taking over a struggling Russian ethanol plant.

10 5. Puterbaugh promised each of the 40 investors a substantial return on their investment.

11 6. None of the 40 investors were involved in the management and/or control of
12 Puterbaugh’s investment opportunities.

13 7. To date, no investor has received the promised return on their investment.

14 8. Puterbaugh omitted to disclose to any of the 40 investors: (1) the highly speculative
15 nature of his investment opportunities; (2) that he was not licensed to sell securities in Oregon;
16 (3) that the securities being offered were not registered with the U.S. Securities and Exchange
17 Commission or under applicable Oregon securities laws; (4) that in 2000 he was convicted in
18 Oregon of elections fraud; and (5) the known foreseeable risks associated with the investments
19 being offered, including, but not limited to the risk that the investors may not receive a return on
20 their investment or the return of their investment principle.

21 **II.**

22 **CONCLUSIONS OF LAW**

23 The Director CONCLUDES that:

24 9. The investments offered and/or sold by Puterbaugh as described in the above Findings of
25 Fact meet the definition of an investment contract in Oregon, and as such, are considered a
26 “security” under ORS 59.015(19)(a).



1 10. Puterbaugh acted as a salesperson, as defined in ORS 59.015(18), in Oregon, by effecting
2 or attempting to effect transactions in securities.

3 11. Puterbaugh violated ORS 59.165 by transacting business in Oregon as a salesperson
4 without being licensed under the Oregon Securities Law.

5 12. Puterbaugh violated 59.055 by offering and/or selling, as these terms are defined in ORS
6 59.015, unregistered securities in Oregon.

7 13. Puterbaugh violated 59.135 by omitting to state material facts necessary in order to make
8 the statements made to investors, in the light of the circumstances under which they were made,
9 not misleading.

10 **III.**

11 **ORDERS**

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

13 Order to Cease and Desist

14 14. Pursuant to the authority of ORS 59.245, the Director hereby ORDERS Puterbaugh to
15 CEASE AND DESIST from:

- 16 a. Transacting business in the State of Oregon as a salesperson without being licensed in
17 violation of ORS 59.165;
- 18 b. Offering and/or selling unregistered securities in the State of Oregon in violation ORS
19 59.055; and
- 20 c. Violating any provision of the Oregon statutes and rules regulating securities; Oregon
21 Revised Statutes Chapter 59 and Oregon Administrative Rules Chapter 441.

22 Order Denying the Use of Exemptions to the Securities Registration Requirements

23 15. The Director, pursuant to the authority under ORS 59.045, hereby PERMANENTLY
24 DENIES Puterbaugh the ability to rely on the exemptions to the securities registration
25 requirements allowed by ORS 59.025 and ORS 59.035.

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Order Assessing Civil Penalties

16. Pursuant to the authority of ORS 59.995, the Director may assess a CIVIL PENALTY in any amount determined by the Director of not more than \$20,000 for each violation of ORS Chapter 59. Pursuant to this provision, the Director hereby assesses Puterbaugh a CIVIL PENALTY in the amount of \$1,200,000 for the following violations:

- a. A CIVIL PENALTY of \$300,000 for forty violations of ORS 59.165(1) by transacting business in Oregon as a salesperson without being licensed.
- b. A CIVIL PENALTY of \$300,000 for forty violations of ORS 59.055 by offering unregistered securities.
- c. A CIVIL PENALTY of \$600,000 for forty violations of ORS 59.135 by omitting to state material facts necessary in order to make the statements made to investors, in the light of the circumstances under which they were made, not misleading.

17. The Director agrees to SUSPEND the collection of the \$1,200,000 CIVIL PENALTY assessed herein providing that Puterbaugh complies with all of the following terms and conditions:

- a. Puterbaugh shall comply with all of the terms of the plea agreement in the Circuit Court for the State of Oregon for Washington County (Case Numbers: C121704CR; C122330CR; C122618CR; and C122331CR), including the requirement to pay full restitution and/or to satisfy the claims of investors.
- b. Puterbaugh is prohibited from conducting the following activities in Oregon or with Oregon residents for 20 years from the effective date of this Order: (1) investing for other individuals; (2) raising capital or seeking any type of investment, formally or informally, from any person or entity other than a bank and/or financial institution, as these terms are defined in ORS 706.008; and (3) providing advice on investing via any medium. If after 20 years Puterbaugh wishes to conduct any of the above delineated activities in Oregon, he must first obtain approval from DFCS.

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1 c. Puterbaugh is prohibited from maintaining any ownership interest in or executive role
2 with a broker-dealer or investment advisor in or licensed by the State of Oregon for 20 years
3 from the effective date of this Order. If after 20 years Puterbaugh wishes to maintain such
4 ownership or executive role, he must first obtain approval from DFCS.

5 d. Puterbaugh is prohibited from applying for, holding, or renewing any license or
6 registration required by the Director in Oregon, including but not limited to any investment
7 advisor, broker-dealer, securities salesperson, or mortgage broker license for 20 years from the
8 effective date of this Order.

9 e. Puterbaugh shall comply with all terms and conditions set out in this Order and commit
10 no new violations of the Oregon statutes and rules regulating securities; Oregon Revised Statutes
11 Chapter 59 and Oregon Administrative Rules Chapter 441.

12 18. The Director reserves the right to immediately impose the suspended \$1,200,000 CIVIL
13 PENALTY upon a determination that Puterbaugh has violated any term of this Order.

14 19. Entry of this Order in no way limits or prevents further remedies, sanctions, or actions
15 which may be available to the Director under Oregon law to enforce this Order, for violations of
16 this Order, for conduct or actions of Puterbaugh that are not covered by this Order, or against any
17 party not covered by this Order.

18 IT IS SO ORDERED.

19 Dated this 2nd day of July, 2013, at Salem, Oregon.

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

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

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CONSENT TO ENTRY OF ORDER

I, Clifford Puterbaugh, state that I have read the foregoing Order and that I know and fully understand the contents hereof; that I have been advised of the right to a hearing and of the right to be represented by counsel in this matter; and that I desire to resolve and settle this matter with the Director; that I voluntarily and without any force or duress, consent to the entry of this Order, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law; and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

By: /s/ Cliff Puterbaugh
Clifford Puterbaugh

State of Oregon

County of Washington

Signed or attested before me on July 1st 2013 by Clifford Puterbaugh.

/s/ Antonia Lopez-Verduzco

Signature of Notary Public

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