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

In the Matter of  
  
REBECCA E. CASTLE, also known as  
REBECCA GOINS, an individual; BLUE CASTLE  
FILMS LLC, an Oregon limited liability  
company, doing business as BLUE CASTLE  
FILMS, formerly known as BLUE CASTLE  
FILMS, LLC; ONE FOR ALL, LLC, an Oregon  
limited liability company; REBL, LLC, an  
Oregon limited liability company, and;  
CASTLE ROCK VENTURES, LTD, a Nevada  
corporation,

Case No. S-15-0014

FINAL ORDER TO CEASE AND  
DESIST, DENYING USE OF  
EXEMPTIONS, AND ASSESSING  
CIVIL PENALTIES, ENTERED BY  
DEFAULT

Respondents.

On July 13, 2015, the Director of the State of Oregon, Department of Consumer  
and Business Services (the “*Director*”), acting pursuant to the authority granted by the  
Oregon Securities Law, ORS 59.005 *et seq.*, issued Administrative Order No. S-15-0014,  
ORDER TO CEASE AND DESIST, PROPOSED ORDER DENYING USE OF  
EXEMPTIONS, PROPOSED ORDER ASSESSING CIVIL PENALTIES, AND  
NOTICE OF RIGHT TO AN ADMINISTRATIVE HEARING (the “*Notice Order*”)  
against Respondents Rebecca E. Castle, aka Rebecca Goins, Blue Castle Films LLC, dba  
Blue Castle Films, fka Blue Castle Films, LLC, One For All, LLC, REBL, LLC, and  
Castle Rock Ventures, LTD (collectively “*Respondents*”).

On July 14, 2015, the Notice Order was sent to Respondents by certified United  
States Mail, postage prepaid, to the following addresses:

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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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- A. Rebecca E. Castle, aka Rebecca Goins (“*Castle*”), at the most recent addresses identified by and for Castle: 725 E. Coyote Springs Rd., Sisters, OR 97759 (Article No. 7014 2870 0001 3527 8012); PO Box 2175, Sisters, OR 97759 (Article No. 7014 2870 0001 3527 8029), and; 295 N. Cowboy St., Sisters, OR 97759 (Article No. 7014 2870 0001 3527 8036);
- B. Blue Castle Films LLC, dba Blue Castle Films at: 725 E. Coyote Springs Rd., Sisters, OR 97759 (Article No. 7014 2870 0001 3527 8043), the principal place of business listed with the Oregon Secretary of State, Corporations Division (hereinafter “*SOS*”) for the company, and the address for Rebecca Castle, the registered agent listed with the SOS for the company; PO Box 3500, PMB 108, Sisters, OR 97759 (Article No. 7014 2870 0001 3527 8050), the business mailing address listed with the SOS for the company, and; PO Box 2175, Sisters, OR 97759 (Article No. 7014 2870 0001 3527 8067), the address listed for Rebecca Castle as the authorized representative for the company;
- C. Blue Castle Films, LLC at: 1001 SW 5<sup>th</sup> Ave., Ste. 1100, Portland, OR 97204 (Article No. 7014 2870 0001 3527 8074), the address for Jeff S. Miholer, the registered agent listed with the SOS for the company, and; PO Box 11762, Eugene, OR 97440 (Article No. 7014 2870 0001 3527 8081), the business mailing address listed with the SOS for the company;
- D. One For All, LLC at: 725 E. Coyote Springs Rd., Sisters, OR 97759 (Article No. 7014 2870 0001 3527 8098), the principal place of business listed with the SOS for the company, and; 360 SW Bond St., Ste. 400, Bend, OR 97702 (Article No. 7014 2870 0001 3527 8104), the address for SW&W Registered Agents Deschutes, Inc., the registered agent listed with the SOS for the company;



- 1 E. REBL, LLC at: PO Box 2175, Sisters, OR 97759 (Article No. 7014 2870  
2 0001 3527 8111), the principal place of business listed with the SOS for the  
3 company, and; 360 SW Bond St., Ste. 400, Bend, OR 97702 (Article No. 7014  
4 2870 0001 3527 8128), the address for SW&W Registered Agents Deschutes,  
5 Inc., the registered agent listed with the SOS for the company; and  
6 F. Castle Rock Ventures, LTD at: 1802 N. Carson St. #212, Carson City, NV  
7 89701 (Article No. 7014 2870 0001 3527 8135), a purported business address  
8 for the company, and; 311 West Third St., Carson City, NV 89703 (Article  
9 No. 7014 2870 0001 3527 8142), the address for Registered Agents of  
10 America, Inc., the registered agent listed with the Nevada Secretary of State  
11 for the company.

12 On July 14, 2015, the Notice Order was also sent to Respondents by first class  
13 mail to the addresses noted above, and by electronic mail, to the following electronic mail  
14 addresses: (1) to Castle at rcastle11@gmail.com, and; (2) to Blue Castle Films LLC, dba  
15 Blue Castle Films, and Blue Castle Films, LLC at bluecastlefilms@aol.com.

16 On July 14, 2015, the Oregon Department of Consumer and Business Services,  
17 Division of Finance and Corporate Securities (the "***Division***") also served the Notice  
18 Order on the Oregon Secretary of State, Corporations Division, via hand delivery, with  
19 respect to the following companies: Blue Castle Films LLC, dba Blue Castle Films, fka  
20 Blue Castle Films, LLC pursuant to ORS 63.121(2); One For All, LLC pursuant to ORS  
21 63.121(2); REBL, LLC pursuant to ORS 63.121(2), and; Castle Rock Ventures, LTD  
22 pursuant to ORS 60.731(2)(c) and (e).

23 In accordance with OAR 137-003-0075, the Notice Order designated the file of  
24 the Division, including all materials submitted by Respondents, as the record for the  
25 purpose of making a prima facie case in the event that the Director entered a final order  
26 against Respondents by default.

1 Respondents did not timely or properly request a hearing.

2 Now, therefore, after consideration of the record, the Director issues the following  
3 Findings of Fact, Conclusions of Law, and Final Order.

4  
5 **FINDINGS OF FACT**

6 The Director FINDS that:

7 **I. CASTLE AND HER COMPANIES**

8 **a. Rebecca E. Castle, aka Rebecca Goins**

9 1. Upon information and belief, and at all times material to this order, Castle  
10 resided at 725 E. Coyote Springs Rd., Sisters, Oregon 97759.

11 2. Beginning in or around May 2005, and continuing through October 2011 or  
12 later, Castle approached prospective investors with various “business opportunities,” and  
13 solicited such individuals to invest money in one or more of Castle’s business ventures or  
14 projects, including, but not limited to film projects, the development and marketing of  
15 suntan lotions and related products, the development and marketing of exercise  
16 equipment, and the mining of precious metals.

17 3. Castle formed various companies to further her business ventures or projects,  
18 including, but not limited to, the following: Blue Castle Films LLC, dba Blue Castle  
19 Films, fka Blue Castle Films, LLC; One For All, LLC; REBL, LLC, and; Castle Rock  
20 Ventures, LTD (collectively the “*Companies*”).

21 4. Castle raised approximately \$700,000 in funds from no less than 12 investors,  
22 many of whom were Oregon residents.

23 5. Investors received varying instruments in exchange for their funds, including,  
24 but not limited to: stock certificates for shares of stock; membership interests in one of  
25 Castle’s companies; promissory notes; and purported security interests in one or more of  
26 Castle’s mining operations.

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           6. Castle represented to investors that their funds would be used as initial and/or  
2 operating capital for her various ventures. Castle further represented that the individuals  
3 would earn a return on their investment in the form of profit from the business ventures.

4           7. None of the investors received a profit or return on their investment, and many  
5 of the investors lost most, if not all, of their principal investment.

6           8. In most instances, the funds provided to Castle from the investors were pooled  
7 by Castle in the various bank accounts under her control. Furthermore, funds provided for  
8 specific business ventures were comingled with investor funds for unrelated business  
9 ventures.

10          9. Castle used investor funds for her personal consumption, spending the funds  
11 to pay for such things as clothing and other department store purchases, food and drink,  
12 and transfers to her children and boyfriend, among other personal expenses. In addition,  
13 Castle used investor funds to pay off prior investors in both related and unrelated  
14 investments.

15          10. At all times material to this order, neither Castle nor any of her Companies  
16 were licensed to sell securities in the state of Oregon.

17          11. At all times material to this order, none of Castle's business ventures or  
18 projects were registered as securities in the state of Oregon.

19          12. Castle failed to disclose to investors that Castle and her Companies were not  
20 licensed to sell securities in Oregon, and failed to disclose to investors that the business  
21 ventures or projects in which they were investing were not registered as securities in  
22 Oregon.

23                   **b. Blue Castle Films**

24          13. In October 2003, Castle registered Blue Castle Films, LLC with the Oregon  
25 Secretary of State (registry number 177850-98). Castle was the Manager for Blue Castle  
26 Films, LLC. Its principal place of business was 725 E. Coyote Springs Rd., Sisters,



1 Oregon 97759, the personal residence of Castle. Blue Castle Films, LLC administratively  
2 dissolved in December 2005.

3 14. In November 2005, Castle registered Blue Castle Films, an assumed business  
4 name, with the Oregon Secretary of State (registry number 324238-99). Blue Castle  
5 Films, LLC was the Registrant, and Castle was the authorized representative. Its principal  
6 place of business was 725 E. Coyote Springs Rd., Sisters, Oregon 97759, the personal  
7 residence of Castle.

8 15. In October 2011, Castle registered Blue Castle Films LLC with the Oregon  
9 Secretary of State (registry number 807143-98). Castle was the registered agent and  
10 organizer for Blue Castle Films LLC. Upon information and belief, Blue Castle Films  
11 LLC was solely owned and controlled by Castle. Blue Castle Films LLC was  
12 administratively dissolved in December 2012. Blue Castle Films, LLC, dba Blue Castle  
13 Films, and fka Blue Castle Films LLC shall hereinafter collectively be referred to as  
14 “*Blue Castle*.”

15 16. Upon information and belief, Blue Castle was a company through which  
16 Castle solicited and obtained funds from investors for the alleged purpose of financing  
17 movie projects.

18 17. In soliciting funding for Blue Castle, Castle provided prospective investors  
19 with a memorandum (hereinafter the “*Blue Castle Memorandum*”) that outlined the  
20 investment opportunity; investors would provide financing for the “feature film” projects  
21 of Blue Castle, and in exchange would become a partner in the films and receive an  
22 interest in certain mineral property as collateral. The Blue Castle Memorandum  
23 represented that investors would be “double collateralized” in that their investment would  
24 be secured by an interest in both the “Motion Picture Business” and the “Precious Metals  
25 Business.” In truth and in fact, Castle failed to provide any form of collateral to the  
26 individuals who invested in her movie projects.



1 18. The Blue Castle Memorandum represented that Blue Castle Films was  
2 “composed of members with many years of successful entrepreneurial, technical, and  
3 creative experience.” The memorandum further identified specific individuals with  
4 extensive experience and expertise in the film industry, and misrepresented that such  
5 individuals were either partners in Blue Castle, or otherwise involved in the company and  
6 its operations. In truth and in fact, none of the individuals identified in the Blue Castle  
7 Memorandum were associated with Blue Castle, except for Castle. Rather, the individuals  
8 were all associated with an unrelated production company located in Burbank, California  
9 that Castle had been introduced to through an acquaintance. Castle obtained detailed  
10 information about the company and the individuals associated with the company through  
11 the company business plan and website, and used such information in the Blue Castle  
12 Memorandum without the prior knowledge or authorization of the company or the  
13 specific individuals.

14 19. Upon information and belief, Castle provided the Blue Castle Memorandum  
15 both to prospective Blue Castle investors, and to existing investors in Castle’s other  
16 ventures, to substantiate her representations that their investments would be repaid from  
17 the proceeds of other ventures, including the Blue Castle venture.

18 c. **One For All, LLC**

19 20. In March 2007, Castle registered One For All, LLC (“*One For All*”) with the  
20 Oregon Secretary of State (registry number 420533-97). Castle was a member of One  
21 For All. Its principal place of business was 725 E. Coyote Springs Rd., Sisters, Oregon  
22 97759, the personal residence of Castle. Upon information and belief, Castle had sole  
23 control of the company and was the primary person upon whom all authority for  
24 company action rested, notwithstanding the existence of other members. One For All  
25 administratively dissolved in May 2011.

26 ///



1 21. Upon information and belief, One For All was initially formed for the purpose  
2 of developing and marketing suntan lotions and related products, including but not  
3 limited to a suntan lotion product called “Hell Block,” but the company eventually was  
4 used by Castle for a number of ventures, including mining ventures.

5 22. Castle used the One For All bank account to comingle investment funds from  
6 her various business ventures.

7 23. Castle used most of the investor funds deposited into the One For All bank  
8 account for personal use and other purposes unrelated to the business venture for which  
9 the funds were invested, including but not limited to: payments to other investors;  
10 transfers to Castle and her children; clothing and other department store purchases; food  
11 and drink expenses; interstate and international travel expenses. Little, if any, of the  
12 investor funds in the One For All bank account were used for the development and  
13 marketing of suntan lotions and related products, or for the development or operation of  
14 Castle’s purported mining ventures.

15 **d. REBL, LLC**

16 24. In August 2007, Castle registered REBL, LLC (“**REBL**”) with the Oregon  
17 Secretary of State (registry number 454574-96). Castle was the organizer and manager of  
18 REBL, and its principal place of business was PO Box 2175, Sisters, Oregon 97759, the  
19 purported personal mailing address of Castle. Upon information and belief, Castle had  
20 sole control of the company and was the primary person upon whom all authority for  
21 company action rested, notwithstanding the existence of other members. REBL  
22 administratively dissolved in August 2011.

23 25. Upon information and belief, REBL was initially formed for the purpose of  
24 developing and marketing suntan lotions and related products, but the company  
25 eventually was used by Castle for a number of ventures.

26 ///



1 26. Castle used most of the investor funds deposited into the REBL bank account  
2 for personal use and other non-business purposes, including but not limited to: clothing  
3 and other department store purchases; food and drink expenses; accommodation and  
4 airfare travel expenses; spa services; and personal medical expenses. Little, if any, of the  
5 investor funds in the REBL bank account were used for investment purposes.

6 **e. Castle Rock Ventures, LTD**

7 27. In January 2009, Castle registered Castle Rock Ventures, LTD (“*Castle*  
8 *Rock*”) with the Nevada Secretary of State (entity number E0035032009-7). Upon  
9 information and belief, Castle was an owner of Castle Rock, had sole control of the  
10 company, and was the primary person upon whom all authority for company action  
11 rested, notwithstanding the existence of other owners. Upon information and belief, the  
12 registration for Castle Rock was revoked shortly after its creation for failure to provide a  
13 list of company officers and failure to pay the requisite fees.

14 28. Upon information and belief, Castle Rock was formed for the purpose of  
15 mining precious metals and minerals from mining claims allegedly owned by Castle  
16 and/or her family in Southern California.

17 **II. THE INVESTORS**

18 **a. SB**

19 29. Castle solicited the Oregon resident referred to herein as “*SB*” to invest in  
20 REBL for the purpose of financing the development and marketing of a suntan product  
21 line called “Hell Block.”

22 30. SB invested \$125,000 with Castle in August 2007, via a cashier’s check made  
23 out to REBL. In exchange for her funds, SB received 100 shares of Class B Non-Voting  
24 stock in REBL.

25 31. Prior to SB’s investment of funds with REBL, Castle represented to SB that a  
26 number of other investors had already provided initial capital for the Hell Block product,



1 but that she was looking for additional investors. In truth and in fact, the only other  
2 interest holder in REBL was One For All, a company owned and operated by Castle.

3 32. Castle provided SB with an Operating Agreement for REBL, which provided  
4 that SB would receive guaranteed payments of \$20,000 per year for the first six (6) years  
5 of the agreement, beginning on or around August 2007, for a total profit of \$120,000.

6 33. SB took a passive role in the company. SB did not have any experience in  
7 product development and marketing, and was relying solely on Castle's supposed  
8 managerial efforts and expertise to carry out the business venture.

9 34. Castle represented to SB that her investment funds would be used directly for  
10 the development and marketing of the Hell Block product. Contrary to those  
11 representations, Castle actually used most if not all of the funds invested by SB for  
12 purposes unrelated to the business venture and for personal use, including but not limited  
13 to: over \$4,000 in plastic surgery medical expenses; a trip for six to Disney World in  
14 Florida (including airfare and hotel); over \$7,000 for a cruise vacation; almost \$3,000 for  
15 jewelry; over \$750 in spa services; dietary supplements; personal utilities expenses;  
16 clothing store purchases; and food and drink purchases. Upon information and belief,  
17 none of the above-described expenses were either directly or indirectly related to the Hell  
18 Block venture.

19 35. When SB expressed concern over the status of the Hell Block product and  
20 repayment of the funds invested by SB, Castle repeatedly represented to SB that she  
21 would repay SB's investment using funds from unrelated business ventures, including  
22 mining projects, movie projects, and international fashion, fragrance, and skincare lines,  
23 Furthermore, Castle represented that she intended to purchase a financial institution in  
24 Italy, in part, to finance her various business ventures. In support of Castle's assertions  
25 regarding other business ventures, Castle provided SB with a copy of the Blue Castle  
26 Memorandum, and represented that the Blue Castle venture would yield funds sufficient



1 to repay SB's investment.

2 36. Despite Castle's repeated assurances of repayment, SB never received any of  
3 her \$125,000 initial investment back, and she did not receive any interest or other profits  
4 on her investment.

5 37. In order to pay certain medical and other personal expenses, and as a direct  
6 result of Castle's failure to return SB's investment, SB was forced to sell certain items of  
7 personal property and borrow money from her 401(k) savings, incurring substantial  
8 penalties and taxes as a result.

9 **b. PS**

10 38. The investor referred to herein as "**PS**" met Castle in 2008. Castle represented  
11 that she was experienced in a number of fields, including, but not limited to, acting,  
12 screenwriting, commercial construction, mining, and various other enterprises. Castle  
13 discussed certain business ventures she was pursuing, including the development and  
14 marketing of the Hell Block suntan product, the development and marketing of certain  
15 exercise equipment, and a supposed deal with HBO to produce a television series written  
16 by Castle.

17 39. In early 2009, Castle solicited PS to invest \$25,000 in Castle Rock for the  
18 purpose of completing aerial surveys of and updating the geological reports for Castle's  
19 mining claims located in Baker, California. Castle represented that the completion of  
20 such surveys and reports would enable her to sell the claims and/or the precious metals  
21 and minerals obtained from the mines.

22 40. PS made an initial investment of \$25,000 with Castle in January 2009, via a  
23 wire transfer from PS' bank account to the personal bank account of Castle.

24 41. In exchange for PS' initial investment, Castle represented that PS would  
25 receive a membership interest in Castle Rock, along with Castle, her father, and her step-  
26 mother.



1 42. Contrary to Castle's representations that PS' initial investment in Castle Rock  
2 would be used for purposes solely related to the mining claims, Castle actually used most  
3 of the funds invested by PS for purposes unrelated to the business venture and for  
4 personal use, including but not limited to: \$2,200 in transfers to Castle's mother's  
5 account; travel to Lake Tahoe, Malibu and Santa Monica, California; travel to Las Vegas,  
6 Nevada; clothing and other department store purchases; food and drink purchases; and  
7 other personal expenses.

8 43. Upon information and belief, Castle never obtained the aerial surveys or  
9 updated geological reports for which she represented to PS she needed the \$25,000 in  
10 funds.

11 44. Shortly after PS' initial investment, Castle solicited an additional \$200,000 in  
12 investment funds from PS for the purpose of establishing a pilot gold mining operation.  
13 Castle represented that the pilot operation was necessary in order to show other  
14 prospective investors that the mine was operational and producing. Castle represented  
15 that the \$200,000 would be used to purchase used refining equipment and for wages.  
16 Castle promised that the investment, plus profits, would be returned within 60 days, using  
17 the proceeds from the sale of the mine.

18 45. Castle further represented that she would contribute \$100,000 of her personal  
19 money to fund the pilot operation.

20 46. In reliance on Castle's representations, PS invested an additional \$97,000 with  
21 Castle in March 2009, via wire transfer from PS' bank account to the personal bank  
22 account of Castle.

23 47. Contrary to Castle's representations that PS' second investment in Castle  
24 Rock would be used for purposes solely related to establishing a pilot gold mining  
25 operation, Castle actually used most of the funds for purposes unrelated to the business  
26 venture and for personal use, including but not limited to: \$7,400 in transfers to Castle's



1 other bank accounts; \$5,800 in transfers to bank accounts belonging to Castle's mother;  
2 travel to Lake Tahoe, California; almost \$10,000 in travel expenses in Las Vegas, and  
3 Henderson, Nevada; clothing and other department store purchases; food and drink  
4 purchases; and other personal expenses.

5 48. In April 2009, PS invested an additional \$52,700 and \$15,000 with Castle, for  
6 the purchase of a dump truck and all terrain vehicle, respectively, to be used in the  
7 mining operation. Castle subsequently sold these items, and failed to deliver any of the  
8 sale proceeds to PS.

9 49. PS did not have any experience in mining, and was relying solely on Castle's  
10 supposed efforts and managerial expertise to carry out the business venture. PS never  
11 visited the mining site, and when PS requested information regarding the specific  
12 location of the mine, Castle refused to provide that information to him on the basis that it  
13 needed to be kept secret for security reasons.

14 50. Pursuant to Castle's promise to return PS' \$97,000 principal investment plus  
15 profit to him within 60 days, PS should have received a return of his investment no later  
16 than June 2009.

17 51. Castle failed to respond to PS' repeated efforts to contact Castle via telephone,  
18 instead communicating only by email, often through an account associated with Blue  
19 Castle, and evading correspondence by claiming her communication was limited due to  
20 international travel.

21 52. Beginning in approximately late 2010 and continuing through early 2013,  
22 Castle repeatedly represented to PS that she would repay PS' investment using funds  
23 from unrelated business ventures. No repayment was ever made.

24 53. PS invested an approximate total of \$200,000 in funds with Castle, thereby  
25 depleting his retirement savings account. Castle returned only \$6,000 of PS's principal  
26 investment, and never made any payments of interest or other profits to PS.



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c. DZ

54. The Oregon resident referred to herein as “DZ” met Castle in 2010. Castle solicited DZ to provide indirect financing for a movie project Castle was working on. Castle represented that DZ would earn a return of ten (10) times the amount invested, and that the investment would be repaid in no less than 30 and no more than 90 days.

55. Castle further represented that certain mines she owned in Oregon and California would serve as collateral for the funds invested in the movie project.

56. Castle represented to DZ that she needed \$7,000 in funds to help close a “mineral deal” which would result in her having access to \$50 million in funds. Such funds would then be used to finance the movie project. Castle represented that the need for the \$7,000 in funds was urgent, and that she would “lose the deal” and the chance to fund the film projects if DZ did not send the money within 24 hours. Castle promised to document the investment with a formalized agreement to “get it done swiftly, as it is priority #1,” and represented that DZ and Castle could “work out the stock stuff later.”

57. Castle did not disclose to DZ that Castle’s other business ventures, including the Hell Block suntan lotion and the mining venture in which SB and PS had invested funds, respectively, were unsuccessful. Castle further did not disclose to DZ that SB and PS did not receive a profit or other return on their investments, that SB did not receive a return of her principal investment, and that PS did not receive a return of most of his principal investment.

58. DZ invested \$6,000 with Castle on November 10, 2010, by depositing \$6,000 in cash into the personal bank account of Castle’s son.

59. In exchange for his investment, DZ received a promissory note, which provided that the investment would accrue interest at the rate of 30%, and that the principal balance, plus \$1,800 in interest, would be payable to DZ no later than February 10, 2011. Despite Castle’s representations, DZ did not receive an interest in any mines



1 allegedly owned by Castle, or any other collateral, as security for repayment of his  
2 investment.

3 60. DZ did not have any control over the use of the investment funds.

4 61. Castle failed to repay DZ his principal investment or any interest on or before  
5 the due date. When DZ inquired as to the status of repayment, Castle repeatedly told DZ  
6 that she was traveling abroad and that she would repay his investment using funds from  
7 unrelated business ventures, she just needed more time.

8 62. Between March and May 2011, DZ received a return of his principal  
9 investment via wire transfer. Upon information and belief, Castle used funds provided by  
10 another investor to repay DZ's investment.

11 **d. MC**

12 63. The Oregon resident referred to herein as "**MC**" met Castle in 2011. Castle  
13 solicited MC to finance a movie production venture of Castle's. Castle represented to  
14 MC that she had other investors for the venture, but refused to disclose the identity of  
15 such investors. Castle also represented that she had invested her own personal funds in  
16 the venture.

17 64. In reliance on Castle's representations, MC invested a total of \$38,900 in  
18 funds with Castle, with the funds deposited into the bank account of Castle's other  
19 business, One For All, as follows: \$10,000 on March 7, 2011; \$3,600 on April 22, 2011;  
20 \$11,800 on May 12, 2011; \$3,850 on May 17, 2011; \$6,150 on May 19, 2011; and  
21 \$3,500 on August 9, 2011.

22 65. MC did not have any control over the use of the investment funds.

23 66. MC did not have any experience in movie production, and relied solely on the  
24 efforts and expertise of Castle with respect to his investment.

25 67. Castle represented to MC that his investment funds would be used to finance a  
26 movie production venture. In truth and in fact, Castle actually used most if not all of the



1 funds invested by MC for purposes unrelated to the movie venture and for personal  
2 expenses, including: clothing and other department store purchases; food and drink  
3 purchases; trips to California, Nevada, Arizona, Oregon, and London, including hotels  
4 and other accommodations; cell phone bills; payments to prior investors, including, but  
5 not limited to, repayment of DZ’s \$6,000 investment, and repayment of some of PS’  
6 investment; thousands of dollars in transfers to Castle and her children; payment to the  
7 dating website “seekingmillionaire.com” and; a limousine service, among other personal  
8 expenses.

9 68. Castle did not disclose to MC that Castle’s other business ventures, including  
10 those more fully discussed above, were unsuccessful. Castle further did not disclose to  
11 MC that prior investors including SB, PS and DZ did not receive a profit or other return  
12 on their investments, that SB did not receive a return of her principal investment, and that  
13 part of MC’s investment would actually be used to repay part of PS’ principal investment  
14 and all of DZ’s principal investment.

15 69. When MC expressed his concern to Castle regarding the status of the return of  
16 his investment, Castle represented to MC that she would repay the investment using  
17 funds from unrelated business ventures.

18 70. MC did not receive a return of his principal investment of \$38,900, and did  
19 not receive any interest or other profits on his investment.

20 e. **CG**

21 71. In June 2011, Castle solicited a 66-year-old Oregon resident referred to herein  
22 as “CG” to invest in five mineral claims located in Baker, California known as the Red  
23 Hen Claims.

24 72. CG invested \$39,000 with Castle in June 2011. The funds were delivered to  
25 Castle via cashier’s check, and deposited into a bank account for One For All.

26 ///



1 73. Castle and CG signed an agreement related to the investment, dated June 7,  
2 2011, wherein Castle agreed to transfer a 5% interest in the rights to the Red Hen Claims,  
3 including 5% of the gross output of the mine, in exchange for CG’s investment. Castle  
4 signed the agreements on behalf of One For All, despite the fact that the company was  
5 administratively dissolved.

6 74. The agreement represented that the Red Hen Claims were “able to produce an  
7 average of approximately 2 ounces per ton,” and that “additional output may be  
8 possible.” However, tests performed on behalf of CG subsequent to his investment  
9 revealed no traces of either gold or silver from the claims.

10 75. Castle did not disclose to CG that Castle’s other business ventures, including  
11 the mining venture in which PS had invested funds, were unsuccessful. Castle further did  
12 not disclose to CG that none of the prior investors had received a profit or other return on  
13 their investments, and that most of the prior investors had not received a return of their  
14 principal investment.

15 76. Castle represented that the funds invested by CG would be used as initial and  
16 working capital for the mine claims, including the completion of improvements to the  
17 Red Hen mine access, and for mineral extraction. Upon information and belief, while  
18 some but not all of the promised improvements to the site were completed, no mining  
19 was completed at the Red Hen site.

20 77. Contrary to Castle’s representations that CG’s investment funds would be  
21 used for the Red Hen mining venture, Castle actually used most of the funds invested by  
22 CG for purposes unrelated to the business venture and for personal use, including but not  
23 limited to: payments to other investors; approximately \$700 in transfers to her children;  
24 clothing and other department store purchases; food and drink expenses; travel to Malibu  
25 and Santa Monica, California, to Las Vegas, Nevada, and to London; and various other  
26 personal expenses.



1 78. When CG expressed concern over the status of the mining operations and  
2 repayment of the funds invested by CG, Castle became uncommunicative and cited  
3 international travel as the reason.

4 79. CG did not have any prior experience in investing in gold mines, gold mine  
5 speculation, or venture capital investing. CG relied solely on the information and  
6 documents provided by Castle in making the decision to invest with Castle. Further, CG  
7 relied solely on the supposed efforts and expertise of Castle to obtain a return on his  
8 investment.

9 80. Castle repeatedly represented to CG that she would repay CG's investment,  
10 plus 20% interest, using funds from unrelated business ventures.

11 81. Despite Castle's repeated assurances of repayment, CG never received any of  
12 his \$39,000 investment back, and he did not receive any interest or other profits on his  
13 investment.

14  
15 **CONCLUSIONS OF LAW**

16 The Director CONCLUDES that:

17 82. The above-described investments offered by Respondents to the investors SB,  
18 PS, DZ, MC, and CG (collectively the "*Investors*") were "securities" under ORS  
19 59.015(19)(a).

20 83. The securities that Respondents sold to the Investors were not registered under  
21 ORS Chapter 59 and OAR Chapter 441.

22 84. Respondents offered and sold unregistered securities to the Investors, in  
23 violation of ORS 59.055.

24 85. Castle acted as a securities "salesperson" as defined in ORS 59.015(18)(a), by  
25 representing an issuer of a security in effecting transactions in securities.

26 ///



1 86. Castle transacted business in Oregon as a securities salesperson without a  
2 license, in violation of ORS 59.165.

3 87. Respondents, in connection with the purchase or sale of a security, engaged in  
4 a practice or course of business that operated as a fraud or deceit on persons, in violation  
5 of ORS 59.135(3).

6 88. In connection with the purchase or sale of a security to SB, Respondents,  
7 acting by and through Castle, made a number of untrue statements of material fact and  
8 omitted to state material facts, in violation of ORS 59.135(2), as follows: (1)  
9 misrepresenting that a number of other investors had already provided initial capital for  
10 the Hell Block suntan product; (2) misrepresenting that SB would receive guaranteed  
11 payments of \$20,000 per year on her investment, for a total profit of \$120,000; and (3)  
12 misrepresenting that SB's investment would be used solely for the development and  
13 marketing of the Hell Block product, when most if not all of the funds were used by  
14 Castle for purposes unrelated to the business venture and for personal use.

15 89. In connection with the purchase or sale of a security to PS, Respondents,  
16 acting by and through Castle, made a number of untrue statements of material fact and  
17 omitted to state material facts, in violation of ORS 59.135(2), as follows: (1)  
18 misrepresenting that PS would receive an interest in Castle Rock in exchange for his  
19 investment; (2) misrepresenting that PS would receive a return of his \$97,000 principal  
20 investment, plus profit, within 60 days from the date of investment; and (3)  
21 misrepresenting that PS' investment would be used for purposes solely related to the  
22 mining venture, when most of the funds were used by Castle for purposes unrelated to the  
23 business venture and for personal use.

24 90. In connection with the purchase or sale of a security to DZ, Respondents,  
25 acting by and through Castle, made a number of untrue statements of material fact and  
26 omitted to state material facts, in violation of ORS 59.135(2), as follows: (1)



1 misrepresenting that DZ's investment would be secured by an interest certain mines  
2 owned by Castle in Oregon and California, when in fact DZ did not receive any collateral  
3 for his investment; (2) misrepresenting that DZ would earn 30% interest on his  
4 investment, and that the investment would be repaid no later than February 10, 2011; and  
5 (3) failing to disclose that Castle's other business ventures were unsuccessful, that none  
6 of the investors in such business ventures had received a profit or other return on their  
7 investments, and that most of the investors had not received a return of their principal  
8 investments.

9 91. In connection with the purchase or sale of a security to MC, Respondents,  
10 acting by and through Castle, made untrue statements of material fact and omitted to state  
11 material facts, in violation of ORS 59.135(2), as follows: (1) misrepresenting that MC's  
12 investment would be used for purposes solely related to Castle's movie production  
13 venture, when most of the funds were used by Castle for purposes unrelated to the  
14 business venture, including repayment to prior investors, and for personal use; (2) failing  
15 to disclose that Castle's other business ventures were unsuccessful, that none of the  
16 investors in such business ventures had received a profit or other return on their  
17 investments, and that most of the investors had not received a return of their principal  
18 investments; and (3) failing to disclose that part of MC's investment would be used to  
19 repay part of PS' principal investment and all of DZ's principal investment.

20 92. In connection with the purchase or sale of a security to CG, Respondents,  
21 acting by and through Castle, made a number of untrue statements of material fact and  
22 omitted to state material facts, in violation of ORS 59.135(2), as follows: (1) failing to  
23 disclose that One For All was administratively dissolved at the time Castle was  
24 transacting business on behalf of the company; (2) misrepresenting that the mine claims  
25 in which CG intended to invest were able to produce an average of approximately 2  
26 ounces per ton, when subsequent testing revealed no traces of either gold or silver from

1 the claims; (3) misrepresenting that CG would earn 20% interest on his investment and a  
2 return of his principal at any time; (4) misrepresenting that CG's investment would be  
3 used for purposes solely related to the mining venture, when most of the funds were used  
4 by Castle for purposes unrelated to the business venture and for personal use, and (5)  
5 failing to disclose that Castle's other business ventures, including various mining  
6 ventures, were unsuccessful, that none of the investors in such business ventures had  
7 received a profit or other return on their investments, and that most of the investors had  
8 not received a return of their principal investments.

9  
10 **ORDERS**

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

12 Order to Cease and Desist

13 93. Pursuant to ORS 59.245, Respondents and any successor business entity or  
14 any business entity owned, operated or controlled by Respondents, are ORDERED TO  
15 CEASE AND DESIST from:

- 16 A. Offering or selling unregistered securities in the State of Oregon, in  
17 violation of ORS 59.055;
- 18 B. Transacting business in Oregon as a securities salesperson without a  
19 license, in violation of ORS 59.165; and
- 20 D. Violating any provision of the Oregon Securities Law, including ORS  
21 Chapter 59 and Oregon Administrative Rules Chapter 441.

22  
23 Order Denying Use of Exemptions

24 94. Pursuant to ORS 59.045, Respondents and any successor business entity or  
25 any business entity owned, operated or controlled by Respondents, are DENIED the use  
26 of any exemptions that would otherwise be available to them under ORS 59.025 and



1 59.035, concerning securities and transactions exempt from the registration requirements  
2 of the Oregon Securities Law.

3

4 Order Assessing Civil Penalties

5 95. Pursuant to the authority of ORS 59.995(1), the Director may assess CIVIL  
6 PENALTIES against persons who violate the Oregon Securities Law in an amount not to  
7 exceed \$20,000.00 per violation and, in the case of a continuing violation, each day's  
8 continuance is a separate violation, but the maximum penalty for any continuing violation  
9 shall not exceed \$100,000.00.

10 96. Pursuant to the authority of ORS 59.995, the DIRECTOR hereby assesses  
11 CIVIL PENALTIES against Respondents, jointly and severally, in the total amount of  
12 One Hundred Forty Thousand Dollars (\$140,000), as follows:

13 A. A CIVIL PENALTY of Twenty Thousand Dollars (\$20,000.00) for  
14 violation of ORS 59.055;

15 B. A CIVIL PENALTY of Twenty Thousand Dollars (\$20,000.00) for  
16 violation of ORS 59.165; and

17 C. A CIVIL PENALTY of Twenty Thousand Dollars (\$20,000.00) for the  
18 violations of ORS 59.135 described in this Order with respect to each of the five  
19 Investors, for a total of One Hundred Thousand Dollars (\$100,000.00).

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Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
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NOTICE OF RIGHT TO APPEAL

A person aggrieved by an Order of the Director of the Department of Consumer and Business Services which has been the subject of a timely application for a hearing before the director shall be entitled to judicial review of the order under ORS Chapter 183. Pursuant to ORS 59.295(2), a person who does not timely file a request for a hearing on an order is not entitled to judicial review.

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