STATE OF OREGON
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:	**S-08-0014**
JAMES SALVATORE GEORGEN JR.,	**ORDER TO CEASE AND DESIST, ORDER DENYING EXEMPTIONS, BAR FROM FINANCIAL INDUSTRY, ASSESSMENT OF CIVIL PENALTY, AND**
Respondent.	**CONSENT TO ENTRY OF ORDER**

WHEREAS the Director of the Department of Consumer and Business Services (hereinafter, "Director") has conducted an investigation of certain business activities conducted by James Salvatore Georgen Jr. and has determined that James Salvatore Georgen Jr. offered and sold a security in violation of the Oregon Securities Law; and

WHEREAS James Salvatore Georgen wishes to resolve and settle this matter with the **DIRECTOR**;

NOW THEREFORE, as evidenced by the authorized signature subscribed on this Order, James Salvatore Georgen Jr. hereby **CONSENTS** to entry of this Order to Cease and Desist, Order Denying Exemptions, Bar From Financial Industry, Assessment of Civil Penalty, and Consent to Entry of Order, upon the Director's Findings of Fact and Conclusions of Law as stated hereafter.

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FINDINGS OF FACT

1. James Salvatore Georgen Jr. (hereinafter, "Georgen"), conducted business out of his home located at 5228 Bonita Road, Lake Oswego, Oregon 97034.

2. Georgen had a limited license to sell securities (CRD #220966) from 1992 to December 18, 2003. The limited license allowed Georgen to sell investment company variable contracts, mutual funds and certain variable insurance products with appropriate insurance licensing (commonly known as a "series 6" license).

3. Georgen has never been licensed to sell any other securities products, including investment contracts.

4. Georgen was licensed to sell Life and Health Insurance beginning in 1981, License # 100855. Georgen's Insurance License was revoked on June 2, 2005, Final Order, Case No. INS 04-10-006, incorporated herein by reference.

5. On December 16, 2003, Georgen signed Order number S-03-0044, Order to Cease and Desist Denying Exemptions, Revoking Licensure, and Assessing Civil Penalties And Consent to Entry of Order, (hereinafter "the 2003 Order") incorporated herein by reference.

6. The 2003 Order prohibited Georgen from offering or selling securities and specifically stated that Georgen was "strictly prohibited from raising capital from other individuals for use or investment on their behalf."

7. The 2003 Order assessed a civil penalty of one hundred thousand dollars ($100,000) with eighty thousand dollars ($80,000) suspended so long as Georgen did not violate the terms of the 2003 Order.

8. On August 18, 2005, Georgen sold an investment contract to an Oregon resident for $10,000. The investment contract was not registered and Georgen was not licensed to sell the investment contract.

9. On June 20, 2008, Georgen was indicted by a Clackamas County Grand Jury in case number CR0800849. The indictment charged Georgen with one count of selling an unregistered security and one count of selling a security without a license. Both counts related to the sale of the investment contract on August 18, 2005 to one Oregon resident.

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10. On November 4, 2008, Georgen agreed to plead guilty in case number CR0800849 to attempt to commit count 2, sale of a security by an unlicensed person, a class C felony.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. The investment contract sold by Georgen on August 18, 2005, for $10,000 to an Oregon resident was a security as defined by ORS 59.015(19)(a).

2. The security sold by Georgen was not registered as a security under ORS Chapter 59 and OAR Chapter 441.

3. Georgen acted as a securities "salesperson" as defined by ORS 59.015(18)(a), by offering and selling securities in the state of Oregon.

4. Georgen unlawfully transacted business in Oregon as a securities salesperson without a license, in violation of ORS 59.165.

5. Georgen offered and sold an unregistered security in violation of ORS 59.055.

6. Georgen willfully and knowingly violated the 2003 Order of the Director by selling a security in the state of Oregon.

ORDER

NOW THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

1. The Director, pursuant to ORS 59.245 hereby **ORDERS** Respondent, James Salvatore Georgen Jr. to **CEASE and DESIST** from:

A. Willfully or repeatedly violating or failing to comply with an Order of the Director;

B. Offering or selling unregistered securities in Oregon, in violation of ORS 59.055;

C. Transacting business in Oregon as a securities salesperson without a license, in violation of ORS 59.165;

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D. Violating any provision of the Oregon Securities Law, including ORS Chapter 59 and OAR Chapter 441;

2. James Salvatore Georgen Jr., and any entities that employ or otherwise utilize his services for the purpose of raising capital, or for other investment or financing purpose, are, pursuant to ORS 59.045, **DENIED THE USE OF ANY EXEMPTIONS** to the requirement that all securities must be registered with the Director prior to the offer or sale that would otherwise be available to them under ORS 59.025 and ORS 59.035. Furthermore, James Salvatore Georgen Jr. is, for the protection of the investing public, **STRICTLY PROHIBITED** from raising capital, formally or informally, from within the state of Oregon or from residents of Oregon, for use or investment on their behalf.

3. James Salvatore Georgen Jr. is permanently **BARRED** from applying for or renewing any investment adviser, broker-dealer or securities salesperson license in the State of Oregon;

4. James Salvatore Georgen Jr. is permanently **BARRED** from applying to register or renew any securities registration in the State of Oregon;

5. James Salvatore Georgen Jr. is permanently **BARRED** from applying for, holding, or renewing any license or registration required by the Director in Oregon, including but not limited to insurance, consumer finance, collections, or mortgage lending. He is further **BARRED** from acting as a mortgage loan originator or mortgage loan processor in Oregon.

6. James Salvatore Georgen Jr. is ordered to pay full restitution of at least $10,000 to the Oregon resident described herein.

7. James Salvatore Georgen Jr. is ordered to pay the **EIGHTY THOUSAND DOLLAR** ($80,000) civil penalty previously suspended in the 2003 Order S-03-0044. The imposition of this civil penalty is in addition to the **TWENTY THOUSAND DOLLAR** ($20,000) civil penalty previously imposed in the 2003 Order S-03-0044 and to date unpaid.

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8. Respondent James Salvatore Georgen Jr. is Ordered to pay the sum of **FORTY THOUSAND DOLLARS** ($40,000) as a civil penalty for current violations of ORS 59.055 and ORS ORS 59.165, described herein. Collection of this **FORTY THOUSAND DOLLAR** ($40,000) portion of the Civil Penalty **SHALL BE SUSPENDED** so long as James Salvatore Georgen Jr. complies with all terms of any order and/or judgment issued by the Clackamas County Circuit Court in case CR0800849. If James Salvatore Georgen Jr. is found to be in violation of probation in Clackamas County case CR0800849 or fails to comply with the terms of this order said civil penalty shall become immediately due and owing in its entirety.

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

Dated this 4th day of December, 2008, at Salem, Oregon.

CORY STREISINGER, Director
Department of Consumer and Business Services

David Tatman, Administrator
Division of Finance and Corporate Securities

APPROVED AS TO FORM:

Bruce Shepley
Attorney for Respondent

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CONSENT TO ENTRY OF ORDER

I, James Salvatore Georgen Jr., state that I am a resident of the State of Oregon, that I have read the foregoing Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Consent Order is a public document.

Dated this 1 day of Dec, 2008.

James Salvatore Georgen Jr.

SUBSCRIBED AND SWORN to before me this 1 day of Dec, 2008.

OFFICIAL SEAL
JULIE BRECK
NOTARY PUBLIC - OREGON
COMMISSION NO.398238
MY COMMISSION EXPIRES NOVEMBER 19, 2009

(Printed Name of Notary Public)
Notary Public
for the State of: Oregon
My commission expires: 11/19/09.

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