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

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of: **SWISS-AMERICAN INTERNATIONAL BANCORP, INC., an Oregon corporation, and HANS GEORG JERRATSCH, an individual,** **Respondents.**	**B-07-0052-2** **FINAL ORDER TO CEASE AND DESIST ENTERED BY DEFAULT**

WHEREAS on December 27, 2007, the Director of the Department of Consumer and Business Services for the State of Oregon (hereafter "the Director"), acting by the authority of the Oregon Banking Laws, chapters 705, 706, 707 and 722 of the Oregon Revised Statutes (hereinafter cited as "the Oregon Banking Law"), issued Administrative Order No. B-07-0052-2, ORDER TO CEASE AND DESIST AND NOTICE OF RIGHT TO A PUBLIC HEARING ("the Cease and Desist Order"), against Swiss-American International Bancorp, Inc. (hereinafter "Respondent" or "Swiss-American") and Hans Georg Jerratsch (hereinafter "Respondent" or "Jerratsch").

WHEREAS on or about December 28, 2007, Respondents were duly served with a true copy of the Cease and Desist Order by United States Certified Mail, postage prepaid, addressed to Cathy Halverson, Registered Agent, 391 NW 179th Avenue, Aloha, Oregon 97006.

WHEREAS on or about December 31, 2007, Jerratsch was duly served with a true copy of the Cease and Desist Order by United States Certified Mail, postage prepaid, and addressed to Hans Georg Jerratsch, Swiss-American International Bancorp, Inc., 2200 B Douglas Blvd #100, Roseville, California 95661.

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WHEREAS Respondents have not made a written request for a contested case hearing in this matter and time to do so has expired.

NOW THEREFORE, after consideration of the Division's investigative file and related documents, the Director hereby issues the following Findings of Fact, Conclusions of Law, and Final Order.

FINDINGS OF FACT

The Director makes the following Findings of Fact:

1. Swiss-American International Bancorp, Inc. is registered with the State of Oregon Secretary of State as an Oregon domestic business corporation. Swiss-American was incorporated on December 22, 1999. Swiss-American's Oregon registered agent is Cathy Halverson. Her address and the company's principal place of business are registered as 391 NW 179th Avenue, Aloha, Oregon 97006. Swiss-American lists its mailing address as 2200 B Douglas Blvd #100, Roseville, California 95661. Hans Georg Jerratsch is listed as the president of Respondent Swiss-American with an address of 2200 B Douglas Blvd #100, Roseville, California 95661. Natale Ierace is listed as the secretary of Respondent Swiss-American with an address of 2200 B Douglas Blvd #100, Roseville, California 95661.

2. Respondents use the name set out above in the solicitation or transaction of their business.

3. ORS 56.023(1) requires a certificate issued under ORS 705.635 for a business registry filing to be appropriately made with the Oregon Secretary of State if the name is to contain, *inter alia*, the word or words "banc," "bancorp," "bank," "trust," or "trustee," or their equivalents in English or another language.

4. ORS 705.635 sets out the procedure by which a person may submit a request to the Director for a certificate of compliance with the Oregon banking requirements, which would permit the person to lawfully file a business registry with the Secretary of State as set forth in ORS 56.023(1).

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5. Respondents have not applied for, or been previously granted, a certificate pursuant to ORS 705.635. Respondents have not been otherwise approved to conduct a banking business as defined in ORS 706.005(6) or 722.012.

6. ORS 705.638 imposes regulations on businesses engaging in banking activities. It states in relevant part that, "[a] company organized under the laws of this state for the purposes of conducting a banking business as defined in ORS 706.005(6) either within or outside this state shall be organized under ORS chapter 707" and, "[a] company organized under the laws of this state to transact savings and loan business as defined in ORS 722.004(25) either within or outside this state shall be organized under ORS chapter 722." ORS 705.638(2) and (3) respectively. The corporate Respondent is not organized under these statutes.

7. On behalf of the Director, staff of the Banking Section of the Division of Finance and Corporate Securities ("Division") undertook to inquire and investigate the circumstances under which the corporate Respondent had come to use the word "bank," "trust" or any derivative thereof as set forth in ORS 56.023 in its name. Specifically, Division staff reviewed and analyzed information from the Oregon Secretary of State, Corporations Division, reflecting the Respondents' registration therewith.

8. ORS 707.005 states that "[i]t is unlawful for any person to engage in or transact a banking or trust business within this state except by means of an entity duly organized for the purpose."

9. ORS 707.010 prohibits a person who has not received from the Director a certificate to do banking business from doing any of the following:

(a) Advertising that it is receiving or accepting money on deposit;

(b) Using a sign at its place of business containing words indicating that the place is a place of business: (i) of a banking institution; (ii) where deposits are received or payments made on check; or (iii) where any other form of banking business is transacted;

(c) Making use of or circulating any letterheads, blank notes, blank receipts,

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certificates, circulars or any written or printed paper containing words indicating that the business is the business of a banking institution;

(d) Transacting business under any name that the Director determines leads the public to believe that its business is that of a banking institution or that it is affiliated with a banking institution; or

(e) Soliciting or receiving deposits or transacting business in the manner of a banking institution or in such a manner as to lead the public to believe that its business is that of a banking institution.

ORS 722.012 imposes similar requirements on entities operating as a savings and loan or with the words "savings and loan" in its name.

10. Respondents have filed a name with the Oregon Secretary of State that has the word "bank," "trust," or a derivative thereof in its name as set forth in ORS 56.023, and/or implies or may imply that these Respondents are conducting a banking business or are affiliated with a banking institution.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

11. Respondents violated Oregon law, including but not limited to ORS 56.023, 705.635 and 707.010 by failing to obtain a certification from the Division as required by Oregon Law, failing to properly list their business name with the Oregon Secretary of State, and by improperly registering to do business in Oregon using at least one of the terms or equivalent thereof set forth in ORS 56.023, without first obtaining the certificate required under ORS 705.635.

12. By virtue of their registration with the Oregon Secretary of State, Corporations Division, and other materials by which they hold themselves out for business, Respondents are soliciting or transacting business under a name that the Director determines leads the public to believe that its business is that of a banking institution or is affiliated with a banking institution

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in violation of ORS 707.010.

13. Respondents have failed to comply with the registration and certification requirements under the Oregon Banking Laws, including but not limited to ORS 707.635, 707.638, 707.005, 707.010 and/or 722.012. Respondents have failed to meet the necessary requirements to register or file their business name with the Oregon Secretary of State. Respondents have used the word "bank," "trust," or a derivative thereof as set forth in ORS 56.023, in their names in violation of the statutes set out in this paragraph.

ORDER

14. The Director, pursuant to ORS 705.640 and ORS 59.885(4) hereby **ORDERS** that Respondents Swiss-American International Bancorp, Inc. and Hans Georg Jerratsch each **CEASE AND DESIST** from violating any provision of Oregon Law, and specifically cease using the word "bank," "trust," or a derivative thereof as set forth in ORS 56.023 in their names in violation of the statutes as set forth above, and any rule, order or policy issued by the Division.

The entry of this Order in no way limits further remedies which may be available to the Director under Oregon law.

The date of this Order is the day the Director signs the Order.

IT IS SO ORDERED.

Dated this 26th day of February, 2008 at Salem, Oregon, NUNC PRO TUNC December 27, 2007.

CORY STREISINGER, Director
Department of Consumer and Business Services

David C. Tatman, Administrator
Division of Finance and Corporate Securities

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