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

In the Matter of:

Case No. S-19-0081

WESLEYAN INVESTMENT  
FOUNDATION, INC.

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

Respondent.

The Division of Financial Regulation (the “Division”), acting on behalf of the Director of the Department of Consumer and Business Services for the State of Oregon (the “Director”), has investigated the business activities of Wesleyan Investment Foundation, Inc. (“Respondent” or “Wesleyan”). The Division has concluded that Respondent has violated one or more provisions of Oregon Revised Statutes (“ORS”) 59.005 to 59.451, 59.991, and 59.995, and the Oregon Administrative Rules (“OAR”) promulgated under those laws (collectively, the “Oregon Securities Law”).

Whereby Respondent has cooperated with the Director’s investigation and wishes to resolve this matter with the Director.

Now, therefore, as evidenced by the signatures subscribed herein, Respondent hereby CONSENTS to entry of this Order.

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Division of Financial Regulation  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3281  
Telephone: (503) 378-4387



1 FINDINGS OF FACT

2 The Director FINDS that:

3 1. Wesleyan Investment Foundation, Inc. is a duly organized nonprofit corporation in the  
4 State of Indiana created on February 5, 1960. The organization has been in continuous operation  
5 through predecessor entities since 1946. Its principal executive offices are located at 13300 Olio  
6 Road, Fishers, Indiana 46037.

7 2. Since 1972, Wesleyan has offered a “deposit investment” to investors which consists  
8 of an unsecured debt obligation at variable interest rates. An investor must have a reasonable  
9 association or affiliation with Wesleyan or Wesleyan Church (the “Church”) or one of its  
10 associated organizations, as determined by Wesleyan, in order to purchase a deposit investment.

11 3. The proceeds of the deposit investment are used to finance loans made to member  
12 churches, to purchase land and buildings, and to provide funding for other expenses and purchases  
13 undertaken or incurred by the Church or Church-related organizations.

14 4. At some time prior to submitting an application to register its securities in Oregon (the  
15 “Application”), Wesleyan discovered its policy of reliance on the North American Securities  
16 Administrators Association (“NASAA”) *Statement of Policy regarding Church Extension Fund*  
17 *Securities* did not satisfy the requirements of compliance with State securities laws, including  
18 Oregon Securities Law.<sup>1</sup>

19 5. At some time prior to submitting the Application, Wesleyan performed an internal  
20 compliance review beginning with its earliest available records in 1972.

21 6. On or about March 6, 2019, Wesleyan submitted the Application to the Division to  
22 register its securities to be offered and sold in Oregon.

23 7. The Application contained a voluntary statement disclosing Wesleyan’s prior non-  
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25 <sup>1</sup> The Division has not formally adopted the NASAA *Statement of Policy regarding Church Extension Fund*  
26 *Securities*.

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1 compliance with Oregon Securities Law.

2 8. Wesleyan claimed an exemption for securities transactions under ORS 59.035(12)  
3 occurring between 1972 and 2019 in which it sold securities to not more than 10 purchasers during  
4 any 12 consecutive months (the “claimed exemption”).

5 9. Based on the information provided by Wesleyan, the Division was able to determine  
6 there were two (2) separate periods wherein the securities sold exceeded the claimed exemption.

7 *Sale of Unregistered Securities*

8 10. At no relevant time did Wesleyan obtain an order of registration to sell securities in  
9 Oregon.

10 11. Between 1972 and 2019, Wesleyan offered and sold securities in Oregon which were  
11 not registered.

12 12. Wesleyan sold securities to twelve (12) separate purchasers in Oregon between  
13 September 5, 2006 and May 10, 2007.

14 13. Wesleyan sold securities to twelve (12) separate purchasers in Oregon between October  
15 19, 2007 and September 8, 2008.

16 **CONCLUSIONS OF LAW**

17 The Director CONCLUDES that:

18 14. Under ORS 59.015(19)(a), “security” means a note, stock, treasury stock, bond,  
19 debenture, evidence of indebtedness, investment contract, or, in general, any interest or instrument  
20 commonly known as a “security.”

21 15. Respondent’s deposit investments are “securities” under ORS 59.015(19)(a).

22 16. Under ORS 59.055, it is unlawful for any person to offer or sell any security in this  
23 state, unless: the security is registered and the offer or sale is not in violation of any rule or order  
24 of the Director; the security is exempt under ORS 59.025 or the sale is exempt under ORS 59.035;  
25 or the security is a federal covered security for which a notice has been filed and fees have been  
26

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1 paid under ORS 59.049.

2 17. Between the consecutive 12-month periods from September 5, 2006 to May 10, 2007  
3 and from October 19, 2007 to September 8, 2008, Wesleyan sold securities in Oregon in violation  
4 of ORS 59.055.

5 18. By selling securities that were not registered, exempt from registration, or federal  
6 covered securities, Wesleyan violated ORS 59.055.

7 19. Under ORS 59.245(4), if the Director has reason to believe that any person has  
8 engaged, is engaging, or is about to engage in any violation of the Oregon Securities Law, the  
9 Director may issue an order, subject to ORS 59.295, directed to the person to cease and desist from  
10 the violation or threatened violation.

11 20. Because the Director has reason to believe that Respondent has violated the Oregon  
12 Securities Law, including ORS 59.055, the Director may issue an order directed to Respondent to  
13 cease and desist from that violation.

14 21. Under ORS 59.995(1)(a), any person who violates or who procures, aids or abets the  
15 violation of ORS 59.005 to 59.505, 59.710 to 59.830, 59.991 and 59.995 or any rule or order of  
16 the Director shall be subject to a penalty of not more than \$20,000 for every violation, which shall  
17 be paid to the General Fund of the State Treasury.

18 **ORDERS**

19 The Director issues the following ORDERS:

20 **Final Order to Cease and Desist**

21 22. Pursuant to the authority under ORS 59.245(4), the Director hereby ORDERS  
22 Respondent to CEASE AND DESIST:

23 A. Offering and selling unregistered securities in Oregon in violation of ORS 59.055,  
24 unless –

25 (1) the security is exempt under ORS 59.025 or the sale is exempt under ORS  
26

1 59.035; or (2) the security is a covered security for which a notice has been filed  
2 and fees have been paid under ORS 59.049.

3 B. Violating any provision of the Oregon Securities Law or the Oregon Administrative  
4 Rules promulgated thereunder.

5 **Final Order Assessing Civil Penalty**

6 23. Pursuant to the authority under ORS 59.995(1), the Director does hereby  
7 assess a CIVIL PENALTY against Respondent in the amount of \$13,500.00 for violating  
8 ORS 59.055.

9 24. The CIVIL PENALTY assessed herein is due and payable at the time this  
10 Order is returned to the Director.

11 25. This is a “Final Order” under ORS 183.310(6)(b). Entry of this Order in no way  
12 limits or prevents further remedies, sanctions, or actions which may be available to the Director  
13 under Oregon law to enforce this Order, for violations of this Order, for conduct or actions of  
14 Respondent that are not covered by this Order, or against any Respondent or other party not  
15 covered by this Order.

16 SO ORDERED this 12<sup>th</sup> day of November, 2019 in Salem, Oregon.

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18 LOUIS SAVAGE, Acting Director  
Department of Consumer and Business Services

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20  
21 /s/ Dorothy Bean  
Dorothy Bean, Chief of Enforcement  
Division of Financial Regulation

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1 CONSENT TO ENTRY OF ORDER

2  
3 I, Craig A. Dunn, am an authorized representative of  
4 and have the authority to act on behalf of the Respondent, WESLEYAN INVESTMENT  
5 FOUNDATION, INC. (“Wesleyan”), in this matter. Wesleyan hereby agrees that it has read the  
6 foregoing Order and fully understands the contents thereof. Wesleyan has been advised of the  
7 right to a hearing and of the right to be represented by counsel in this matter. Wesleyan, by and  
8 through the undersigned, voluntarily consents to the entry of this Order without force or duress,  
9 expressly waiving any right to a hearing in this matter, and waiving any rights to administrative  
10 or judicial review of this Order.

11 Wesleyan understands that the Director reserves the right to take further action to enforce  
12 this Order and to take appropriate action upon discovery of other violations of the Oregon  
13 Securities Law not hereby resolved. Wesleyan agrees to fully comply with the terms and  
14 conditions of the Order. Wesleyan understands that this document is a public record.

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16 WESLEYAN INVESTMENT FOUNDATION, INC.

17  
18 Signature: /s/ Craig A. Dunn

19 Printed Name: Craig A. Dunn, Chief Executive Officer

20 State of Indiana

21 County of Hamilton

22 Signed before me this 28<sup>th</sup> day of October, 2019 by Craig A. Dunn as  
23 Chief Executive Officer of WESLEYAN INVESTMENT FOUNDATION, INC.

24  
25 /s/ Karen L. Kibler Notary Public  
26

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