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

In the Matter of

Case No. S-15-0007

PBS ENGINEERING AND ENVIRONMENTAL INC.,

FINAL ORDER TO CEASE AND DESIST AND ASSESSING CIVIL PENALTIES AND CONSENT TO ENTRY OF ORDER.

Respondent.

The Director of the Department of Consumer and Business Services for the State of Oregon (the "Director") has determined that PBS Engineering and Environmental Inc. ("PBS Engineering") violated certain provisions of ORS 59.005 to 59.451, 59.991 and 59.995 (the "Oregon Securities Law"); and

PBS Engineering agrees to waive its right to an administrative hearing and to resolve and settle this matter by CONSENTING to entry of this Final Order.

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

I. FINDINGS OF FACT

The Director FINDS that:

1. PBS Engineering is an Oregon corporation that was formed on or about April 30, 1984 (Business Registry # 176306-17). Its principal place of business is 4412 SW Corbett Avenue; Portland, OR 97239. Guy Neal is PBS Engineering's President.

2. On or about 2013, PBS Engineering adopted its 2013 Equity Incentive Plan (the "Plan"). The Plan granted PBS Engineering the authority to grant stock options to its employees and service providers for compensatory purposes. The stock options entitled the option holder employees to purchase shares of PBS Engineering's common stock at a

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3888
Telephone: (503) 378-4387





1 specified price (the “Exercise Price”).

2 3. On or about January 14, 2015, PBS Engineering submitted an application
3 pursuant to OAR 441-065-0270 to the Division of Finance and Corporate Securities
4 (“DFCS”) to register the stock options and common stock under the Plan. That
5 application remains pending.

6 4. In connection with that application, PBS Engineering disclosed that, on or
7 between June 26, 2013 and February 7, 2014, pursuant to the terms of the Plan it granted
8 stock options to 31 different employees and service providers – including 19 employees
9 and service providers that were located in Oregon. PBS Engineering also disclosed that as
10 of February 7, 2014, 15 of the Oregon residents have exercised their stock options and
11 purchased shares of common stock at the Exercise Price. None of the stock options or
12 common stock was registered under the Oregon Securities Law at the time they were
13 offered or sold.

14 II. CONCLUSIONS OF LAW

15 The Director CONCLUDES that:

16 5. On or between June 26, 2013 and February 7, 2014, PBS Engineering offered
17 and sold securities in Oregon that were not registered under ORS 59.065 in violation of
18 ORS 59.055.

19 III. ORDER

20 Now, therefore, the Director issues the following ORDER:

21 6. Pursuant to the authority under ORS 59.245, the Director ORDERS PBS
22 Engineering to CEASE AND DESIST from violating any provision of ORS Chapter 59
23 or Oregon Administrative Rules Chapter 441 promulgated thereunder.
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1 7. Pursuant to the authority under ORS 59.995, the Director ASSESSES a CIVIL
2 PENALTY of SEVEN HUNDRED FIFTY DOLLARS (\$750.00) against PBS
3 Engineering for its violation of ORS 59.055. The Civil Penalty is due and payable in full
4 at the time of entry of this Order.

5 8. PBS Engineering agrees that, no more than 30 days from the entry of this
6 Order, it will provide the 15 Oregon residents who purchased common shares for cash
7 consideration on or between June 26, 2013 and February 7, 2014 with a copy of this
8 Order and a letter of explanation in a form approved by the Director.

9 9. This Order is a “Final Order” under ORS 183.310(6)(b). It is not subject to
10 judicial review under ORS Chapter 183. For purposes of Rule 506(d) of the Securities
11 Act of 1933, as amended, this Final Order does not include findings that PBS
12 Engineering engaged in fraudulent, manipulative, or deceptive conduct and
13 disqualification under Rule 506(d)(1) should not arise as a consequence of this Final
14 Order.

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1 10. Subject to ORS 183.310(6)(b), the entry of this Order does not limit other
2 remedies that are available to the Director under Oregon law.

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4 IT IS SO ORDERED.

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6 Dated this 23rd day of February, 2015.

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

10
11 /s/ David Tatman
12 David C. Tatman, Administrator
13 Division of Finance and Corporate Securities

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CONSENT TO ENTRY OF ORDER BY
PBS ENGINEERING AND ENVIRONMENTAL INC.

Subject to ORS 59.135(4), by signing this Final Order, PBS Engineering and Environmental Inc. ("PBS Engineering") is attesting that it has read this Final Order and knows and fully understands its contents; and that it consents to the entry of this Final Order and will fully comply with its terms.

PBS Engineering 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.

PBS Engineering understands that this this Final Order is a public document.

Bart B. Phillips is the Chief Financial Officer of PBS Engineering and Environmental Inc. and is authorized to enter into this this Final Order on behalf of PBS Engineering and Environmental Inc.

PBS Engineering and Environmental Inc.

By: /s/ Bart B. Phillips
Signature

Bart B. Phillips
Printed name

CFO / Secretary
Position held

State of Washington

County Clark

Subscribed and sworn before me February 11, 2015.

/s/ Michelle Bartley
Notary Public

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