

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

In the Matter of

Case No. S-13-0065

KYLE E. HIGGINS,

FINAL ORDER TO CEASE AND  
DESIST, DENYING EXEMPTIONS,  
AND ASSESSING CIVIL PENALTY  
AND CONSENT TO ENTRY OF  
ORDER

Respondent.

The Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”), acting by the authority of the Oregon Securities Law, Oregon Revised Statutes Chapter 59, has conducted an investigation of Kyle E. Higgins (“Higgins”) and concluded that violations of Oregon law had been committed.

Higgins, without admitting or denying the below Findings of Fact and Conclusions of Law, wishes to resolve this matter with the Director;

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

I. FINDINGS OF FACT

The Director FINDS that:

1. Kyle E. Higgins' ("Higgins") last known address is 18403-NW Chemeketa Lane, Apartment B; Portland, Oregon 97229. At all times relevant to this matter herein, Higgins was a resident of Oregon and conducted all business relevant to the matter herein while in Oregon.

2. The Oregon Division of Finance and Corporate Securities (“DFCS”) has no records of Higgins ever having been licensed by any federal or state government-agency to offer or sell securities. Furthermore, DFCS has no record of registration for the

Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
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1 investment opportunity discussed below being offered by Higgins to Oregon consumers.

2 3. From approximately July 2009 to November 2009, Higgins introduced three  
3 Oregon consumers to Cliff Puterbaugh dba The Wealth Keys (“Puterbaugh”). Puterbaugh  
4 obtained at least \$135,000 in investments from these Oregon consumers allegedly to be  
5 used by Puterbaugh for expenses associated with establishing a training platform.

6 4. As a result of such investment activities, Puterbaugh has been convicted of  
7 racketeering and aggravated theft in the first degree, both Class C felonies, in the Circuit  
8 Court for the State of Oregon for the County of Washington, Case No. C121659CV, and  
9 has been sentenced to a term of imprisonment of 48 months.

10 5. Higgins has been convicted of attempted sale of securities by an unregistered  
11 person, a Class C felony, in the Circuit Court for the State of Oregon for the County of  
12 Washington, Case No. C1216591R, and has been ordered to pay restitution of \$18,000 by  
13 the end of his five-year probation period.

14 *JL*

15 6. The individual hereinafter identified as JL was, at all times material herein, a  
16 resident of Oregon.

17 7. On or about July 17, 2009, Higgins introduced JL to Puterbaugh at a  
18 restaurant in Beaverton, Oregon. Subsequently JL invested a total of \$100,000 with  
19 Puterbaugh.

20 8. To date, JL has not received the promised return on the investment or the  
21 return of the principal investment.

22 *PS*

23 9. The individual hereinafter identified as PS was, at all times material herein, a  
24 resident of Oregon.

25 10. On or about July 17, 2009, Higgins introduced PS to Puterbaugh via  
26 conference call. Subsequently PS invested a total of \$20,000 with Puterbaugh.



1 11. To date, PS has not received the promised return on the investment or the  
2 return of the principal investment.

3 *JB*

4 12. The individual hereinafter identified as JB was, at all times material herein, a  
5 resident of Oregon.

6 13. In or around August or September 2009, Higgins introduced JB to Puterbaugh  
7 at a restaurant in Beaverton, Oregon.

8 14. On or about October 29, 2009, JB wired \$10,000 to Puterbaugh and had a  
9 \$5,000 cashier's check issued to Puterbaugh.

10 15. To date, JB has not received the promised return on the investment or the  
11 return of the principal investment.

12  
13 **II. CONCLUSIONS OF LAW**

14 The Director CONCLUDES that:

15 16. The investments with Puterbaugh meet the definition of an investment  
16 contract and/or evidence of indebtedness in Oregon, and as such, are considered a  
17 “security” under ORS 59.015(19)(a).

18 17. Higgins acted as a salesperson, as defined in ORS 59.015(18), in Oregon, by  
19 effecting or attempting to effect transactions in securities.

20 18. Higgins violated ORS 59.165 by transacting business in Oregon as a  
21 salesperson without being licensed under the Oregon Securities Law.

22 19. Higgins violated 59.055 by offering, as this term is defined in ORS  
23 59.015(13), an unregistered security in Oregon.

24  
25 **III. ORDERS**

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



*Order to Cease and Desist*

20. In accordance with ORS 59.245, the Director hereby ORDERS Higgins to CEASE AND DESIST from:

- a. Transacting business in the State of Oregon as a salesperson without being licensed in violation of ORS 59.165;
- b. Offering and/or selling unregistered securities in the State of Oregon in violation ORS 59.055; and
- c. Violating any provision of the Oregon Securities Laws, including ORS Chapter 59 and OAR Chapter 441.

*Order Denying Exemptions*

21. For a period of ten years from the date of this Order, or the date of discharge of the judgment against Higgins as set forth in the Washington County Circuit Court Case No. C1216591R set forth above, whichever is later, and pursuant to the authority of ORS 59.045, the Director ORDERS Higgins and any entities owned or affiliated with Higgins to be DENIED THE USE OF ANY EXEMPTIONS that would otherwise be available to them under ORS 59.025 and ORS 59.035.

*Proposed Order Assessing Civil Penalty*

22. As authorized by 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. In accordance with this provision, the Director hereby assesses Higgins a CIVIL PENALTY in the amount of \$25,000 for the following violations:

- a. A CIVIL PENALTY of \$12,500 for three violations of ORS 59.165(1) by transacting business in Oregon as a salesperson without being licensed.
- b. A CIVIL PENALTY of \$12,500 for three violations of ORS 59.055 by offering unregistered securities.

23. The collection of the penalty set forth in Section 22 shall be SUSPENDED so

1 long as Higgins complies with all the terms and conditions of this Order, and with the  
2 judgment as set forth in the Washington County Circuit Court Case No. C1216591R  
3 referenced above.

4 24. This Order is intended to address all activities of Higgins as they relate to the  
5 investments of JL, JB and PS as set forth above. The entry of this Order does not  
6 preclude further remedies that may be available to the Director under Oregon law for  
7 other unrelated activities of Higgins.

8 IT IS SO ORDERED.

9 Dated this 5th day of March, 2014, at Salem, Oregon.

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

12  
13 /s/ David Tatman  
14 David C. Tatman, Administrator  
15 Division of Finance and Corporate Securities

16 Approved as to form:

17 /s/ Scott Howard  
18 Scott Howard  
19 Kivel & Howard LLP

Dated: February 27, 2014

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CONSENT TO ENTRY OF ORDER

I, Kyle E. Higgins, 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/ Kyle Higgins  
Kyle E. Higgins

State of Oregon

County of Multnomah

Signed or attested before me on February, 2014 by Kyle E. Higgins.

/s/ Debra L. Riedel  
Signature of Notary Public

[seal]

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