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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:) **S-13-0044**
)
Anderson Heights Development LLC) **ORDER TO CEASE AND DESIST,**
) **ORDER ASSESSING CIVIL**
) **PENALTY, AND CONSENT TO**
) **ENTRY OF ORDER**
Respondent.)
)
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)
)

WHEREAS, the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”), as authorized by the Oregon Securities Law, Oregon Revised Statutes (“ORS”) Chapter 59, has conducted an investigation of Anderson Heights Development LLC (“AHD”); and

WHEREAS AHD, without admitting or denying the findings of fact and conclusions of law stated hereinafter, wishes to resolve and settle this matter with the Director;

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

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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





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I.

FINDINGS OF FACT

The Director FINDS that:

1. AHD is a Washington Limited Liability Company formed on or about June 29, 2007 for the purpose of developing and selling residential subdivision lots in South Richland, Washington (hereinafter referred to as the “Anderson development project”).
2. In 2008, AHD raised approximately \$2,400,000 from approximately 25 Oregon investors to fund the Anderson development project.
3. At the time of their investment, each investor received a promissory note. As outlined in the promissory notes, each investor was to receive a rate of return on their investment of between 8.5 to 9.5 percent, with the repayment of the principal investment and final interest payment due no later than December 31, 2012.
4. On or about September 15, 2011, each investor was provided with a security interest in the Anderson development project property.
5. The investments sold by AHD were not registered with the State of Oregon.

II.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

6. The investments offered and sold by AHD, as described herein, meet the definition of a note in Oregon, and as such, are considered a “security” under ORS 59.015(19)(a).
7. AHD offered and sold unregistered securities in Oregon in violation of ORS 59.055.

III.

ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

Order to Cease and Desist

8. Pursuant to ORS 59.245(4), the Director hereby ORDERS AHD to CEASE AND



1 DESIST from:
2 a. Selling unregistered securities in the State of Oregon in violation ORS 59.055; and
3 b. Violating any of the provisions of the Oregon statutes and administrative rules regulating
4 securities; ORS Chapter 59, and Oregon Administrative Rules (“OAR”) Chapter 441.

5 Order Assessing Civil Penalty

6 9. As authorized by ORS 59.995, the Director may assess a CIVIL PENALTY in any
7 amount determined by the Director of not more than \$20,000 for each violation of ORS Chapter
8 59. Under this provision, the Director hereby assesses AHD a CIVIL PENALTY in the amount
9 of \$60,000 for violating ORS 59.055 by offering and selling unregistered securities in the State
10 of Oregon.

11 10. Given AHD’s repayment of each investor’s principle investment, proof of which has
12 been provided to DFCS, the Director agrees to SUSPEND the collection of \$48,000 of the
13 \$60,000 CIVIL PENALTY assessed herein providing that AHD complies with all terms and
14 conditions set out in this Order and commits no new violations of the Oregon statutes and
15 administrative rules regulating securities; ORS Chapter 59 and OAR Chapter 441.

16 11. The remaining \$12,000 of the \$60,000 CIVIL PENALTY shall be due and payable
17 within 30 days from the date of this Order.

18 12. If AHD complies with all of the terms and conditions set out in this Order and commits
19 no new violations during the five-year period from the date of this Order, the Director WAIVES
20 the collection of the suspended CIVIL PENALTY assessed herein.

21 13. The Director reserves the right to immediately impose the suspended CIVIL PENALTY
22 upon a determination that AHD has violated any term of this Order.

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1 14. The entry of this Order in no way limits further remedies which may be available to the
2 Director under Oregon law.

3 IT IS SO ORDERED.

4 Dated this 17th day of January, 2014, at Salem, Oregon.

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

7
8 /s/ David Tatman
9 David C. Tatman, Administrator
10 Division of Finance and Corporate Securities

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CONSENT TO ENTRY OF ORDER

I, Steve Jossi, state that I am the Manager of Anderson Heights Development LLC (“AHD”), and I am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the contents hereof; that I and AHD have been advised of the right to a hearing and of the right to be represented by counsel in this matter; that AHD, voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving any right to a hearing in this matter; that AHD, executes this Order as a settlement of the matters referred to in the foregoing Order; that AHD understands 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 AHD will fully comply with the terms and conditions stated herein.

AHD understands that this Order is a public document.

By: /s/ Steve Jossi
Signature

By: Steve Jossi
Printed Name

Office Held: Manager

ACKNOWLEDGMENT

State of Oregon

County of Clackamas

There appeared before me this 10th day of January, 2014, Steven Jossi, who was first duly sworn on oath, and stated that he/she was and is an officer of AHD, and that he/she is authorized and empowered to sign this Order on behalf of AHD, and to bind it to the terms hereof.

/s/ Kristin Rose Zubel
Signature of Notary Public

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