

1
2 STATE OF OREGON
3 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
4 DIVISION OF FINANCE AND CORPORATE SECURITIES
5

6 IN THE MATTER OF:) FINAL ORDER
7 CASEY A. MOCK) OAH Case No. 1202893
8) DFCS Case No. S-12-0003-1
9)
10 BRUCE R. MOCK) OAH Case No. 1202894
11) DFCS Case No. S-12-0003-2
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HISTORY OF THE CASE

On February 6, 2012, the Department of Consumer and Business Services, Division of Finance and Corporate Securities (DFCS) issued an Order to Cease and Desist, Order Denying Exemptions, Proposed Order Assessing Civil Penalty (Notice) to Casey A. Mock, and another Notice with the same title to Bruce R. Mock (both hereinafter referred to as Respondents). On February 27, 2012, Attorney Foster Glass requested a hearing on behalf of both Respondents.

On July 20, 2012, the Division referred the hearing request to the Office of Administrative Hearings (OAH). The OAH assigned Administrative Law Judge (ALJ) Rick Barber to preside at hearing. A prehearing conference was held on September 5, 2012, and the matter was set for a hearing to be held on January 16 and 17, 2013. The hearing was later rescheduled to June 4 through 6, 2013.

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 Hearing was held as scheduled on June 4 and 5, 2013, in Salem, Oregon. Respondents
2 were represented by Mr. Glass. DFCS was represented by Senior Assistant Attorney General
3 Joanna Tucker Davis.

4 The hearing record was held open for written closing arguments. The Division's
5 Opening Brief was received on July 26, 2013; Respondents' Response Brief was received on
6 September 3, 2013; and the Division's Reply was received on September 30, 2013. The record
7 closed on that date.

8 On November 15, 2013, ALJ Barber issued a Consolidated Proposed Order (the
9 "Proposed Order"). On December 16, 2013, Respondents filed exceptions to the Proposed
10 Order. DFCS has considered and rejected those exceptions. Now, therefore, having reviewed
11 the entire record in this matter, and having reviewed, considered and rejected the exceptions filed
12 by Respondent, the Director issues the following Findings of Fact, Conclusions of Law, Opinion,
13 and Final Order. DFCS has not made any changes that substantially modify the ALJ's proposed
14 findings of historical fact or reasoning. The changes that have been made are to correct spelling,
15 grammar, and textual placement.

16 EVIDENTIARY RULINGS

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19 Exhibits A1 through A27, offered by the DFCS, were admitted into evidence over
20 Respondents' general hearsay objection. Exhibits R1 through R20, offered by Respondent, were
21 identified at hearing. Exhibits R1 through R14 were admitted into evidence without objection.
22 Exhibits R15 through R20 were excluded from evidence because of Respondents' earlier failure
23 to provide discovery to DFCS.¹

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¹ The January 2013 hearing date was postponed because Respondents were expecting to obtain copies of the transcript of a criminal trial in a related case. Respondents agreed to provide the transcript as discovery on or before March 1, 2013. Instead of providing full discovery of the transcript, which

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I. FINDINGS OF FACT

1. Maverick Visions Enterprises, LLC was registered as a limited liability company in Oregon. Andrew Meyer was the principal of the LLC. (Ex. R1; Test. of Respondents).

2. On October 29, 2007, Respondents formed Eureka Ridge Development Company, Ltd., and registered it as an Oregon corporation. Bruce Mock was listed as Secretary and Casey Mock was president. Casey Mock is Bruce Mock’s son. Neither Respondents nor Meyer have ever been licensed by DFCS, nor have they done securities offerings in Oregon. (Ex. A18). Casey Mock worked for two years on Wall Street, after passing the National Commodities Futures Examination (series 3) in 2004. (Test. of Casey Mock). Bruce Mock was aware of the securities laws and the need to register securities. (Ex. A10 at 9).

3. Bruce Mock met Meyer in approximately 2008 and discussed various financial schemes, including a real estate project in Wyoming that Eureka Ridge was developing. On January 25, 2010, Bruce Mock sent a message to Meyer, suggesting they meet and “find a way to increase our cash flows together.” (Ex. A7 at 5).

4. On February 22, 2010, Meyer’s company and Respondents’ company entered into a Joint Venture Agreement, which stated in part:

Whereas Maverick Visions Enterprise LLC “MVE”, (MaverickVisions) is a Delaware, USA corporation, and Andrew H. Meyer & Associates is [sic] (Andrew Meyer), associate Barry D Kish (Barry Kish) and or their respective assigns, and

Whereas MaverickVisions is a partner in a joint venture known as Akubea Mining & Farming Company Limited (Akubea) in Accra, Ghana, and

Is hereinafter collectively referred to as “Akubea MaverickVisions” (AMV), and

counsel received via an email, Respondents selected portions of the transcript and submitted them as exhibits R15 through R20. DFCS never received discovery of the entire transcript.

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1 Whereas AKUBEA is the owner and holder of at least 8,600 Troy Ounces [250Kg] of
2 gold, in the form of alluvial gold dust in secured facilities in the country of Ghana, is
3 desirous of delivering AU to a buyer and expansion of business

4 Whereas Eureka Ridge Resources Ltd. (Eureka) is an Oregon, USA corporation with
5 Bruce R. Mock as Chairman and Casey A. Mock as President, and

6 Whereas, the principals of Eureka have been, through other corporate ownership, have
7 been key owners of an affiliated firm, known as Eureka Ridge (SL) Ltd., in Sierra Leone,
8 West Africa, producing precious minerals including gold.

9 Whereas Eureka has expertise, experience contacts, skills and means for exporting gold
10 and other precious minerals from West Africa and successfully importing and reselling
11 said material at a profit in Europe and the United States, and

12 Whereas Eureka is properly licensed, registered and active as a corporation and has,
13 through contract, an active current and valid bond in place for the importation of gold
14 dust and dore bars, rolls or extensions of gold from West Africa, without duty, and

15 Whereas MaverickVisions has expertise, experience contacts, skills and means for
16 exporting gold and other precious minerals from West Africa, and has selected Eureka, to
17 import and sell the gold dust and dore bars, rolls or extensions of gold from West Africa,
18 without duty, and

19 Whereas AKUBEA and AMV desires to export Gold, and

20 Whereas Eureka desires to import and sell Gold on its own behalf for the Owners
21 AKUBEA, and

22 Whereas both parties, through the offices of the principals of MaverickVisions, have a
23 degree of trust and desire to do business with each other, it is hereby agreed as follows:

24 MaverickVisions agrees, on behalf of itself and of AKUBEA (AMV), through Eureka to
25 export and sell the entire existing stock of Gold Dust in its possession, in an approximate
26 amount of 8,600 troy ounces and any continuous production to buyers in Europe and or
27 the USA.

28 * * * * *

29 Terms of the sale are as follows:

30 1) Andrew Meyer shall be appointed, by the President of Eureka, to the position of ‘Vice
31 President’ West African Affairs, with a seat on the Board of Eureka with an equity
32 position.

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5) If, in the judgment of the Vice President of Eureka, the gold is as represented, a sample shipment of about 30 grams shall be prepared, by AKUBEA, according to the protocols for sale of gold dust and in complete compliance with the laws of Ghana and the United States packaged and shipped to Eureka address by UPS/FedEx.

* * * * *

8) Eureka (failing Eureka, then advances from MVE and AKUBEA) shall equally pay all costs of security, transportation, importation, taxation in the destination jurisdiction, administration, refinement, storage, marketing, sales of the gold, and outbound costs of wiring funds subsequent to the moment of export from Ghana.

* * * * *

12) Upon completion of said transaction, and as nearly simultaneously with the wiring of funds described in item 11 above as possible, MaverickVisions and Eureka shall divide the profit, if any, from the transaction in the following manner[.]

* * * * *

20) Both parties agree to work in good faith and to provide their very best efforts to complete this contract. It is understood that MaverickVisions does have the required funds from selective investors who will provide additional capital as required up to a set ceiling. Both parties agree to work to help secure any further money, on a best efforts basis.

* * * * *

[Signatures by Meyer and Respondents on February 22, 2010]

(Ex. R1). On the same day the parties signed the Joint Venture Agreement, Bruce Mock wrote a letter to the Consulate-General of Ghana, introducing Meyer as a Special Vice President and indicating that he had been dispatched to Ghana by Eureka Ridge. (Ex. A17).

5. Meyer had a list of investors and potential contacts for financing of the Ghana gold project. The list had five categories: Party in Dialogue; Telephone; Our Contact; Status; and Party Responsible for Next Action. There were 42 investors and potential investors on the list, including Van Horn and Fleming. The Status section contained comments about the person's interest (e.g., "In discussion, no commitment;" "Showing interest but skeptical;" "General



1 interest; Needs more information, excitement and urgency;” and “Family has Capacity.”). In the
2 “Our Contact” category, Meyer or Bruce Mock or Casey Mock were the contacts with the
3 potential investors, and were also the “Party Responsible for Next Action” section likewise
4 assigned the follow-up to Meyer or one of the Respondents. (Ex. A4 at 19).

5 6. The plan for the Ghana gold project was to work with Akubea, a company allegedly
6 with connections to one of the royal Ghanaian families, who had gold dust they were willing to
7 sell at approximately 75 percent of “spot” (spot being the going rate for gold in the world
8 market), then import it into the United States and sell it at about 97 percent of spot. The
9 difference between the purchase at 75 percent and sale at 97 percent would repay the investors
10 and then be split between the joint venturers. (Test. of Respondents).

11 7. In February 2010, Meyer and the Respondents met with Adriaan Smit, a South
12 African living in the United States, to see if he would invest \$100,000 in the Ghana gold project.
13 Smit declined to invest that sum, but purchased an airline ticket and gave Meyer \$4,000. Smit,
14 along with Casey Mock and Meyer, agreed to be “working partners” in the Ghana gold project,
15 but Smit did not participate after giving Meyer the initial \$4,000. (Ex. A3, A15).

16 8. In an “investment opportunity” document created on April 6, 2010 and disseminated
17 to potential investors, Meyer wrote that he was “offering an opportunity to receive a passive
18 income from a business venture[.]” The document further stated:

19
20 **The investor will not be involved in the mine operations, and not have the risk or
costs associated with any of the mines day-to-day operational costs.**

21 * * * * *

22 At the end of the sale of 250Kg allocated inventory of gold, and in no case later than 1
23 year from the date of the investment, the investor [of \$200,000] will receive \$400,000 in
24 addition to the regular royalty/dividend payments received from item 4 above. Total
revenue being estimated at \$652,000 from the \$200,000 USD within twelve months.



1 (Ex. A4 at 2; emphasis in original). Other similar documents promised potential investors that
2 they would receive a fee for introducing other investors to Meyer. (Ex. A5 at 36-37). Two men,
3 Paul Carr and Cedric Redula, passed the information on to Barney Van Horn and Patrick
4 Fleming and received commissions as a result. (Test. of Fleming, Van Horn).

5 9. Van Horn first heard about the Ghana gold project, and Meyer, through Carr, a
6 mutual acquaintance. Van Horn and Meyer had a lengthy telephone call about the project, and it
7 was during that phone call that Van Horn decided to invest in the project. He had a cashier's
8 check drawn on his account in the amount of \$100,000. Meyer arranged to drive to Grants Pass,
9 where Van Horn lived, to pick up the check. (Test. of Van Horn).

10 10. On April 22, 2010, Respondent Bruce Mock traveled to Grants Pass with Meyer, at
11 Meyer's request, to meet with Van Horn. Unbeknownst to Mock or Van Horn, Meyer audio-
12 recorded the meeting. During the meeting in Van Horn's home, Bruce Mock and Meyer told
13 Van Horn about the Ghana gold project, making the following statements during the meeting:

14 BM: We've got a mine (inaudible) Sierra Leone—

15 AM: --and—

16 BM: --(inaudible) diamonds and (inaudible) stuff there and we get gold as a side
17 (inaudible) you know, of that—in that operation (inaudible), and we had to—I know
18 something about the gold stuff, so I was able to help him.

19 * * * * *

20 BM: Keep in mind that they've been mining over here for years (inaudible) there only
21 taking what they need, but putting it aside, and (inaudible) so they—they decided to get
22 her down (inaudible) this is a good time to be moving gold with the demand that there is
23 for—

24 AM: Um-hum.

25 BM: --gold, and—

26 AM: Um-hum.



1 BM: --so they're—they're going to liquidate this inventory.
2 * * * * *
3 AM: They do. They have—they have pumps. Uh, they have pumps out there.
4 BM: (Inaudible). 35 kilos, you know. 70 pounds a month—
5 AM: Yeah.
6 BM: --of that stuff. You know, that's the—that's the flow rate—
7 AM: Yeah.
8 BM: --you know, they're gonna have—they have 280 or 290 kilos sitting at 35 a months,
9 so they got, you know, year's worth of—
10 AM: Um-hum, um-hum.
11 BM: --production, and that's pretty, uh, good amount of gold to come out of there, you
12 know.

13 When Van Horn asked about the quality of the gold and the market price, Bruce Mock replied:

14 BM: --the gold quality, content that's in it, and this is where I come in. I've got this
15 history. I've got—I've got buyers in New York City that go back forever, bonded and all
16 that stuff. They give us 97 percent of the London Spot—
17 AM: Yeah.
18 BM: --on the spot. Within two hours of when I hit the front door, I got the cash in my
19 bank account. They bank at the same bank that (inaudible) making, um, automatic all
20 my—
21 BVH: Just transfer.
22 BM: --(inaudible) just transfer it right in. Now, we get 97 percent of whatever gold
23 value is that day right then at that time. London's second fix from the night before, that's
24 what we get. 97 percent of that.
25 BVH: Well, that's pretty good.
26 BM: Yeah, nobody that I know has beaten it.

27 Respondent also emphasized to Van Horn the size of his Sierra Leone business venture:



1 BM: * * * So then—so we’ve got real dependable (inaudible) the place we intend to sell
2 this, the first batch and the next and the next, so there’s, uh, (inaudible) we have a range.
3 It’s right into the heart of the jewelry district in New York City right down on 47th Street.
4 These people move in volume. They’re one of the key suppliers to the diamond industry
5 there, and they—they (inaudible) in rough, and then they’ll just put it into forms, the
6 diamond guys do, and they sell for a premium, 120 to 130 percent a spot, boom, boom,
7 boom, like that. They’re taking our stuff and they’re (inaudible) rolling it out and selling
8 it for 30 percent above spot. So they’re—they’re doing real well. They’ve got really
9 good banking behind it. And we’re—the idea here is to do a vertical integration, which is
10 something that I see oftentimes, uh, since the whole operations. And we can get from
11 them the movement from—from on the ground right up into the—right in—into the sale,
12 right into the jewelry—you know, into the actual jewelers themselves, the margins are
13 good, so they can get a higher premium than they get from selling—they can sell it on the
14 streets there in Ghana, but they’re going to get a big—they’re going to get a big drop, and
15 they know that. And I—so I’ve got—because of Andrew’s and my history and my big
16 ongoing other business, I’ve got—I’ve got an outlet. I’ve got an outlet for them in New
17 York.

18 * * * * *

19 BM: Just (inaudible) once the blip is through, once the blip has moved through, this—
20 you know, the inventory has moved out, there’s still the 35 kilos. And one—

21 BVH: Yeah.

22 BM: --kilo—now, we’re on \$35, \$36,000 a kilo—

23 BVH: Yeah.

24 BM: --you know, it’s the—

25 BVH: There’s still a lot of money coming out every month.

26 BM: Yeah, that’s a—that’s a nice little passive income.

* * * * *

27 As Respondent and Meyer left the Van Horn residence and got into the vehicle for the return trip
28 to Portland:

29 AM: Thank you.

30 BM: How big is the check?

31 AM: Hundred grand.

32



1 BM: (Inaudible) Congratulations. This is our first one.
2 AM: Yeah.
3 BM: (Inaudible) that went smooth, man, that was good, they were ready, they didn't
4 need to be sold, they were sold.
5 AM: Yeah, and I—and I (inaudible)—
6 BM: That's our first one, good, uh—
7 AM: And I—and I just (inaudible) this was the right thing, you were negotiating this
8 morning with your—your partner and things (inaudible) I'm working on moving out of
9 the house there.
10 BM: Yeah (inaudible)
11 AM: This is our final (inaudible)
12 BM: Inaudible
13 AM: Yeah, (inaudible) and I don't want her to know that I got this money, right now all I
14 want to do is move everything out of the house (inaudible) she's asked me to stuff out, so
15 I want to move it out of the house, um.
16 BM: Now we gotta a little bit of room (inaudible)
17 * * * * *
18 AM: Yeah, tape recorder off, so that puts the Van Horns, Pat and Barney Van Horn, uh,
19 met with, uh, Andrew Meyer of Maverick Visions and, uh, Bruce Mock from Eureka
20 Ridge. Uh, we're just leaving their premises, uh, I—in Grants Pass. It's uh, 10:53 p.m.
21 in the jeep. Uh, we have received a check for \$100,000 to start the process with the gold
22 process and, uh, and, uh, Ghana with, uh, Prince Tease and, uh, the royal family. Stop.
23 (Ex. A11).

21 11. Van Horn gave Meyer and Respondent a check for \$100,000. Patricia Van Horn was
22 with her husband in the meeting. Meyer explained to the Van Horns that Bruce Mock was his
23 “partner” who was advising him on the import of the gold. The Van Horn's understood that their
24 investment (ultimately of \$200,000) would ultimately become \$600,000 under the plan. They
25 were told there was no risk to them, and that the income was “passive” and required no action on
26



1 their part. (Test. of Van Horn).

2 12. When Meyer returned to Portland, he deposited the Van Horn check into the
3 MaverickVision account, taking \$5,000 in cash. Before that deposit, the account had
4 approximately \$70 in it. On the day of the deposit of the Van Horn check, Meyer spent funds
5 from the account at Fred Meyer, Burlington Coat Factory, and U-Haul. (Ex. A21).

6 13. The Van Horns provided an additional \$100,000 to the gold project. Van Horn wrote
7 a check for \$30,000, but \$70,000 of his funds were tied up in an account at Evergreen Bank and
8 Van Horn was attempting to obtain the funds. Without his knowledge or permission, Bruce
9 Mock contacted the bank at Meyer's request to try to free up the funds. The Van Horns were
10 angry at him because they had not given him permission to contact their bank. (Test. of Van
11 Horn).

12 14. On April 24, 2010, Meyer and both Respondents (CM and BM) met with potential
13 investor Patrick Fleming at Elmer's Restaurant in Portland. Fleming had found out about Meyer
14 and the gold project through Paul Carr and another man, Cedric Redula. (Test. of Fleming).
15 Meyer recorded the conversation, which stated in part:

16 PF: So there was actually—those are some chunks of gold?

17 AM: Uh-uh (yes). Yeah.

18 PF: So there are some—so in this stuff there is some good sized chunks in there now?

19 AM: Yeah. Yes.

20 BM: Yeah, there's several—

21 AM: And—

22 BM: We have an ounce from it or so from that stuff, 'cause we brought back a sample.

23 CM: We got the good one over there.

24 BM: I've got some pretty big chunks.

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PF: This looks like pretty good—

BM: Yeah, it's 23 gold.

CM: I wish that kind of dust would get on my car after I wash it.

BM: It's 23 carat plus. I mean it's going to get—it's going to make it a little past muster.

* * * * *

PF: Where?

CM: In New York City.

PF: To sell it?

CM: Yeah.

BM: We have guys in New York City that have, you know, ??? and special places to go.

CM: Gold dealers that have been doing it a long time.

BM: Licensed, bonded 40 years ????. Good, strong lines of credit to buy it, what we've got. They like Casey. It's a good working relationship.

CM: It's not a problem. Selling the gold is not a problem.

BM: The same bank we bank. But in two hours of walking in the door, we have the money in our bank.

PF: The problem is locating the buyers?

AM: No.

CM: No, that's not the problem. There's unlimited buyers.

PF: And you said selling—selling is not the problem?

CM: Well—right, yeah.

PF: Buying is not the problem, either?

CM: No.

AM: No, I have—I own it. I own it, so it's not a—I'm not buying it. I'm not a buyer.



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CM: So now we have the well we want to go from bringing in this onesie-twosie deal, we want to ramp it up and bring in a lot. So we need about a big amount of capital to pay the export fees, which is around nine percent to the government. And then you take it out.

BM: Get on an airplane.

CM: ??? ??? ??? ??, there you go.

PF: You're making me grin.

AM: Making you what?

PF: Making me grin.

AM: grin? Good.

* * * * *

PF: * * * And I've got some money saved up and it's going to last me some years. And the things--. As I'm talking with you guys I'm going this is one in a million endeavor.

CM: Yeah.

AM: Chris?

CM: I was going to say that you know, you can't afford not to do this.

PF: That's—you know, I was just—it's just such a red flag, you know?

CM: Yeah.

BM: Well, so then it must be then because of a risk issue, there's a belief issue, there's the sense that you're going to be making the same mistake you made last time.

PF: Oh, absolutely. Absolutely. Isn't like—it's like you're insane not to do this, it's going to bring revenue and as long as purchases and sales, buyers and sellers-. And my whole feeling has always been that you guys have capital and ???. From now on ???.

* * * * *

PF: How long have you known each other?

CM: I've known him since he moved to Portland like five years ago.



1 PF: So you got on ongoing relationship? And you guys are father and son?
2 BM: Yeah. We've been in business together since he was born.
3 Fleming asked questions about other projects in which "metric tons" of gold had been discussed.
4 Respondents and Meyer responded:
5 CM: But what they're selling is the metric tons in the dirt that hasn't been worked yet.
6 So I've got—well, if I do the math, maybe I've got—
7 AM: \$16 billion worth of gold in the ground—
8 BM: Right.
9 AM: --with this mine.
10 CM: So do you want to buy that \$16 billion with the metric ton? I sell it to you for 8
11 right now, and I [deliver] it in 20 years or whatever. You know, that's not necessarily
12 what they do.
13 AM: Yeah.
14 CM: But this is a legit thing. The gold is mined and it is his possession under armed
15 security guard. They could sell it all day long in the local market for cheaper, which is—
16 I mean that's one of the things that I like about this. But I can see why they're motivated
17 to sell it for more, because—
18 * * * * *
19 BM: But so their options are to sell at the local level in smaller amounts, and/or at lower
20 prices. Or if they—by using—by him, he has this unique business of being rooted in
21 Africa, and also grafted into the United States. He's got the—with his business
22 experience, he's got the ability to bring that stuff in conversation with us. And you
23 know, he could do it without us, but do it with us. To vertically integrate we have the
24 experience indirectly and we have a history of ??? that we can vertically integrate that
25 business. And that creates for them a much larger wider market and a certain flow of---
26 CM: And that little extra marketing is what they are doing it for.
27 BM: Well, but that—
28 CM: It allows them to help their family to grow, their business, and to diversify and
29 other things.
30 BM: It's thinking about other people.



1 Fleming asked about risk:

2 PF: * * * This is something I so much would just love to just to do, because it would be
3 phenomenal. But at the same time, I cannot—I can't risk—I'm thinking this would be
insane for me to do that. You have got this in front of me.

4 AM: But you're not risking anything because you're not involved in the mining
5 operation. And it's exclusively—you're not involved in the mining operation. * * *

6 * * * * *

7 AM: Yeah. But this is the—this the bags of gold. That's this right there, and that there.

8 PF: So that's what it looks like?

9 AM: Yeah, that's exactly what it is. They came out of the—this came out of this bag.

10 BM: So what you can, you can mitigate your risk by getting on an airplane.

11 AM: Yeah. And you'll receive—you'll receive a—an income passive non—a passive
12 income that you're not—you don't have to get up every morning and go work for or
13 worry about whether that internet thing will work or didn't work or whether the inventory
arrived that was supposed to arrive or didn't arrive, 'cause the inventory is already here.
14 It's there ready to go, and I'm going to walk it in and out of the country. That is what the
family wanted me to do. And then the very first transaction—'cause I gave you the
15 number—I don't have the number in front of me, but the number was—I think we were
looking at 40 or 50 kilos, would be around 12,000 dividend, royalty dividend.

16 * * * * *

17 BM: I understand the risk and your concerns about the greed—the ??? issues there. Can
18 you find a way to mitigate those so that we can move ????. We'd like to ????. We're going
ahead one way or another, and we don't want anybody doing something they're
19 uncomfortable with or that they're not—they don't choose to do. But how can you
mitigate—

20
21 (Ex. A13). Fleming gave Meyer a check for \$20,000 for the Ghana gold project as a result of the
meeting with Meyer and Respondents. (Ex. A21). Fleming understood that his involvement
22 would be passive—that his role was to provide money and be compensated. Fleming mentioned
"red flags" and risk, but Meyer told him he was not risking anything. (Test. of Fleming).

23 15. Meyer combined the money received from Van Horn and Fleming, along with the
24 money received from other investors, into the MaverickVision account. The company then
25 transferred the money to its bank account in Ghana. (Test. of Dye). Funds from the
26



1 MaverickVisions account were paid to Respondents. (Ex. A16).

2 16. Meyer and Casey Mock traveled to Ghana and to Washington DC to obtain the gold
3 but were unsuccessful in doing so. During a period of waiting for the gold to be released, Meyer
4 sent emails to his investors, with copies to Respondents, describing various delays in the project
5 in Africa and in the United States and requesting further funds. Meyer informed the investors,
6 including Van Horn, and that he would give them a finder's fee if they found other potential
7 investors to increase their operating capital. (Ex. A4). Ultimately, the joint venture failed to
8 obtain the gold and failed to repay even the initial investment to investors, including Van Horn
9 and Fleming. (Test. of Respondents).

10 17. DFCS Investigator Timothy Dye heard about Meyer and Respondents while
11 investigating another financial scheme involving real property in Belize. He was told to
12 interview the Van Horns. When he interviewed Barney Van Horn and heard about the Ghana
13 gold project, he and the Josephine County Sheriff's Office had Van Horn set up a phone call and
14 meeting with Meyer. On February 24, 2011, DFCS Investigator Brunner and Josephine County
15 Detective Curtis met with Van Horn and Meyer, posing as investors. Meyer presented the
16 investment opportunity and was arrested on that day. Bruce Mock was arrested in Portland on
17 February 25, 2011 and transported to Josephine County for trial. (Test. of Dye).

18 18. On September 9, 2011, Meyer was convicted in a jury trial of the following class B
19 felonies: Unlawful Offer or Sale of Securities; Fraud and Deceit with Respect to Securities or
20 Securities Business; and Unlicensed Security Transaction. He was sentenced to 18 months with
21 the Oregon Department of Corrections. (Ex. A2). Bruce Mock agreed to cooperate with the
22 Meyer investigation. He pled guilty to Unlawful Offer or Sale of Securities and an Unlicensed
23 Security Transaction, both class B felonies, on June 16, 2011. Both guilty pleas were "Alford"
24 pleas, meaning that Respondent pled guilty while still maintaining his innocence on the charges.
25 (Ex. A1; Test. of Bruce Mock).

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II. CONCLUSIONS OF LAW

19. Bruce Mock offered securities to Fleming and Van Horn that were not registered in Oregon in violation of ORS 59.055.

20. Bruce Mock sold securities in Oregon without being licensed to do so in violation of ORS 59.165(1).

21. Casey Mock offered securities to Fleming and Van Horn that were not registered in Oregon in violation of ORS 59.055.

22. Casey Mock sold securities in Oregon without being licensed to do so in violation of ORS 59.165(1).

III. OPINION

23. As the proponent of the position that Respondents have offered unregistered securities and acted as salespersons without a securities license, DFCS has the burden of presenting evidence and also has the burden of proof. ORS 183.450(2). DFCS must prove its case by a preponderance of the evidence. *Sobel v. Board of Pharmacy*, 130 Or App 374, 379 (1994), *rev den* 320 Or 588 (1995) (standard of proof under the Administrative Procedures Act is preponderance of evidence absent legislation adopting a different standard). Proof by a preponderance of the evidence means that the fact finder is persuaded that the facts asserted are more likely true than not. *Riley Hill General Contractor v. Tandy Corp.*, 303 Or 390 (1987).

24. The violations alleged by DFCS in this case arise out of a joint venture between Respondents' company, Eureka Ridge, and Andrew Meyer's company, Maverick Visions, to import gold dust from Ghana and sell it at a profit in the United States. To pay for the importation of the gold and other costs, Respondents and Meyer met with several people,

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Salem, OR 97301-5881
Telephone: (503) 378-4387





1 including Fleming and the Van Horns, to solicit money from them. In return for their
2 investments, Fleming, Van Horn and others were promised that their investment would be more
3 than tripled within 12 months.

4 25. Van Horn provided \$200,000 and Fleming provided \$20,000 to Meyer and
5 Respondents after meetings with them in April 2010. On April 23, 2010, Meyer and Bruce
6 Mock drove to Grants Pass to meet with the Van Horns. They left with a check for \$100,000,
7 and Van Horn later provided an additional \$100,000 to the gold project. On April 24, 2010,
8 Meyer and both Respondents met with Fleming in a Portland restaurant and convinced him to
9 participate as well. The Ghana gold project failed, the investors lost all of their funds, and Meyer
10 was convicted and sent to prison for his part in the scheme. Bruce Mock pled guilty to two
11 securities charges on an Alford plea, still claiming he had done nothing wrong.

12 26. The Division's case against Respondents rests on three points. The Ghana gold
13 project was an "investment contract" and therefore a security under Oregon law. Second,
14 Respondents are not entitled to an exemption from the Oregon securities law under the facts of
15 this case. Finally, Respondents offered unregistered securities and acted as unlicensed
16 salespersons, thereby violating Oregon law.

17
18 **I. The Ghana gold project was a security under Oregon law.**

19
20 27. ORS 59.015(19) defines a "security" under Oregon law. DFCS contends that the
21 project was an investment contract. The language of the statute includes an investment contract
22 as a type of security:

23
24 (19)(a) "Security" means a note, stock, treasury stock, bond, debenture, evidence
25 of indebtedness, certificate of interest or participation in a pension plan or profit-



1 sharing agreement, collateral-trust certificate, preorganization certificate or
2 subscription, transferable share, *investment contract*, voting-trust certificate,
3 variable annuity, certificate of deposit for a security, certificate of interest or
4 participation in an oil, gas, or mining title or lease or in payments out of
5 production under such title or lease, real estate paper sold by a broker-dealer,
6 mortgage banker, mortgage broker or a person described in subsection (1)(b) of
7 this section to persons other than persons enumerated in ORS 59.035 (4), or, in
8 general, any interest or instrument commonly known as a “security,” or any
9 certificate of interest or participation in, temporary or interim certificates for,
10 receipt for, guarantee of, or warrant or right to subscribe to or purchase any of the
11 foregoing.

12 (b) “Security” does not include:

13 (A) An insurance or endowment policy or annuity contract, other than a variable
14 annuity contract, under which an insurance company promises to pay a fixed or
15 variable sum of money either in a lump sum or periodically for life or some other
16 specified period;

17 (B) A beneficial interest in a voluntary inter vivos trust unless the trust is created
18 solely for the purpose of voting or is part of an attempt to evade the provisions of
19 ORS 59.005 to 59.451; or

20 (C) A beneficial interest in a testamentary trust.

21 (Emphasis added).

22
23 28. Although an investment contract is a security under Oregon law, the statute does not
24 define what an investment contract is. The Oregon Supreme Court, however, has provided the
25 definition. There are four criteria to an investment contract under Oregon law:

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- 1. an investment of money (or money’s worth),
- 2. in a common enterprise,
- 3. with an expectation of profit,
- 4. to be made through the management and control of others.

Computer Concepts, Inc. v Brandt, 310 Or 706, 714 (1990)(quoting *Pratt v. Kross*, 276 Or 483, 497 (1976)). When the facts of the current case are examined under the court’s definition agree with DFCS that the Ghana gold project was an investment contract.

29. **1. An investment of money.** The evidence establishes that Van Horn provided \$200,000 to Meyer and Respondents. Meyer and Bruce Mock received an initial check in the amount of \$100,000 when they drove to Grants Pass on April 22, 2010. Later, Van Horn added additional contributions of \$30,000 and \$70,000, for a total of \$200,000. Similarly, Fleming gave Meyer and Respondents a check for \$20,000. DFCS has proved that there was an investment of money by the participants.

30. **2. A common enterprise.** Under Oregon law, there appear to be two ways to establish the common enterprise component of the investment contract test. One is called “vertical commonality” and the other is “horizontal commonality.” The Oregon Supreme Court has stated:

[T]he only remaining question is whether defendants and plaintiffs were engaged in a “common enterprise.” Federal courts have taken two differing views of what constitutes a common enterprise, “horizontal” and “vertical” commonality. Horizontal commonality requires more than one investor and requires a pooling of investments. [Citations and application to the facts of that case omitted].

Vertical commonality has, in turn, been defined in more than one way. Some courts hold that the investor need prove only dependence on promoter expertise. [Citations omitted]. Others require a showing that the investment is interwoven with and dependent on the fortunes of others, so that the investor and the promoter can be said to conduct a common venture. * * * A variation of the latter vertical commonality test requires that the fortunes of the investor and the promoter be intertwined as to both profit and loss.

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1 *Computer Concepts, Inc. v. Brandt*, 310 Or 706, 714-15 (1990).

2 The Court applied the “common enterprise” principles to the facts in *Brandt* and noted:

3 [I]f plaintiffs had exercised the option, they would have shared the promoters’
4 risk of loss to the extent of over \$200,000; they would have given up the right to
5 demand its return. Plaintiffs also would have also shared the promoters’
6 opportunity to make a profit from the film. That arrangement supplies the
7 common enterprise element of the investment contract test, under a vertical
8 commonality theory.

9 310 Or at 716. While the court in *Brandt* applied vertical commonality and concluded that the
10 facts did not warrant the application of horizontal commonality (the pooling of the funds of
11 multiple investors), the horizontal commonality principle has also been followed in Oregon.
12 *Black v. Corporation Division*, 54 Or App 432, 441 (1981).

13 31. Under either vertical or horizontal commonality, DFCS established there was a
14 common enterprise in this case. Horizontally, the evidence shows that the funds from Van Horn
15 and Fleming—and others, based upon the investors list in Exhibit A4 at 19—were pooled into a
16 common fund at MaverickVision. Vertically, Van Horn and Fleming were in a position where
17 they would have shared in the profits of a successful return on the investment and, as events
18 showed, they also shared in the losses as well. A common enterprise has been established.

19 32. **3. An expectation of profit.** Both Van Horn and Fleming were promised a
20 substantial return on their investments, including a return of the initial amount invested plus
21 additional sums initially, followed by additional sums with each successful importation of gold
22 from Ghana. Van Horn was promised a return and a large profit within 12 months. There was
23 clearly an expectation of profit from the venture.

24 33. **4. Management and control by others.** This factor looks to whether the
25 investors, in this case Van Horn and Fleming, had any control over the process of obtaining and
26 selling the gold. DFCS contends that neither Van Horn nor Fleming had any control over the



1 process, and that it was being managed by Meyer and Respondents. I agree.

2 34. Meyer and Respondents offered to let Van Horn and/or Fleming go to Africa on a
3 future trip to observe the process. However, even if they had agreed and traveled to Africa, there
4 is no evidence to show that either Van Horn or Fleming had any say in how the process was
5 carried out. It was entirely accurate for Meyer and Respondents to tell them that the return on
6 the investments would be “passive income.”

7 35. The evidence establishes all of the criteria of an investment contract, which is a
8 security under Oregon law.

9

10 **II. Respondents offered unregistered securities in Oregon.**

11 36. There are two issues that are part of this inquiry: whether there was an unregistered
12 security and whether Respondents offered the security.

13 37. *An unregistered security.* As noted above, the Ghana gold project offers made to
14 Van Horn and Fleming were investment contracts and, therefore, securities under Oregon law.
15 Furthermore, Respondents and Meyer never registered this or any other offer with DFCS. The
16 Division established that the Ghana gold project was an unregistered security.

17 38. *There was an offer.* ORS 59.015(13) states in part:

18 (13) “Offer” or “offer to sell” includes every attempt or offer to dispose of, or
19 solicitation of an offer to buy, a security or interest in a security for value.

20 This statute, as DFCS notes, is written broadly to include “every attempt or offer * * * or
21 solicitation of an offer” to purchase a security.

22 39. The evidence indicates that Respondents offered the Ghana gold project investment
23 contracts as DFCS alleges. Bruce Mock accompanied Meyer to make the sale to Van Horn, and
24 actively participated in the conversation that led to Van Horn providing the first check, and then
25 later providing an additional \$100,000 to the project. Both Respondents were involved in the
26

In the Matter of Casey A. Mock, DFCS Case No.: S-12-0003-1 OAH Case No. 1202893.

In the Matter of Bruce R. Mock, DFCS Case No.: S-12-0003-2 OAH Case No. 1202894.





1 sales pitch to Fleming on April 24, 2010, with Bruce Mock describing their expertise with gold
2 importation and Casey Mock telling Fleming that the offer was “legit” and that he could not
3 afford to pass up the opportunity.

4 40. Respondents argued that, while the evidence points to a relationship between Meyer
5 and the investors such as Van Horn and Fleming, the Respondents were just fulfilling a
6 contractual obligation to Meyer and were not involved in the offering of the investment contract.
7 Respondents’ argument is without merit.

8 41. Although it appears that Meyer was the primary salesperson in the Ghana gold
9 project, the presence of Bruce Mock in the sales meeting with the Van Horns, and both
10 Respondents in the meeting with Fleming were important in both the presentation and the
11 ultimate acceptance of the offers. As DFCS argues, there is nothing in the statute that indicates
12 there can only be one person making the offer. Here, Respondents were offering the
13 unregistered securities along with Meyer. This result is logical because, as will be addressed
14 more fully below, the Joint Venture Agreement required them to “work to help secure any
15 further money, on a best efforts basis.”

16 42. The evidence establishes that Bruce Mock offered an unregistered security to Van
17 Horn, and that both Respondents offered unregistered securities to Fleming.

18
19 **III. Respondents acted as unlicensed salespersons.**
20

21 43. ORS 59.015(18) states in part:
22

23 (a) “Salesperson” means a person, other than a broker-dealer, who represents or
24 purports to represent a broker-dealer, issuer or owner of securities in effecting or
25 attempting to effect in any manner transactions in securities.

26 44. The evidence once again shows that neither Bruce nor Casey Mock were licensed by



1 DFCS as salespersons. (Ex. A18). The primary issue is whether they acted as salespersons in
2 the offers to Van Horn and Fleming.

3 45. Respondents met the definition of salesperson in two ways—directly and indirectly.
4 As the extensive quotations from the meetings with Van Horn and Fleming (found in the
5 Findings of Fact) show, Bruce Mock was directly involved in the sales pitch to Van Horn, and
6 both were involved in the pitch to Fleming. However, they also attempted to effect the
7 transactions in other ways, as noted in these examples: they entered into the Joint Venture
8 Agreement with MaverickVision; they received amounts from Meyer for their assistance in the
9 sales job; Casey Mock went to Ghana with Meyer and told investors about his expertise with the
10 gold buyers in New York; and Bruce Mock contacted Van Horn’s bank without permission,
11 trying to free up an additional \$70,000 in funds for Van Horn to invest.

12 46. The evidence establishes that Bruce Mock acted as an unlicensed salesperson in the
13 Van Horn transaction, and both Respondents acted as unlicensed salespersons in the Fleming
14 transaction.

15
16 **IV. Respondents’ arguments are without merit.**

17
18 47. Throughout the hearing and argument, Respondents took the position that they were
19 essentially innocent bystanders in Meyer’s offers of investment contracts to Van Horn, Fleming
20 and others. Respondents argued that Carr and Redulla were Meyer’s partners, and that all
21 Eureka Ridge was doing was contracting for a small part of the process—the importation and
22 sale of the gold in New York.

23 48. There are many pieces of evidence in the record to show that both Respondents were
24 much more involved in the Ghana gold project and the offers to Van Horn and Fleming than they
25

26



1 now admit.² The three most important in my analysis are: 1) the language of the Joint Venture
2 Agreement; 2) the list of investors (and the assignments of Meyer and the Respondents to follow
3 up with them); and 3) the comments made by Respondents at the meetings with Van Horn and
4 Fleming.

5 49. ***The Joint Venture Agreement.*** Although Respondents seek to portray the Ghana
6 gold project as Meyer’s project, with Respondents only becoming involved when the gold
7 reached the United States, the agreement between MaverickVision and Eureka Ridge shows a
8 much larger involvement by Respondents. As an example, it states:

9 12) Upon completion of said transaction, and as nearly simultaneously with the
10 wiring of funds described in item 11 above as possible, *MaverickVisions and*
11 *Eureka shall divide the profit, if any, from the transaction in the following*
12 *manner[.]*

13 * * * * *

14 20) Both parties agree to work in good faith and to provide their very best efforts
15 to complete this contract. It is understood that MaverickVisions does have the
16 required funds from selective investors who will provide additional capital as
17 required up to a set ceiling. *Both parties agree to work to help secure any further*
18 *money, on a best efforts basis.*

19 (Ex. R1; emphasis added). Rather than being paid a specific sum for their alleged expertise in
20 importing gold from Africa, Respondents were to share in the profits of the project, and were to
21 work to help secure additional investors and funds. Respondents were clearly active participants
22 in the project, even if Meyer was the primary instigator.

23 50. ***The List of Investors.*** Exhibit A4 at 19 is a list of investors and potential
24 investors that Meyer and Respondents put together to raise additional money for the Ghana gold
25 project. There are several investors listed on there, including Fleming and Van Horn, with a list

26 ² The fact that Casey Mock was not charged in the Van Horn case notwithstanding, some of the evidence shows that both Respondents were involved in the process of raising funds for the Ghana gold project.

1 of “our contacts” included. The document lists “Andrew and Paul” as the contacts for Van Horn,
2 and “Cedric” for Fleming. Next to Fleming’s name is “\$20,000” and next to Van Horn’s name is
3 “\$100,000 + \$30,000.”³ Each name on the list has a “party responsible for next action,” with the
4 names Andrew, Casey, Bruce or Kathy listed as the responsible party.

5 51. As with the joint venture agreement, this document shows that Respondents were
6 very involved in contacting other potential investors to provide money for the Ghana gold
7 project. It was not just Meyer’s project; it was a joint venture between Meyer’s company and
8 theirs.

9 52. ***The Meetings with Van Horn and Fleming.*** There is no dispute that Bruce
10 Mock went with Meyer to meet Van Horn in Grants Pass on April 23, 2010, and that both
11 Respondents were present at the meeting with Fleming on April 24, 2010.

12 53. Bruce Mock contends that he went with Meyer, believing that he was going to meet
13 with one of the “principals” of MaverickVision to pick up a check from him. There is some
14 support for that position, because Van Horn had a cashier’s check for \$100,000 ready to give to
15 Meyer, based upon their previous phone conversation. However, despite Van Horn’s initial
16 willingness to participate, the transcript of the April 23, 2010 meeting shows that Bruce Mock
17 actively participated in selling the idea to Van Horn—to the point that Van Horn gave Meyer the
18 initial cashier’s check and agreed to invest an additional \$100,000. Mock described his history
19 and expertise with mining gold and diamonds in Africa, his knowledge and experience with gold
20 buyers in New York City, indicated he would be handling the “details” while Meyer and Casey
21 Mock were out of the country, told them it was a good time to invest in gold, that there was no
22 risk, and that the Van Horns need do nothing because their involvement was “passive.” Meyer
23 and Mock referred to each other as “partners.” (Test. of Van Horn).

24
25 _____
26 ³ This portion of the list was apparently prepared before Van Horn obtained the additional \$70,000 as a





1 54. The most telling aspect of the meeting with Van Horn, though, took place after the
2 meeting was over:

3

4 BM: *How big is the check?*

5 AM: *Hundred grand.*

6 BM: (Inaudible) *Congratulations. This is our first one.*

7 AM: *Yeah.*

8 BM: (Inaudible) *that went smooth, man, that was good, they were ready, they*
9 *didn't need to be sold, they were sold.*

10 AM: *Yeah, and I—and I (inaudible)—*

11 BM: *That's our first one, good, uh—*

12 AM: *And I—and I just (inaudible) this was the right thing, you were negotiating*
13 *this morning with your—your partner and things (inaudible) I'm working on*
moving out of the house there.

14 BM: *Yeah (inaudible)*

15 AM: *This is our final (inaudible)*

16 BM: *Inaudible*

17 AM: *Yeah, (inaudible) and I don't want her to know that I got this money, right*
18 *now all I want to do is move everything out of the house (inaudible) she's asked*
19 *me to stuff out, so I want to move it out of the house, um.*

20 BM: *Now we gotta a little bit of room (inaudible)*

21 (Ex. A11; emphasis added). Although Bruce Mock testified that he believed the Van Horns were
22 already existing principals in MaverickVision, that testimony is not credible in light of his clear
23 understanding, in the car after the meeting, that the Van Horns were the “first one” to invest in
24 their Ghana gold project. While Van Horn had obtained a cashier's check in contemplation of
25

26 credit line on his house.

1 Meyer’s visit—based upon the phone call with Meyer the night before—that check was not in
2 Meyer’s possession until he and Bruce Mock presented their sales pitch on April 23. That sales
3 pitch caused Van Horn to give the initial \$100,000, followed by an additional \$100,000.

4 55. In the Fleming meeting the next day, both Respondents were present along with
5 Meyer to convince Fleming to invest in the gold project. While Casey Mock testified that he sat
6 at the end of the table and did not participate in the meeting, the transcript of the meeting, quoted
7 at length in the Findings of Fact, shows that both Respondents actively participated in the sales
8 pitch to Fleming.

9 56. For instance, Casey Mock described his allegedly extensive experiences in Sierra
10 Leone and with importing gold and diamonds into the United States, and told Fleming “you can’t
11 afford not to do this.” He described it as a “legit” deal. Bruce Mock indicated that his partners
12 in Africa were guarding the gold, and emphasized his son’s close relationship with the bankers
13 and gold dealers in New York City, and pressed Fleming to invest in the project.

14 57. The totality of the evidence shows that both Respondents were involved in the Ghana
15 gold project. Their remonstrations otherwise are without merit.

16
17 **V. Respondents are not entitled to claim exemptions.**

18 58. Respondents’ argument about entitlement to an exemption is as follows:

19 * * * Also, Casey Mock would also be exempt under ORS 59.035(1)(2)(a)(b) and
20 (12)(a)(A)(B)(C)(D) and (E) [i.e. not an issuer]; (B) – [Not more than 10
21 purchasers within the state in 12 months]; (C) – [no commissions or other
22 remuneration paid directly or indirectly in connection with the offer or sale of the
23 securities]. Casey Mock did not receive anything, his father later received,
24 reimbursement for expenses to set up import/export, travel expenses to receive
25 gold when driving in the U.S. only, per the contract with Meyer. (D) – [no public
26 advertising or general solicitation on the part of Casey Mock or Bruce Mock]; and
(E) – [no application filed for registration at the time of (alleged) offer of a
security].



1 (Respondents' Argument at 2).⁴

2

3 59. ORS 59.035 states in part:

4

Transactions exempt from registration. The following transactions are exempt from ORS 59.049 and 59.055 if they are not part of an attempt to evade fraudulently any provision of the Oregon Securities Law:

6

* * * * *

7

(12)(a) Any transactions in securities by an offeror within or without this state that *meet all of the requirements of subparagraph (A) or (B) of this paragraph and all of the requirements of subparagraphs (C), (D) and (E) of this paragraph:*

8

(A) When the offeror is an issuer, the transactions result in not more than 10 purchasers within this state of securities of the issuer during any 12 consecutive months.

9

10

(B) When the offeror is a nonissuer the securities must have been bought and held for at least 12 consecutive months and the transactions result in not more than 10 purchasers within this state of securities from the nonissuer during any 12 consecutive months.

11

12

(C) No commission or other remuneration is paid or given directly or indirectly in connection with the offer or sale of the securities.

13

(D) No public advertising or general solicitation is used in connection with any transaction under this exemption.

14

(E) At the time of any transaction under this exemption the offeror does not have under the Oregon Securities Law an application for registration or an effective registration of securities which are part of the same offering.

15

16

(b) In connection with transactions under paragraph (a) of this subsection:

17

(A) Purchasers of securities of the offeror registered under ORS 59.065, exempt under ORS 59.025, exempt under any other subsection of this section, or for which a notice has been filed under ORS 59.049, are not counted as purchasers under this exemption.

18

19

(B) Repeat transactions with persons who are counted as purchasers within Oregon under paragraph (a) of this subsection do not increase the number of purchasers. However, a purchaser remains a purchaser for 12 months following the month of the last sale to that purchaser.

20

21

(C) No limitations are placed on the number of transactions or purchasers without this state. No limitations are placed on the number of offers under this exemption.

22

23

24

25

⁴ DFCS points out that the reference to ORS 59.035(1)(2) was an error on Respondent's part, and that they were probably referring to subsection (12) of that statute. In context, The ALJ agreed and will address the argument with that statute in mind.

26



1 (Emphasis added). To establish entitlement to an exemption, Respondents must show that they
2 meet the criteria of *either* (A) or (B) and *all of* (C), (D) and (E). Respondents have the burden of
3 proof to establish an exemption. ORS 59.275 states:

4

5 **Burden of proof.** It is not necessary to negative any of the exemptions or
6 classifications provided in the Oregon Securities Law in a complaint, action,
7 information, indictment or other writ or proceeding laid or brought under the
8 Oregon Securities Law; and the burden of proof of an exemption or classification
9 shall be upon the party claiming the benefit of such exemption or classification.

8

9 Although Respondents have claimed the exemption in their argument, they neither presented any
10 evidence nor argued the specific evidence in the record they rely upon in claiming the
11 exemption.

12 60. Respondents have the burden under the statute to prove that the exemption they seek
13 is “not part of an attempt to evade fraudulently any provision of the Oregon Securities Law.” In
14 a case where the primary offeror went to prison for violating the Oregon Securities Law, this
15 would require more than just an assertion that there was no fraud.

16 61. Respondents argue that there were no more than ten investors in the state within a 12-
17 month period, in an attempt to satisfy subsection (12)(a)(B) of the exemption statute. However,
18 remembering their burden of proof, there is insufficient evidence to establish that allegation. The
19 list of investors and potential investors discussed in this order far exceeded ten; there is no
20 evidence to show how many invested in the calendar year, or where they were located.

21 62. Additionally, Respondents are not entitled to an exemption because they fail to meet
22 the standards set forth in ORS 59.035(12)(a), sections (C), (D) and (E). On subsection (C) alone,
23 the bid for an exemption fails. Respondents claim that no commission was paid to them for their
24 involvement in the Ghana gold project. However, there was clearly “other remuneration” in the
25 form of payment of Respondent’s expenses, which were clearly “in connection with the sale of
26

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



1 securities.” Also, the introduction fees paid to Redula and Carr, as well as the introduction fees
2 offered to Van Horn and others if they introduced new investors to the Ghana gold project,
3 would probably be considered commissions and were certainly “other remuneration” if not
4 commissions.

5 63. Turning to subsection (D), Respondents have not proved that there were no general
6 solicitations or advertising done for the Ghana gold project. DFCS follows the general rule set by
7 the SEC that there must be a pre-existing substantive business relationship between the issuer
8 and the investor. With both Van Horn and Fleming, and perhaps with many others (it being
9 Respondents’ burden of proof), there was no substantive business relationship between the
10 investors and Meyer or Respondents. Subsection (D) has not been met.

11 64. For these reasons, Respondents have failed to establish entitlement to an exemption in
12 this case.

13 **VI. The sanctions sought by DFCS are appropriate.**

14 65. ORS 59.995 authorizes the imposition of civil penalties of up to \$20,000 per
15 violation, to a maximum of \$100,000. DFCS asserts that Bruce Mock offered unlicensed
16 securities on two occasions and acted as an unlicensed salesperson on two occasions, and that
17 Casey Mock violated each statute once. DFCS imposed an \$80,000 aggregate civil penalty on
18 Bruce Mock and a \$40,000 aggregate civil penalty on Casey Mock. The ALJ reviewed the
19 evidence in the case and, in that context, found that the civil penalties the agency sought to
20 impose are reasonable and within its authority.

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



21 IV. ORDER
22

23 Based on the foregoing, the Director issues the following ORDERS:

24 Order to Cease and Desist
25

26 66. Pursuant to the authority of ORS 59.245, the Director ORDERS Casey Mock to

In the Matter of Casey A. Mock, DFCS Case No.: S-12-0003-1 OAH Case No. 1202893.

In the Matter of Bruce R. Mock, DFCS Case No.: S-12-0003-2 OAH Case No. 1202894.



1 CEASE AND DESIST from:

- 2 a. Offering and/or selling securities without a license in violation of ORS 59.165;
- 3 b. Offering and/or selling unregistered securities in the State of Oregon in violation
- 4 ORS 59.055; and
- 5 c. Violating any provision of the Oregon Securities Laws, including ORS Chapter
- 6 59 and OAR Chapter 441;

7 67. Pursuant to the authority of ORS 59.245, the Director ORDERS Bruce Mock to

8 CEASE AND DESIST from:

- 9 a. Offering and/or selling securities without a license in violation of ORS 59.165;
- 10 b. Offering and/or selling unregistered securities in the State of Oregon in violation
- 11 ORS 59.055; and
- 12 c. Violating any provision of the Oregon Securities Laws, including ORS Chapter
- 13 59 and OAR Chapter 441.

14
15 Order Denying Exemptions to the Securities Registration Requirements

16 68. Pursuant to the authority of ORS 59.045, the Director ORDERS Casey Mock and any
17 entities owned or affiliated with Casey Mock to be DENIED THE USE OF ANY
18 EXEMPTIONS that would otherwise be available to them under ORS 59.025 and ORS 59.035.

19 69. Pursuant to the authority of ORS 59.045, the Director ORDERS Bruce Mock and any
20 entities owned or affiliated with Bruce Mock to be DENIED THE USE OF ANY
21 EXEMPTIONS that would otherwise be available to them under ORS 59.025 and ORS 59.035.

22 Order Assessing Civil Penalty

23 70. Pursuant to the authority of ORS 59.995, the Director assesses a \$40,000 (forty
24 thousand dollars) CIVIL PENALTY against Casey Mock as follows:

- 25 a. \$20,000 (twenty thousand dollars) for the violations of ORS 59.055 (offering and

26

1 selling unregistered securities).
2 b. \$20,000 (twenty thousand dollars) for the violations of ORS 59.165(1) (selling
3 securities without a license).
4 71. Pursuant to the authority of ORS 59.995, the Director assesses an \$80,000 (eighty
5 thousand dollars) CIVIL PENALTY against Bruce Mock as follows:
6 c. \$40,000 (forty thousand dollars) for two violations of ORS 59.055 (offering
7 unregistered securities).
8 d. \$40,000 (forty thousand dollars) for two violations of ORS 59.165(1) (selling
9 securities without a license).

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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



1 V. AUTHORITY OF THE DIRECTOR TO SEEK OTHER REMEDIES UNDER
2 OREGON LAW
3

4 72. This Order is a Final Order under ORS 183.310 (6)(b). Subject to that provision, the
5 entry of this Order does not limit other remedies that are available to the Director under Oregon
6 law.

7
8 IT IS SO ORDERED.

9 Dated this 24th day of February, 2014, at Salem, Oregon.

10
11 PATRICK M. ALLEN, Director
12 Department of Consumer and Business Services

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

17 NOTICE OF RIGHT TO APPEAL

18 Pursuant to ORS 59.305, a person aggrieved by an Order of the Director of the Department of
19 Consumer and Business Services which has been the subject of a timely application for a hearing
20 before the director shall be entitled to judicial review of the order under ORS chapter 183. If you
21 wish to appeal the final order, you must file a petition for review with the Oregon Court of Appeals
22 within 60 days after the final order is served upon you. *See* ORS 183.480 *et seq.*

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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) 378-4387

