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

In the Matter of: **ALLAN WINSTON TAYLOR** and **INTERNATIONAL PARTNERS** Respondents.	**No. A-00-0018** **FINAL ORDER TO CEASE AND DESIST AND ASSESSING CIVIL PENALTIES ENTERED BY DEFAULT AS TO ALLAN WINSTON TAYLOR AND INTERNATIONAL PARTNERS**

On April 19, 2000 the Director of the Department of Consumer and Business Services for the State of Oregon (hereafter the ADirector"), acting by and pursuant to the authority of Oregon Securities Law, Chapter 59 of the Oregon Revised Statutes, and other applicable authority, issued Administrative Order No. A-00-0009 to **CEASE AND DESIST AND ASSESSING CIVIL PENALTIES AND NOTICE OF RIGHT TO CONTESTED CASE HEARING** (hereafter "the Order") against Respondents **ALLAN WINSTON TAYLOR AND INTERNATIONAL PARTNERS.**

On April 20, 2000 Respondents **ALLAN WINSTON TAYLOR AND INTERNATIONAL PARTNERS** were duly served with a true copy of the Order and Notice by United States Mail, postage prepaid, and addressed to Respondents **ALLAN WINSTON TAYLOR AND INTERNATIONAL PARTNERS** at the following addresses: 6443 SW Beaverton-Hillsdale Highway #302, Portland, Oregon 97221 and 4320 SW Corbett #116, Portland, Oregon 97201. These mailings were not returned.

On April 20, 2000 Respondents **ALLAN WINSTON TAYLOR AND INTERNATIONAL PARTNERS** were duly served with a true copy of the Order and Notice by certified United States Mail (Item #Z038197259), postage prepaid, and

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addressed to Respondent **ALLAN WINSTON TAYLOR AND INTERNATIONAL PARTNERS** at the following address: 4320 SW Corbett #116, Portland, Oregon 97201. The United States Post Office returned this mailing to its sender because it was "unclaimed."

On April 20, 2000 Respondents **ALLAN WINSTON TAYLOR AND INTERNATIONAL PARTNERS** were duly served with a true copy of the Order and Notice by certified United States Mail (Item #Z038197258), postage prepaid, and addressed to Respondents **ALLAN WINSTON TAYLOR AND INTERNATIONAL PARTNERS** at the following address: 6443 SW Beaverton-Hillsdale Highway #302, Portland, Oregon 97221 The United States Post Office returned this mailing to its sender because it was "unclaimed."

Respondents **ALLAN WINSTON TAYLOR AND INTERNATIONAL PARTNERS** have not made a written request for a contested case hearing in this matter and the time to do so has expired.

NOW THEREFORE, after consideration of the Investigation Report and accompanying exhibits submitted in this matter by David T. Weiss, Securities Compliance Officer, the Director hereby issues the following Findings of Fact, Conclusions of Law, and Final Order:

FINDINGS OF FACT

The Director **FINDS** that:

1. Respondent **ALLAN WINSTON TAYLOR** was, at all times material herein, engaged in business using the assumed names of "International Partners", "International Partners, Inc", "Oregon Restaurant Concepts", "Quizno's of Oregon, Inc", and "Little Caesar's of Oregon, Inc." **ALLAN WINSTON TAYLOR's** last known addresses are 6443 S.W. Beaverton-Hillsdale Highway

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#302, Portland, Oregon 97221 and 4320 SW Corbett #116, Portland, Oregon 97201.

2. Respondent **INTERNATIONAL PARTNERS** was, at all times material herein, an assumed name for the business ventures operated by Respondent **ALLAN WINSTON TAYLOR**. Respondent **INTERNATIONAL PARTNERS** is an unincorporated entity. Its last known addresses are the same as those listed above for **ALLAN WINSTON TAYLOR**.

3. Paul and Jacquelyn Meyer were, at all times material herein, Oregon residents. Mr. and Mrs. Meyer purchased three debenture notes issued by Respondent **INTERNATIONAL PARTNERS** and personally guaranteed by Respondent **ALLAN WINSTON TAYLOR**.

4. Herman and Elvira Meyer were, at all times material herein, Oregon residents. Mr. and Mrs. Meyer purchased a debenture note issued by Respondent **INTERNATIONAL PARTNERS** and personally guaranteed by Respondent **ALLAN WINSTON TAYLOR**.

5. Eugenia Elisman was, at all times material herein, an Oregon resident. Ms. Elisman purchased a debenture note issued by Respondent **INTERNATIONAL PARTNERS** and personally guaranteed by Respondent **ALLAN WINSTON TAYLOR**.

6. Respondent **INTERNATIONAL PARTNERS** issued four "debenture notes" that are the subject of this Cease and Desist Order. Each of these debenture notes was personally guaranteed by Respondent **ALLAN WINSTON TAYLOR**.

7. Neither Respondent **ALLAN WINSTON TAYLOR** nor Respondent **INTERNATIONAL PARTNERS** have ever been licensed to sell securities in the State of Oregon.

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8. None of the debenture notes issued by Respondent **INTERNATIONAL PARTNERS** was registered with the Oregon Division of Finance and Corporate Securities.

9. Respondent **INTERNATIONAL PARTNERS** issued a ninety day, thirty thousand dollar ($30,000) debenture note (Cease and Desist Exhibit "A") bearing interest at the rate of twenty percent (20%) per annum on January 30, 1997. This debenture note was made payable to Paul and Jacquelyn Meyer and was personally guaranteed by Respondent **ALLAN WINSTON TAYLOR**.

10. Respondent **INTERNATIONAL PARTNERS** issued a ninety day, thirty thousand dollar ($30,000) debenture note (Cease and Desist Exhibit "B") bearing interest at the rate of twenty percent (20%) per annum on May 9, 1997. This debenture note was made payable to Paul and Jacquelyn Meyer and was personally guaranteed by Respondent **ALLAN WINSTON TAYLOR**.

11. Respondent **INTERNATIONAL PARTNERS** issued a ninety day, fifty thousand dollar ($50,000) debenture note (Cease and Desist Exhibit "C") bearing interest at the rate of twenty percent (20%) per annum on May 29, 1997. This debenture note was made payable to Paul, Jacquelyn, Herman, and Elvira Meyer and was personally guaranteed by Respondent **ALLAN WINSTON TAYLOR**.

12. Respondent **INTERNATIONAL PARTNERS** issued a ninety day, thirty five thousand dollar ($35,000) debenture note (Cease and Desist Exhibit "D") bearing interest at the rate of twenty percent (20%) per annum on December 12, 1997. This debenture note was made payable to Eugenia Elisman and was personally guaranteed by Respondent **ALLAN WINSTON TAYLOR**.

13. Respondents **ALLAN WINSTON TAYLOR** and **INTERNATIONAL PARTNERS** were engaged in the business of purchasing territorial rights to

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operate well known franchises in foreign countries and then reselling individual franchise units to store operators in return for a specific fee and a percentage of future sales.

14. During the period in which debenture notes were issued Respondents **ALLAN WINSTON TAYLOR** and **INTERNATIONAL PARTNERS** either purchased the rights to or held themselves out to Paul Meyer and Eugenia Elisman as purchasing the rights to or negotiating the purchase of rights to the Blimpie's, TCBY, Quizno's, and/or Little Caesar's chains in a variety of foreign countries or regions.

15. Large franchise operators such as Blimpie's, TCBY, Quizno's, and Little Caesar's require that the purchase of territorial rights be accompanied by full payment of moneys due at the time of purchase, fees that can amount to hundreds of thousands of dollars. In an effort to raise funds for these payments, Respondents **ALLAN WINSTON TAYLOR** and **INTERNATIONAL PARTNERS** decided to issue debenture notes at high rates of interest.

16. To attract investors, Respondents **ALLAN WINSTON TAYLOR** and **INTERNATIONAL PARTNERS** placed advertisements in major publications such as The Wall Street Journal and The Sunday Oregonian. Paul Meyer responded to such an advertisement, and was contacted by Respondent **ALLAN WINSTON TAYLOR**. Mr. Meyer did not have any pre existing relationship with either Respondent **ALLAN WINSTON TAYLOR** or Respondent **INTERNATIONAL PARTNERS** prior to viewing the newspaper advertisements**.**

17. Respondent **ALLAN WINSTON TAYLOR** told Paul Meyer that moneys raised from the sale of debenture notes would be used as a form of interim financing to pay for territorial franchise rights and would be repaid with funds raised from formal bank financing that was forthcoming. Mr. Meyer was not

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knowledgeable or experienced in the franchise industry and relied on the representations of Respondent **ALLAN WINSTON TAYLOR**.

18. Respondent **ALLAN WINSTON TAYLOR** provided Paul Meyer with a one page resume and a two or three page general business plan. He did not provide Mr. Meyer with any documentation describing the financial condition of the franchise ventures conducted by Respondent **INTERNATIONAL PARTNERS**. He did not provide Mr. Meyer with any information regarding the bank funding that would be used to repay the debenture notes. He did not inform Mr. Meyer that there was a risk that he would not be able to obtain bank funding, and that repayment would then be premised on the business success of a particular franchise venture and would likely not be in a timely manner, if at all. While he held out the lure of a personal guarantee as a means of attracting investment with Respondent **INTERNATIONAL PARTNERS**, he did not provide Mr. Meyer with any financial information about his own creditworthiness or ability to repay the debenture notes. He did not inform Mr. Meyer that neither he nor Respondent **INTERNATIONAL PARTNERS** was licensed to sell securities in the State of Oregon, or that the debenture notes in question were not registered with the Oregon Division of Finance and Corporate Securities.

19. Based on the affirmative representations made by Respondent **ALLAN WINSTON TAYLOR** about the bank financing that was seemingly always imminent Paul Meyer not only purchased successive notes at the same high rate of interest but also introduced his parents Herman and Elvira Meyer and his co-worker Eugenia Elisman to Respondent **ALLAN WINSTON TAYLOR**.

20. Eugenia Elisman did not have any pre existing relationship with either Respondent **ALLAN WINSTON TAYLOR** or Respondent **INTERNATIONAL PARTNERS** prior to being introduced to Mr. Taylor by Paul

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Meyer**.**

21. Respondent **ALLAN WINSTON TAYLOR** told Eugenia Elisman that moneys raised from the sale of debenture notes to her would be used by Respondent **INTERNATIONAL PARTNERS** to further grow its "Little Caesar's" operations, and would be repaid with funds raised from formal bank financing that was forthcoming.

22. Respondent **ALLAN WINSTON TAYLOR** affirmatively represented to Eugenia Elisman, an immigrant from Russia, that Little Caesar's was doing very well and growing. (In point of fact, Respondent **INTERNATIONAL PARTNERS'** Little Caesar's operations were losing substantial sums of money at the time of Ms. Elisman's investment.) Ms. Elisman would not have invested with Respondents **ALLAN WINSTON TAYLOR** and **INTERNATIONAL PARTNERS** but for this representation about the status of the business she was purportedly investing in.

23. Respondent **ALLAN WINSTON TAYLOR** did not provide Eugenia Elisman with any documentation at all. He did not provide Ms. Elisman with any documents describing the financial condition of Little Caesar's or any of the other franchise ventures conducted by Respondent **INTERNATIONAL PARTNERS**. He did not provide Ms. Elisman with any information regarding the bank funding that would be used to repay the debenture notes. He did not inform Ms. Elisman that there was a risk that he would not be able to obtain bank funding, and that repayment would then be premised on the business success of a particular franchise venture (in this case, Little Caesar's) and would likely not be in a timely manner, if at all. While he held out the lure of a personal guarantee as a means of attracting investment in Respondent **INTERNATIONAL PARTNERS**, he did not provide Ms. Elisman with any financial information about his own

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creditworthiness or ability to repay the debenture notes. He did not inform Ms. Elisman that neither he nor Respondent **INTERNATIONAL PARTNERS** was licensed to sell securities in the State of Oregon, or that the debenture note in question was not registered with the Oregon Division of Finance and Corporate Securities.

24. Not one of the four debenture notes issued by Respondent **INTERNATIONAL PARTNERS** and personally guaranteed by Respondent **ALLAN WINSTON TAYLOR** have been paid in full.

CONCLUSIONS OF LAW

The Director, based upon the findings of fact recited above, **CONCLUDES** that:

1. The debenture notes which were offered and sold in or from Oregon or to Oregon residents by Respondent **INTERNATIONAL PARTNERS**, as described herein above, are "securities" under ORS 59.015(19)(a) and other applicable authority.

2. The personal guarantee by **ALLAN WINSTON TAYLOR** of the debenture notes which were offered and sold in or from Oregon or to Oregon residents by Respondent **INTERNATIONAL PARTNERS**, as described herein above, are "securities" under ORS 59.015(19)(a) and other applicable authority.

3. The above described securities were never registered in Oregon nor were said securities exempt from registration.

4. Respondents **ALLAN WINSTON TAYLOR** and **INTERNATIONAL PARTNERS** issued, offered, and/or sold, or personally participated, aided, and/or abetted in the offer and/or sale of, unregistered securities in Oregon in violation

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of ORS 59.055 when the above described securities were offered and sold in or from Oregon or to Oregon residents.

5. The offer and sale of the above described securities to Oregon residents by Respondents **ALLAN WINSTON TAYLOR** and **INTERNATIONAL PARTNERS** constitutes the transaction of securities business in Oregon by a broker-dealer and/or salesperson under ORS 59.015(1) and/or (18)(a), and other applicable authority.

6. Respondents **ALLAN WINSTON TAYLOR** and **INTERNATIONAL PARTNERS** were not licensed in Oregon to effect transactions in the above described securities, either as salespersons or broker-dealers, in violation of ORS 59.165.

7. Respondents **ALLAN WINSTON TAYLOR** and **INTERNATIONAL PARTNERS**, in connection with the sale to Oregon residents of the above described securities, made statements of material fact which were materially untrue in whole or in part or omitted to state material facts which were necessary in order to make the statements made by Respondents, in light of the circumstances under which they were made, not misleading, in violation of ORS 59.135(2).

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ORDER

NOW, THEREFORE, THE DIRECTOR ORDERS that:

25. Respondents **ALLAN WINSTON TAYLOR** and **INTERNATIONAL PARTNERS** shall **CEASE AND DESIST** from offering, selling, and transferring, directly or indirectly, any of the above described securities, or any other security, or conducting any securities business in or from the State of Oregon or to Oregon residents, in violation of ORS Chapter 59, Oregon Administrative Rules

Chapter 441, or Oregon Securities Law.

26. Respondent **ALLAN WINSTON TAYLOR,** operating under the guise of **INTERNATIONAL PARTNERS** or any other entity is **DENIED** the use of any exemptions authorized by ORS 59.025 and ORS 59.035, until further order of the Director, pursuant to ORS 59.045.

27. Respondent **ALLAN WINSTON TAYLOR** is **ASSESSED CIVIL PENALTIES** in the total sum of **TWENTY THOUSAND DOLLARS ($20,000)** for the violations of Oregon Securities Law described hereinabove. The DIRECTOR further **ORDERS** that Respondent **ALLAN WINSTON TAYLOR** shall pay the entire amount of these civil penalties within **THIRTY DAYS** (30) days of receiving written notice of entry of this Order from the Director.

IT IS SO ORDERED.

Dated this ____ day of _____, 2000 at Salem, Oregon NUNC PRO TUNC April 19, 2000.

_____
MARY C. NEIDIG, DIRECTOR
DEPARTMENT OF CONSUMER & BUSINESS SERVICES
STATE OF OREGON

APPROVED AS TO FORM:

_____ Dated:_____
David T. Weiss
Securities Compliance Officer
Division of Finance and Corporate Securities
Department of Consumer and Business Services
State of Oregon

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