

STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. S-18-0104

CW GROUP, LLC and BRUCE A.  
WILBUR,

Respondents.

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

On December 6, 2018, the Director of the Department of Consumer and Business Services for the State of Oregon (“the Director”), through the Division of Financial Regulation (“the Division”), properly served Respondents, CW Group, LLC (“CWG”) and Bruce A. Wilbur (“Wilbur”), an Order to Cease and Desist, Proposed Order Denying Use of Exemptions and Assessing Civil Penalties, and Notice of Right to a Hearing (“Notice Order”) via regular and certified United States mail at 783 NE Edgehill Drive, Estacada, OR 97023.

The Notice Order offered Respondents an opportunity for a hearing, if requested in writing within 20 days. The Notice Order further informed Respondents that if a hearing was not conducted because they did not timely request a hearing or otherwise defaulted, then the designated portion of the Division’s file, which includes all materials Respondents submitted, would automatically become part of the contested case record to prove a *prima facie* case. Respondents have not made a written request for a contested hearing, and the time to do so has expired.

After considering the relevant portions of the Division’s file in this matter, the Director finds that the record proves a *prima facie* case.

Now, therefore, the Director makes the following Findings of Fact and Conclusions of Law and issues the following Orders.

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



1 **FINDINGS OF FACT**

2 The Director FINDS that:

3 1. CWG was a state investment adviser licensed in Oregon from February 13,  
4 2015 to December 31, 2017, with a principal place of business at 783 NE Edgehill Drive,  
5 Estacada, OR 97023. Its Central Registration Depository (“CRD”) No. is 174413.

6 2. Wilbur, CRD No. 5113134, was the owner of and sole licensed investment  
7 adviser representative associated with CWG.

8 3. On or about December 5, 2017, the Oregon Division of Financial Regulation  
9 (“the Division”) conducted an examination of CWG. During the examination, the Division  
10 discovered the following:

11 A. that Respondents engaged in investment advisory activities on behalf of four  
12 clients and collected investment advisory fees from them without written contracts;

13 B. that Respondents did not keep a general ledger reflecting asset, liability,  
14 reserve, capital, income, and expense accounts;

15 C. that Respondents did not provide the Division with a Statement of Financial  
16 Position (Balance Sheet) and a Statement of Operations (Profit and Loss Statement) for  
17 the years 2015, 2016, and 2017; and

18 D. that CWG’s surety bond was canceled on April 11, 2017, and it had been  
19 operating without a surety bond since.

20 4. CWG did not renew its Oregon investment adviser license after it expired on  
21 December 31, 2017.

22 **CONCLUSIONS OF LAW**

23 The Director CONCLUDES that:

24 5. Because the Director has reason to believe that Respondents have violated the  
25 Oregon Securities Law, the Director is authorized under ORS 59.245(4) to order  
26 Respondents to cease and desist from violating the Oregon Securities Law.

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1           6. By engaging in investment advisory activities on behalf of four clients and  
2 collecting investment advisory fees from them without written contracts, Respondents  
3 violated ORS 59.195(1), which requires state investment advisers and investment adviser  
4 representatives to make and keep such accounts, correspondence, memoranda, papers,  
5 books and other records as the Director prescribes by rule or order.

6           7. By engaging in investment advisory activities on behalf of four clients and  
7 collecting investment advisory fees from them without written contracts, Respondents  
8 violated OAR 441-205-0145(1)(n), which prohibits state investment advisers or state  
9 investment adviser representatives from entering into, extending, or renewing any  
10 investment advisory contract unless such contract is in writing and discloses, in substance,  
11 the services to be provided, the term of the contract, the advisory fee, the formula for  
12 computing the fee, the amount of prepaid fee to be returned in the event of contract  
13 termination or non-performance, and whether the contract grants discretionary power to  
14 the adviser.

15           8. By engaging in investment advisory activities on behalf of four clients and  
16 collecting investment advisory fees from them without written contracts, Respondents  
17 violated OAR 441-195-0040(1)(j), which requires state investment advisers to make and  
18 keep true, accurate, and current all written agreements entered into with any client.

19           9. By failing to keep a general ledger reflecting asset, liability, reserve, capital  
20 income, and expense accounts and provide the Division with a Statement of Financial  
21 Position and a Statement of Operations for three consecutive years, Respondents violated  
22 ORS 59.195(2), which requires investment advisers and investment adviser representatives  
23 to file financial reports that the Director may require by rule or order.

24           10. By failing to keep a general ledger reflecting asset, liability, reserve, capital,  
25 income, and expense accounts, Respondents violated OAR 441-195-0040(1)(b).

26           11. By failing to provide the Division with a Statement of Financial Position and a

1 Statement of Operations for three consecutive years, Respondents violated OAR 441-011-  
2 0040(2).

3 12. By operating in Oregon as a licensed state investment advisor without a surety  
4 bond from April 2017 to December 2017, Respondents violated OAR 441-175-0110(2).

5 13. Because the Director has reason to believe that Respondents have violated the  
6 Oregon Securities Law, the Director is authorized under ORS 59.045(2) to deny  
7 Respondents the use of any exemptions set forth in ORS 59.025 and 59.035.

8 14. ORS 59.995(1) authorizes the Director to assess civil penalties of up to \$20,000  
9 per violation against Respondents for violating the Oregon Securities Law.

### 10 **ORDERS**

11 Now therefore, the Director issues the following:

#### 12 Order to Cease and Desist

13 15. As authorized by ORS 59.245(4), the Director ORDERS Respondents to  
14 CEASE AND DESIST from violating the Oregon Securities law.

#### 15 Order Denying Exemptions

16 16. As authorized by ORS 59.045(2), the Director DENIES Respondents, including  
17 any affiliated and successor individual or entity, the use of securities and transaction  
18 exemptions that would otherwise be available to them under ORS 59.025 and 59.035.

#### 19 Order Assessing Civil Penalties

20 17. As authorized by ORS 59.995(1), the Director ORDERS Respondents to pay,  
21 jointly and severally, \$5,000 in total civil penalties allocated as follows:

22 A. \$2,000 for violating ORS 59.195(1), OAR 441-205-0145(1)(n), and OAR 441-  
23 195-0040(1)(j);

24 B. \$2,000 for violating ORS 59.195(2), OAR 441-195-0040(1)(b), and OAR 441-  
25 011-0040(2); and

26 C. \$1,000 for violating OAR 441-175-0110(2).

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1 18. This is a “Final Order” under ORS 183.310(6)(b). Subject to that provision, the  
2 entry of this Order does not limit further remedies which may be available to the Director  
3 under Oregon law.

4 SO ORDERED this 7th day of January, 2019.

5 CAMERON C. SMITH, Director  
6 Department of Consumer and Business Services

7  
8 /s/ Dorothy Bean  
9 Dorothy Bean, Chief of Enforcement  
10 Division of Financial Regulation

11 **NOTICE OF RIGHT TO JUDICIAL APPEAL**

12 Except as provided in ORS 59.295(2), you may be entitled to judicial review of this  
13 Order under ORS 183.482. You may request judicial review by filing a petition with the  
14 Court of Appeals in Salem, Oregon, within 60 days from the date this Order is served.

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