DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
ENFORCEMENT SECTION
BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of:	**No. S-07-0025**
DOUGLAS GOODRUM, ALPHA ENERGY, INC., ALLIANCE RESOURCES GROUP, INC., ALEX BAILEY, and JAY REYNOLDS,	**ORDER WITHDRAWING FINAL ORDER TO CEASE AND DESIST, DENYING EXEMPTIONS, AND ASSESSING CIVIL PENALTIES ENTERED BY DEFAULT AGAINST DOUGLAS GOODRUM ONLY**
Respondents.	

WHEREAS, on January 24, 2008 the Director of the Oregon Department of Consumer and Business Services, Division of Finance and Corporate Securities (hereafter the "Director"), acting by and pursuant to the authority of the Oregon Securities Law, ORS 59.005 *et. seq.*, and other applicable authority, issued an "Order to Cease and Desist, Denying Exemptions, and Assessing Civil Penalties and Notice of Right to Contested Case Hearing" against **DOUGLAS GOODRUM** (hereafter "**GOODRUM**"), **ALPHA ENERGY, INC.** (hereafter "**ALPHA ENERGY**"), **ALLIANCE RESOURCES GROUP, INC.** (hereafter "**ALLIANCE RESOURCES**"), and **JAY REYNOLDS** (hereafter "**REYNOLDS**");

WHEREAS, on February 5, 2008 Respondent **GOODRUM** was served with a true copy of the Order and Notice by United States Mail, first class and United States Mail, certified delivery, addressed to him at his last known address: 3850 South Hampton Court, West Linn, Oregon 97068.

WHEREAS, on March 8, 2008 the Director, noting that **GOODRUM** had not filed a request for hearing, issued a "Final Order to Cease and Desist, Denying Exemptions, and Assessing Civil Penalties Entered By Default" against, inter alia, Respondent **GOODRUM**;

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Telephone: (503) 378-4387

WHEREAS, the Director has since learned that service of the January 24, 2008 Notice Order was deficient because Respondent **GOODRUM** no longer resides at 3850 South Hampton Court, West Linn, Oregon 97068, the address at which service of process was attempted;

NOW THEREFORE, the Director hereby withdraws her March 8, 2008 Final Order to Cease and Desist, Denying Exemptions, and Assessing Civil Penalties Entered By Default against Respondent **GOODRUM**, who shall be afforded a twenty (20) day period to submit a written request for hearing in connection with the Director's January 24, 2008 Notice Order.

IT IS SO ORDERED.

Dated this 9th day of May 2008 NUNC PRO TUNC March 8, 2008 at Salem, Oregon.

CORY STREISINGER, Director
Department of Consumer and Business Services

David C. Tatman, Administrator
Division Of Finance And Corporate Securities

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BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of:	**No. S-07-0025**
DOUGLAS GOODRUM, ALPHA ENERGY, INC., ALLIANCE RESOURCES GROUP, INC., ALEX BAILEY, and **JAY REYNOLDS,**	**FINAL ORDER TO CEASE AND DESIST, DENYING EXEMPTIONS, AND ASSESSING CIVIL PENALTIES ENTERED BY DEFAULT AGAINST DOUGLAS GOODRUM, ALPHA ENERGY, INC., ALLIANCE RESOURCES GROUP, INC., and JAY REYNOLDS ONLY**
Respondents.	

WHEREAS, on January 24, 2008 the Director of the Oregon Department of Consumer and Business Services, Division of Finance and Corporate Securities (hereafter the "Director"), acting by and pursuant to the authority of the Oregon Securities Law, ORS 59.005 *et. seq.*, and other applicable authority, issued an "Order to Cease and Desist, Denying Exemptions, and Assessing Civil Penalties and Notice of Right to Contested Case Hearing" against **DOUGLAS GOODRUM** (hereafter "**GOODRUM**"), **ALPHA ENERGY, INC.** (hereafter "**ALPHA ENERGY**"), **ALLIANCE RESOURCES GROUP, INC.** (hereafter "**ALLIANCE RESOURCES**"), and **JAY REYNOLDS** (hereafter "**REYNOLDS**");

WHEREAS, on February 5, 2008 Respondent **GOODRUM** was duly served with a true copy of the Order and Notice by United States Mail, first class postage prepaid, addressed to him at his last known address: 3850 South Hampton Court, West Linn, Oregon 97068. This mailing was returned by the U.S. Post Office, marked "Undeliverable As Addressed, Unable To Forward."

WHEREAS, on February 5, 2008 Respondent **GOODRUM** was duly served with a true copy of the Order and Notice by certified United States Mail (Item #7006 2760 1582 3851), postage prepaid, and addressed to him at his last known address: 3850 South Hampton Court,

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West Linn, Oregon 97068. This mailing was returned by the U.S. Post Office, unsigned, marked "Undeliverable As Addressed, Unable To Forward."

WHEREAS, on February 5, 2008 Respondent **ALPHA ENERGY** was duly served with a true copy of the Order and Notice by United States Mail, first class postage prepaid, addressed to it at its last known address: 111 SW Fifth Avenue, Suite 2115, Portland, Oregon 97204. This mailing was returned by the U.S. Post Office, marked "Not Deliverable As Addressed, Unable To Forward."

WHEREAS, on February 5, 2008 Respondent **ALPHA ENERGY** was duly served with a true copy of the Order and Notice by certified United States Mail (Item #7006 2760 0005 1582 3868), postage prepaid, and addressed to it at the following last known address: 111 SW Fifth Avenue, Suite 2115, Portland, Oregon 97204. This mailing was signed for on February 7, 2008 by "Curt Nelson."

WHEREAS, on February 5, 2008 Respondent **ALLIANCE RESOURCES** was duly served with a true copy of the Order and Notice by United States Mail, first class postage prepaid, addressed to it at its last known address: 111 SW Fifth Avenue, Suite 2115, Portland, Oregon 97204. This mailing was returned by the U.S. Post Office, marked "Not Deliverable As Addressed, Unable To Forward."

WHEREAS, on February 5, 2008 Respondent **ALLIANCE RESOURCES** was duly served with a true copy of the Order and Notice by certified United States Mail (Item #7006 2760 0005 1582 3875), postage prepaid, and addressed to it at the following last known address: 111 SW Fifth Avenue, Suite 2115, Portland, Oregon 97204. This mailing was signed for on February 7, 2008 by "Curt Nelson."

WHEREAS, on February 5, 2008 Respondent **REYNOLDS** was duly served with a true copy of the Order and Notice by United States Mail, first class postage prepaid, addressed to it at its last known address: 111 SW Fifth Avenue, Suite 2115, Portland, Oregon 97204. This mailing

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was returned by the U.S. Post Office, marked "Not Deliverable As Addressed, Unable To Forward."

WHEREAS, on February 5, 2008 Respondent **REYNOLDS** was duly served with a true copy of the Order and Notice by certified United States Mail (Item #7006 2760 0005 1582 3882), postage prepaid, and addressed to it at the following last known address: 111 SW Fifth Avenue, Suite 2115, Portland, Oregon 97204. This mailing was signed for on February 7, 2008 by "Curt Nelson."

NOW THEREFORE, the Director, aware that the period of time for these Respondents to request a hearing has passed – and cognizant that her staff has executed a Non-Military Affidavit indicating that Respondent **GOODRUM** is not an active member of the armed forces of the United States of America - hereby issues the following Findings of Fact, Conclusions of Law, and Final Order, to wit:

FINDINGS OF FACT

The Director **FINDS** that:

Part One: Respondents

1. **DOUGLAS GOODRUM**, at all times material herein, solicited money from members of the public for investments in oil and gas ventures. Goodrum engaged in these actions through **ALPHA ENERGY,** an entity that he owned, and **ALLIANCE RESOURCES**, an entity that he controlled. Goodrum's last known address is 3850 South Hampton Court, West Linn, Oregon 97068.

2. **GOODRUM** was not, at all times material herein, licensed as a securities issuer salesperson or broker-dealer salesperson in the State of Oregon.

3. **ALPHA ENERGY** was, at all times material herein, a Nevada corporation (Nevada Corporation #C21397-2002). Alpha Energy was incorporated on August 28, 2002. **GOODRUM**, the corporation's only shareholder, served as the President, Secretary, and Treasurer of Alpha Energy. Alpha Energy registered with the Oregon Secretary of State as a foreign corporation

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authorized to do business in Oregon (Business Registry #247447-99) on October 19, 2004. Alpha Energy's last known address is 111 SW Fifth Avenue, Suite 2115, Portland, Oregon 97204.

4. **ALPHA ENERGY** was not, at all times material herein, licensed as a broker-dealer in the State of Oregon.

5. **ALLIANCE RESOURCES** was, at all times material herein, a Nevada corporation (Nevada Corporation #C21552-2002). Alliance Resources was incorporated on August 29, 2002. **ALEX BAILEY** served as the President, Secretary, and Treasurer of Alliance Resources. Alliance Resources's last known address is 111 SW Fifth Avenue, Suite 2115, Portland, Oregon 97204.

6. **ALLIANCE RESOURCES** was not, at all times material herein, licensed as a broker-dealer in the State of Oregon.

7. **ALEX BAILEY** was, at all times material herein, **GOODRUM**'s second in command at Alliance Resources, aiding Goodrum, who controlled the entity, by handling administrative matters, managing staff members, and soliciting investments from members of the public. Bailey's last known address is 5075 Mapleton Drive, West Linn Oregon 97068.

8. **BAILEY** was not, at all times material herein, licensed as a securities issuer salesperson or broker-dealer salesperson in the State of Oregon.

9. **JAY REYNOLDS** was, at all times material herein, an Alliance Resources salesperson. Reynolds's last known address is 111 SW Fifth Avenue, Suite 2115, Portland, Oregon 97204.

10. **REYNOLDS** was not, at all times material herein, licensed as a securities issuer salesperson or broker-dealer salesperson in the State of Oregon.

Part Two: Douglas Goodrum Sells Unregistered Securities Through Leading Solutions

11. On June 20, 1996, **GOODRUM** incorporated Leading Solutions, Inc. (hereafter "Leading Solutions") with the Oregon Secretary of State (Business Registry #523563-84).

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Goodrum was the President and sole shareholder of Leading Solutions, Inc. Leading Solutions sold investments in oil and gas projects to members of the public.

12. Beginning in 1997, Leading Solutions sold investments in oil and gas projects operated by Energy 2000, Inc. (hereafter "Energy 2000"), a Texas corporation that purportedly acquired and managed oil and gas wells in Texas and Oklahoma. The President of Energy 2000 is Jim Morisett.

13. Energy 2000 was responsible for operating and managing the wells of its oil and gas projects, including but not limited to installing necessary equipment, pumping the oil or gas, selling the oil or gas, and engaging in required equipment maintenance. Leading Solutions undertook no activity with respect to the Energy 2000 oil or gas projects beyond soliciting money from members of the public.

14. **GOODRUM** solicited money for Energy 2000 projects from members of the public by contacting individuals throughout the United States by telephone to tout oil and gas investments (so called "cold calling"). Goodrum had no pre-existing business or personal relationship with the individuals he contacted. Rather, Goodrum obtained lists of names, addresses, and telephone numbers of potential sales prospects by purchasing such data from direct marketing companies.

15. **GOODRUM** employed salespersons to aid his solicitation efforts. Goodrum required salespersons to closely adhere to scripts he authored during sales calls. Salespersons typically earned commissions of between twelve percent (12%) and fifteen percent (15%) of each sale.

16. Members of the public that invested in Energy 2000 oil and gas projects through **GOODRUM** and Leading Solutions were lured by promises of substantial profits and immediate tax "write offs." Investors had no role in the management or operation of the oil and gas projects they invested in.

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17. Confining her analysis exclusively to the period from March, 1999 through April, 2001, the Director of the Oregon Department of Consumer and Business Services issued an Order to Cease and Desist against **GOODRUM** and Leading Solutions on September 18, 2002 for numerous violations of the Oregon Securities Law. Goodrum and Leading Solutions consented to the entry of the Order. The conclusions included:

- The investments **GOODRUM** and Leading Solutions marketed and sold to members of the public in Energy 2000 oil and gas projects from March 1999 through April 2001 constituted "securities", as defined by ORS 59.015 (19) (a).
- **GOODRUM** and Leading Solutions sold securities in and from Oregon without a securities license from March 1999 through April 2001, in violation of ORS 59.165.
- **GOODRUM** and Leading Solutions sold unregistered securities in Oregon from March 1999 through April 2001, in violation of ORS 59.055.
- **GOODRUM** and Leading Solutions made material misrepresentations or omissions in connection with the sale of securities in or from Oregon from March 1999 through April 2001, in violation of ORS 59.135.

18. The Director ordered that, effective September 18, 2002, **GOODRUM,** Leading Solutions, and any successor business immediately cease and desist from violating any provision of the Oregon Securities Law.

Part Three: Goodrum Continues Selling Oil and Gas Investments

19. In August 2002 **GOODRUM** was aware that the Director would soon issue her Cease and Desist Order because his attorney was in the midst of settlement negotiations with the Director's staff. Nevertheless, during this period Goodrum formulated a two part scheme designed to continue his highly profitable sales of investments in Energy 2000 oil and gas projects to members of the general public after entry of the Cease and Desist Order. First, Goodrum sought a "safe harbor" from securities registration requirements by preparing documents for filing with the United States Securities and Exchange Commission (hereafter

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"SEC") under Regulation D, Rule 506 (hereafter "506D"). 506D permits the sale of unregistered securities under limited circumstances so long as "general solicitation" (for example, advertising on television or "cold calling" by telephone), is not utilized. Second, Goodrum created several intermediate entities to mask his cold calling sales operation from public and regulatory view.

20. On August 28, 2002, three weeks before the issuance of the Director's Cease and Desist Order, **GOODRUM** incorporated **ALPHA ENERGY**. Goodrum was the company's sole shareholder. Alpha Energy was formed exclusively for the purpose of being a "pass through" entity: it received funds from the sale of investments in Energy 2000 oil and gas projects to members of the public and, after tendering some portion of the funds to Morisett, transmitted all remaining amounts to Goodrum.

21. **GOODRUM** created **ALLIANCE RESOURCES** for the purpose of managing his sales operation, filing 506D related documents with the SEC, and issuing offering memoranda to potential investors.

22. At some point in August, 2002, **GOODRUM** informed **BAILEY** that he was interested in "stepping back from the business" and "moving towards retirement." Goodrum asked Bailey, then a Leading Solutions salesperson whose previous work experience was as a restaurant manager, to manage and operate **ALLIANCE RESOURCES** on his behalf, with the inference that Bailey would take over full ownership at some unspecified point in the future.

23. **GOODRUM** retained an agent to prepare corporate formation documents for **ALLIANCE RESOURCES**, which **BAILEY** signed at his request. Bailey was putatively the sole shareholder of Alliance Resources, yet he did not contribute capital, time, or expertise to the new entity in return for his "ownership" interest. **GOODRUM** forwarded Alliance Resources incorporation documents for filing concurrent with the filing of incorporation materials for **ALPHA ENERGY**.

24. **GOODRUM, ALPHA ENERGY, ALLIANCE RESOURCES, BAILEY,** and **REYNOLDS** were all located in the same Portland, Oregon office.

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25. **ALLIANCE RESOURCES** performed the same activities Leading Solutions had engaged in prior to the Director's Cease and Desist Order. Under **GOODRUM**'s overall direction and control, the firm had salespersons that, using purchased lists of names and phone numbers, contacted members of the public and, closely adhering to sales scripts, solicited investments in Energy 2000 oil and gas projects.

26. Although **BAILEY** was nominally the President and owner of **ALLIANCE RESOURCES, GOODRUM** exercised complete authority over Alliance Resources and its day to day operations. Goodrum provided startup funding for Alliance Resources. Goodrum interviewed and hired Alliance Resources salespersons. Goodrum authored the sales scripts employed by Alliance Resources. Goodrum provided all training for Alliance Resources salespersons. Goodrum moderated all staff meetings. Goodrum occupied the only corner suite in the office. Goodrum approved and authorized all expenditures. Goodrum "loaned" funds to Alliance Resources when it was short of money to meet its payroll. Goodrum determined staff policies and procedures. Goodrum – and not Bailey - offered Alliance Resources salespersons monetary incentives for increased sales activity. Goodrum presided over Alliance Resources Christmas parties, handing out awards for company activity - including one to **BAILEY**, his putative boss.

27. **ALLIANCE RESOURCES** paid for all of **GOODRUM**'s business related expenses, including expenses incurred by **ALPHA ENERGY**.

28. **GOODRUM** carefully guarded his professional relationship with Jim Morisett and Energy 2000. He strictly prohibited **BAILEY**, the putative owner of Alliance Resources, from engaging in any communications with Morisett. In point of fact, Goodrum required Bailey to sign a non-compete agreement to ensure that Bailey would not have the ability to usurp his authority.

29. **GOODRUM** rarely initiated telephone sales calls to members of the public directly. Rather, Goodrum had **ALLIANCE RESOURCES** salespersons "open" prospective purchasers,

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using the sales script and training he provided. Goodrum's role was to communicate with prospective investors by telephone for the purpose of "closing" the sale.

30. **GOODRUM** was compensated for his activities in two ways. First, Goodrum was paid the sum of three thousand dollars ($3,000.00) a month by **ALLIANCE RESOURCES** as an "employee." Second, **GOODRUM,** through **ALPHA ENERGY**, received fifty-eight and one-half percent (58.5%) of every sale made by Alliance Resources, some portion of which was passed on to Energy 2000. In the numerous instances in which Goodrum personally "closed" a sale, Goodrum, through Alpha Energy, received an additional fifteen percent (15%) sales commission.

Part Four: Benavides #1 Limited Partnership

31. **GOODRUM**, through **ALLIANCE RESOURCES**, solicited investments from hundreds of members of the general public for an Energy 2000 single natural gas well project in Laredo, Texas called "Benavides #1 Limited Partnership" (hereafter "Benavides partnership.")

32. **ALLIANCE RESOURCES** served as general partner and issuer of the Benavides partnership. Alliance Resources filed a "Form D" for this entity with the SEC on October 15, 2002, permitting it to engage in securities sales *in compliance with strict 506D guidelines.*

33. In January 2003, Jay Reynolds, an **ALLIANCE RESOURCES** salesperson, telephoned Jack Lipsky, a resident of the State of New York. Reynolds did not have a previous business or personal relationship with Lipsky. In contravention of 506D requirements, Reynolds "cold called" Lipsky to attempt to sell him an investment in the Benavides partnership. While somewhat receptive, Lipsky was not willing to commit to making an investment at the time of his telephone conversations with Reynolds.

34. On January 23, 2003 **ALLIANCE RESOURCES** mailed Lipsky written materials about the Benavides partnership, including its offering memorandum (dated September 1, 2002) and a Benavides "Project Summary." The project summary stated that in March 1985 the

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Benavides well had to be sealed due to *overproduction*, as it was eliciting twice its "allowable" quantity of gas. Furthermore, the summary noted that since the seals on the well had been removed, new compressors produced "consistent results."

35. In February, 2003 **GOODRUM**, in an effort to "close" the sale of a Benavides unit to Lipsky, spoke with the New York resident by telephone on several occasions. Goodrum and Lipsky had substantive discussions about the Benavides investment. During those discussions:

- Lipsky explicitly asked **GOODRUM** whether the limited partnership interests in question were registered for sale with New York State authorities. Goodrum responded that they were indeed so registered. In point of fact, the Benavides partnership offering memorandum had not been registered, or otherwise reviewed, by any regulatory body in New York.
- **GOODRUM** did not disclose to Lipsky that he had been the subject of a Cease and Desist Order issued by the Oregon Division of Finance and Corporate Securities with respect to his sale of investments in oil and gas projects less than six (6) months beforehand. Furthermore, this information was not contained in the Benavides offering memorandum.
- **GOODRUM** did not disclose to Lipsky that he owned **ALPHA ENERGY**, which is described in the offering memorandum as a non-operating participant. Furthermore, this information was not contained in the offering memorandum.
- **GOODRUM** did not disclose that a substantial portion of the offering's gross proceeds, which had been earmarked for the development and maintenance of the gas well, would actually be tendered to Alpha Energy as remuneration for Goodrum, thereby substantially reducing the amount of money available for gas well related operations.
- **GOODRUM** did not disclose to Lipsky that he controlled the operations of the Benavides general partner, **ALLIANCE RESOURCES**. Furthermore, this information is not stated in the offering memorandum. Additionally, the offering memorandum

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erroneously describes **BAILEY** as the representative of the general partner, and states that he has "held several management positions in a broad range of organizations." In point of fact, Bailey was previously a restaurant manager.

Had Lipsky been apprised of any of this information, he would not have invested in the Benavides partnership.

36. On February 25, 2003 Lipsky purchased a half-unit in the Benavides partnership from **GOODRUM** and **ALLIANCE RESOURCES** for eleven thousand dollars ($11,000.00).

37. In a March, 2004 letter, Jim Morisset declared the Benavides well to be a "complete loss."

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

38. The Benavides partnership unit Respondents offered for sale and/or sold is a security, as defined by ORS 59.015 (19) (a).

39. Respondents offered for sale and/or sold securities that were not registered with the Oregon Division of Finance and Corporate Securities from the State of Oregon, in violation of ORS 59.055.

40. Respondents offered for sale and/or sold securities from the State of Oregon without being licensed as a broker-dealer or broker-dealer salesperson, in violation of ORS 59.165 (1).

41. In connection with the sale of securities to Jack Lipsky in February 2003, Respondents made an untrue statement of a material fact, in violation of ORS 59.135 (2), by falsely representing that Benavides partnership units were registered for sale with the State of New York.

42. In connection with the sale of securities to Jack Lipsky in February 2003, Respondents omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in violation of ORS 59.135 (2), by failing to inform Lipsky that **GOODRUM** had been the subject of a Cease and

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Desist Order issued by the Oregon Division of Finance and Corporate Securities on September 11, 2002.

43. In connection with the sale of securities to Jack Lipsky in February 2003, Respondents omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in violation of ORS 59.135 (2), by failing to inform Lipsky that **GOODRUM** owned **ALPHA ENERGY**.

44. In connection with the sale of securities to Jack Lipsky in February 2003, Respondents omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in violation of ORS 59.135 (2), by failing to inform Lipsky that a substantial portion of the Benavides offering's gross proceeds, which had been earmarked for the development and maintenance of the gas well, would actually be tendered to Alpha Energy as a sales commission for **GOODRUM**.

45. In connection with the sale of securities to Jack Lipsky in February 2003, Respondents omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in violation of ORS 59.135 (2), by failing to inform Lipsky that **GOODRUM** controlled the operations of the Benavides general partner, **ALLIANCE RESOURCES**.

46. **GOODRUM** willfully or repeatedly violated, or failed to comply with, an Order of the Director, in violation of ORS 59.205 (3), by selling securities of a type that were the subject of a September 11, 2002 Order to Cease and Desist by the Director.

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ORDER

Therefore, the Director **ORDERS:**

47. That Respondents shall cease and desist from offering and/or selling securities to persons in or from the State of Oregon in violation of the Oregon Securities Law, ORS 59.005 *et seq*, and accompanying administrative rules.

48. That Respondents **GOODRUM, ALPHA ENERGY,** and **ALLIANCE RESOURCES** are, pursuant to the authority contained in ORS 59.995, ordered, jointly and severally, to pay the sum of **TWENTY THOUSAND DOLLARS** ($20,000.00) as a civil penalty for each violation of ORS 59.055, ORS 59.135, and ORS 59.165 involving the sale of the Benavides partnership unit to Jack Lipsky described herein, for a civil penalty of **ONE HUNDRED FORTY THOUSAND DOLLARS** ($140,000.00). Furthermore, Respondents **GOODRUM, ALPHA ENERGY,** and **ALLIANCE RESOURCES** are ordered, jointly and severally, to pay the sum of **TWO HUNDRED THOUSAND DOLLARS** ($200,000.00) as a civil penalty for continuing violations of ORS 59.055 and ORS 59.165 involving the offer of Benavides partnership units to members of the general public described herein, for a total civil penalty of **THREE HUNDRED FORTY THOUSAND DOLLARS** ($340,000.00).

49. That Respondent **REYNOLDS** is, pursuant to the authority contained in ORS 59.995, ordered to pay the sum of **THREE THOUSAND DOLLARS** ($3,000.00) as a civil penalty for each violation of ORS 59.055, ORS 59.135, and ORS 59.165 described herein, for a total civil penalty of **TWENTY-ONE THOUSAND DOLLARS** ($21,000.00).

50. That Respondent **GOODRUM** is, for the protection of the public, **PERMANENTLY BARRED** from having any management, consulting, employment, sales, or ownership role with a broker-dealer, investment adviser, mortgage lending firm, insurance company, or any other entity licensed by the Oregon Department of Consumer and Business Services.

51. That Respondent **GOODRUM**, and any entity that he is employed by, consulting for, or acting on behalf of, whether in a sales or non-sales capacity, is hereby **PERMANENTLY DENIED THE USE OF EXEMPTIONS** authorized by ORS 59.025 and ORS 59.035, until further order of the Director, pursuant to ORS 59.045.

52. That Respondent **REYNOLDS** is hereby **DENIED THE USE OF EXEMPTIONS** authorized by ORS 59.025 and ORS 59.035, for a period of five (5) years, pursuant to ORS 59.045.

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IT IS SO ORDERED.

Dated this 8th day of March 2008 NUNC PRO TUNC January 24, 2008 at Salem, Oregon.

CORY STREISINGER, Director
Department of Consumer and Business Services

David C. Tatman, Administrator
Division Of Finance And Corporate Securities

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