

1 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
2 DIVISION OF FINANCE AND CORPORATE SECURITIES
3 SECURITIES SECTION
4 BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND
5 BUSINESS SERVICES

6 In the Matter of) 0-96-0044
7 Wayne D. Butler)
8) ORDER TO CEASE AND DESIST
9) DENIAL OF EXEMPTIONS
10) ORDER ASSESSING CIVIL PENALTY
11 Respondent.) and
12) CONSENT TO ENTRY OF ORDER
13
14

15 WHEREAS the Director of the Department of Consumer and
16 Business Services (the Director) has conducted an
17 investigation of certain business activities conducted by
18 WAYNE D. BUTLER (Butler), and has determined that Butler
19 offered and sold securities in the State of Oregon in
20 violation of the Oregon Securities Law;

21 WHEREAS Butler wishes to resolve and settle this matter
22 with the DIRECTOR:

23 NOW THEREFORE, as evidenced by the authorized
24 signature(s) subscribed on this Order, Butler hereby
25 CONSENTS to the entry of this Order to Cease and Desist upon
26 the Director's Findings of Fact and Conclusions of Law as
stated hereinafter.

FINDINGS OF FACT

The Director FINDS that:

1. WAYNE D. BUTLER (Butler) is an Oregon resident
whose residential address is 9301 SW Sagert, No. 35,
Tualatin, OR 97062;



1 2. From December of 1991 through July 12, 1993, Butler
2 was employed by Dean Witter Reynolds Inc., (Dean Witter) and
3 was licensed to effect sales of securities as a salesperson
4 for Dean Witter in the state of Oregon from May 11, 1992
5 through July 12, 1993;

6 3. From July of 1993 through January of 1994, Butler
7 was employed with Nations Securities (Nations), and was
8 licensed to effect sales of securities as a salesperson for
9 Nations in the state of Oregon from July 12, 1993 through
10 January 6, 1994;

11 4. From January of 1994 through December of 1994,
12 Butler was employed with Murphey Favre, Inc., and was
13 licensed to effect sales of securities as a salesperson for
14 Murphey Favre, Inc. in the state of Oregon from March 16,
15 1994 through December 1, 1994;

16 5. Butler has not been licensed to effect securities
17 transactions in Oregon as a salesperson for any broker-
18 dealer or issuer since his termination with Murphey Favre,
19 Inc. on December 1, 1994;

20 6. During September of 1992 Gina Little, of Troutdale
21 Oregon, made an inquiry at the Beaverton, Oregon office of
22 Dean Witter regarding the purchase of some preferred stock.
23 Butler, a salesperson for Dean Witter at that time,
24 responded to Little's inquiry, processed Little's stock
25 purchase and thus developed a client, salesperson
26 relationship with Little;



7. During November of 1992 Butler met Little for a luncheon date and described to her a "get rich" investment opportunity. Butler also cautioned her that the investment of her money would be an "illegal transaction" because the investment had not been approved by Dean Witter nor would the transaction itself be effected through Dean Witter;

8. The investment described by Butler to Little was The Dunthorpe Group, (Dunthorpe) an entity created for the purpose of acquiring the area franchise for "Java Centrale" retail coffee stores;

9. On December 4, 1992 Butler offered and sold Little \$5,000 worth of Dunthorpe stock;

10. During February of 1993 Butler offered and sold Little an additional \$5,000 worth of Dunthorpe stock;

11. The Dunthorpe securities that Butler offered and sold to Little are not now nor have ever been registered by the Director for sale in Oregon;

12. Dean Witter neither approved or authorized the offer and/or sale of Dunthorpe securities by Dean Witter salespersons, nor did Dean Witter prepare any due diligence information or research of any kind of Dunthorpe securities;

13. On or around November 15, 1994 Butler contacted Little again to offer her stock in a Nevada corporation by the name of "Lifeline Biotechnologies, Inc.," (Biotech);

13. On December 15, 1994 Butler offered and sold Little 1,667 shares of Biotech common stock for \$5,000;



1 14. The Biotech securities Butler offered and sold to
2 Little are not now nor have ever been registered by the
3 Director for sale in Oregon.

4 **CONCLUSIONS OF LAW**

5 The Director **CONCLUDES** that:

6 1. The Dunthorpe stock that Butler offered and sold to
7 Little are "securities" as that term is defined in
8 ORS 59.015(17) (a) ;

9 2. The offer and sale of Dunthorpe securities by
10 Butler to Little constitutes the unlicensed offer and sale
11 of unregistered securities in violation of ORS 59.165 and
12 ORS 59.055 respectively;

13 3. The Biotech stock that Butler offered and sold to
14 Little are "securities" as that term is defined in
15 ORS 59.015(17) (a) ;

16 4. The offer and sale of Biotech securities by Butler
17 to Little constitutes the unlicensed offer and sale of
18 unregistered securities in violation of ORS 59.165 and
19 ORS 59.055 respectively.

20 **ORDER**

21 **NOW THEREFORE, THE DIRECTOR ORDERS** that WAYNE D. BUTLER
22 shall **CEASE AND DESIST** from;

23 a. Offering and/or selling securities in the State of
24 Oregon in violation of ORS Chapter 59.

25 b. Violating any of the provisions of ORS Chapter 59
26 and Oregon Administrative Rules Chapter 441.



1 Pursuant to the authority of ORS 59.045 Respondent
2 WAYNE D. BUTLER is **DENIED** the use of any **EXEMPTIONS**
3 authorized by ORS 59.025 and/or ORS 59.035.

4 Pursuant to the authority of ORS 59.995 Respondent
5 WAYNE D. BUTLER is **ORDERED TO PAY** the sum of \$5,000 for
6 violations stated herein: \$1,000 of such penalty shall be
7 immediately due and payable upon entry of this order and the
8 remaining \$4,000 of such penalty shall be suspended for so
9 long as Respondent is in full compliance with the terms of
10 this Cease and Desist Order; provided however, that the
11 suspended portion of this penalty shall be immediately due
12 and payable upon a determination by the Director that
13 Respondent has violated any term of this order or any
14 provision of ORS Chapter 59 and/or Oregon Administrative
15 Rules Chapter 441.

16 Dated this 15th day of OCTOBER, 1996 at
17 Salem, Oregon.

18 
19 KERRY BARNETT, DIRECTOR
20 DEPARTMENT OF CONSUMER & BUSINESS SERVICES

21 **CONSENT TO ENTRY OF ORDER**

22 I, Wayne D. Butler, state that I am a resident of the
23 State of Oregon, that I have read the foregoing Order and
24 that I know and fully understand the contents hereof; that I
25 admit that the factual allegations stated herein are true
26 and correct; that I have been advised of my right to a



10/15 1996
[Signature]

1 hearing, ~~and that I have been represented by counsel in this~~
2 ~~matter~~; that I voluntarily consent to the entry of this
3 Order without any force or duress, expressly waiving any
4 right to a hearing in this matter; that I understand that
5 the Director reserves the right to take further actions
6 against me to enforce this Order or to take appropriate
7 action upon discovery of other violations of the Oregon
8 Securities Law by me; and that I will fully comply with the
9 terms and conditions stated herein.

10 I further assure the Director that I will not engage in
11 the activities of a broker-dealer, investment adviser, or
12 mortgage broker, or act as a salesperson for any of these
13 unless such activities are in full compliance with
14 Chapter 59 of the Oregon Revised Statutes.

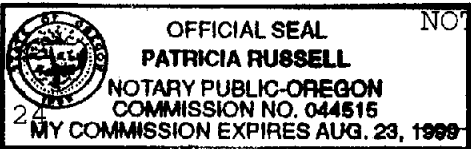
15 I understand that this Consent Order is a public
16 document.

17 DATED this 15 day of OCTOBER, 1996.

18 [Signature]
19 NAME

20 SUBSCRIBED AND SWORN to before me this 15th day of
21 October, 1996.

22 [Signature]



NOTARY PUBLIC for State of: Oregon

Patricia Russell
(Printed name of Notary Public)

25

26 My commission expires: 8/23/99

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street, NE, Suite 410
Salem, OR 97310
Telephone: (503) 378-4387

