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: David R. Loeser and D. R. Loeser & Co., Inc., Respondents.	DFCS File No. S-11-0074 ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTY, CONSENT TO ENTRY OF ORDER, LICENSE SURRENDER, AND BAR FROM SECURITIES BUSINESS IN OREGON

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon ("the Director") has conducted an investigation of certain business activities conducted by David R. Loeser and D.R. Loeser & Co., Inc., and has determined that certain provisions of the Oregon Securities Law, including ORS 59.165 and OAR 441-175-0105, were violated; and

WHEREAS David R. Loeser and D.R. Loeser & Co., Inc. wish to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this Order, David R. Loeser and D.R. Loeser & Co., Inc. hereby CONSENT to entry of this Order to Cease and Desist, Order Assessing Civil Penalty, License Surrender and Bar from Investment Advisory Services ("Order"), upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

I. FINDINGS OF FACT

The Director **FINDS** that:

1. Respondent David R. Loeser ("Loeser") is an individual whose address is 721 Brookside Drive, Eugene, Oregon 97405.

2. At times material to this Order, the following facts were true:

A. Loeser was the president, owner, registered agent, and chief compliance officer of D.

R. Loeser & Co., Inc. ("DRLC").

B. DRLC was a Delaware corporation registered as a foreign business corporation with the Oregon Secretary of State, Corporation Division. DRLC's principal place of business was located at 721 Brookside Drive, Eugene, Oregon 97405.

C. DRLC was licensed with the Oregon Department of Consumer and Business Services, Division of Finance and Corporate Securities ("the Division"), as a state investment adviser. Loeser was licensed with the Division as an investment adviser representative for DRLC.

3. The Division's investment adviser license number for DRLC is #IA-2597. DRLC's Investment Adviser Registration Depository number is #112007. Loeser's Central Registration Depository number is #1008954.

The Respondents paid an unlicensed person for client referrals.

4. In May 2011, during a routine examination by the Division's examiners of DRLC's records and business activities, the Division's examiners learned that Loeser and DRLC were paying referral or "finder's" fees to an individual who is not licensed to work for DRLC. Loeser and DRLC were compensating Paul Piotte ("Piotte") for client referrals.

5. Information obtained by the Division's examiners shows that between 2006 and 2011, Loeser and DRLC paid Piotte referral or "finder's" fees totaling more than $30,000.

6. DRLC had an agreement with Piotte in writing, signed by Loeser, whereby Piotte received a specified percentage of all fees received by DRLC for clients Piotte referred to DRLC. DRLC did not pay Piotte the fees on a per capita basis.

7. The Division has no record of license for Piotte as a broker-dealer, salesperson, investment adviser or investment adviser representative.

8. Loeser and DRLC's compensation arrangement with Piotte was not disclosed on the Form ADV filed for DRLC. Item 8, Question F on the Form ADV asks: "Do you or any related person, directly or indirectly, compensate any person for client referrals?" The ADV filed for

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DRLC states "no" in response to that question.

The Respondents are subjects of a prior consent order in Maine.

9. In 2007, Loeser and DRLC entered into a consent order with the state of Maine, Office of Securities, case number 06-025-COR ("the Maine consent order"), for selling unregistered securities and other violations of Maine's securities laws. In that case, the securities involved interests in a limited partnership in which Loeser owned an interest.

10. The Maine consent order included orders for DRLC to surrender its investment adviser license in Maine and "not apply for an investment adviser or broker-dealer license or otherwise engage in the securities business in Maine in the future."

11. The Maine consent order included orders for Loeser to surrender his investment adviser representative license in Maine, and "not apply for an investment adviser, investment adviser representative, or agent license or otherwise engage in the securities business in Maine in the future."

The Respondents did not update ADV filings to reflect changes.

12. OAR 441-175-0105 requires state investment advisers to file an amendment on Form ADV within 30 days of an occurrence of a material change to any information on the original application or previous amendments. Material changes include, among other occurrences, disciplinary disclosure answers on the application and change in scope of business.

13. Loeser and DRLC did not update ADV filings to disclose the Maine consent order.

14. Loeser and DRLC did not update ADV filings to disclose compensation for client referrals.

15. The ADV filings that described DRLC's business referred to the sale of only mutual funds, but the Division's examiners learned that DRLC was no longer dealing exclusively in mutual funds and was trading in individual stocks.

16. Loeser and DRLC did not update ADV filings to disclose changes in products from mutual funds to individual stocks.

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II. CONCLUSIONS OF LAW

The Director CONCLUDES that:

1. At times material to this Order, DRLC was a state investment adviser in Oregon, as defined in ORS 59.015(20)(a).

2. At times material to this Order, Loeser was an officer, owner and control person of DRLC.

3. By soliciting for the sale of investment advisory services on behalf of DRLC, Piotte conducted business as an investment adviser representative in Oregon, as defined in ORS 59.015(8)(a)(A)(iv).

4. Between 2006 and 2011, Loeser and DRLC violated ORS 59.165(4)(a), because Piotte was associated with DRLC but was not licensed with the Division as an investment adviser representative.

5. By not amending the ADV for DRLC to disclose compensation for client referrals, Loeser and DRLC violated OAR 441-175-0105.

6. By not amending the ADV for DRLC to disclose the Maine consent order, Loeser and DRLC violated OAR 441-175-0105.

7. By not amending the ADV for DRLC to disclose the change in its scope of business, Loeser and DRLC violated OAR 441-175-0105.

III. ORDER

1. The Director, pursuant to ORS 59.245 hereby ORDERS that Respondents David R. Loeser and D.R. Loeser & Co., Inc. CEASE AND DESIST from:

A. Transacting business involving securities in the State of Oregon in violation of ORS 59.165(4)(a) and OAR 441-175-0105.

B. Violating any of the provisions of Oregon Revised Statutes Chapter 59 or the Oregon Administrative Rules Chapter 441.

2. Respondents David R. Loeser and D.R. Loeser & Co., Inc. hereby SURRENDER

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their investment adviser representative and state investment adviser licenses in Oregon, and are permanently BARRED from applying for or renewing any state investment adviser, investment adviser representative, broker-dealer or securities salesperson license in Oregon.

3. Respondents David R. Loeser and D.R. Loeser & Co., Inc. are permanently BARRED from applying to register or renew any securities registration in Oregon.

4. The Director, pursuant to ORS 59.995 HEREBY ORDERS Respondents David R. Loeser and D.R. Loeser & Co., Inc. jointly and severally, to pay a CIVIL PENALTY of $20,000 (twenty thousand dollars). The civil penalty includes $5,000 for one violation of ORS 59.165(4)(a), and $15,000 for violations of OAR 441-175-0105 ($5,000 for each of three violations of OAR 441-175-0105).

5. The Director further Orders the entire civil penalty imposed in paragraph III.4 above, shall be SUSPENDED upon the following conditions:

A. Respondents David R. Loeser and D.R. Loeser & Co., Inc. and every successor, affiliate, agent, control person, servant, employee of each, and every entity owned, operated, or directly or indirectly controlled or hereinafter organized by or on their behalf conduct no further business in the State of Oregon related to securities, including, but not limited to, providing investment advice, acting as a broker-dealer, broker-dealer salesperson, issuer salesperson, state investment adviser, or investment adviser representative, registering securities for sale in Oregon, or advising others on doing so;

B. Respondents abide by all terms of this Order; and

C. Respondents lawfully obey all provisions of Oregon Revised Statutes Chapter 59 and Oregon Administrative Rules chapter 441.

6. Failure of any Respondent to comply with any term of this Order shall constitute a violation of this Order and the violations which gave rise to this Order may be used by the Director in any other enforcement action against any Respondent.

7. The entry of this Order in no way limits further remedies, sanctions, or actions which

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may be available to the Director under Oregon law to enforce this Order, for violations of this Order, for conduct or actions of any Respondent which is not covered by this Order, or against any party not covered by this Order.

Dated this 11th day of August, 2011, at Salem, Oregon.

SCOTT L. HARRA, Acting Director
Department of Consumer and Business Services

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

CONSENT TO ENTRY OF ORDER BY DAVID R. LOESER

I, David R. Loeser, state that I am a Respondent herein; that I have read the foregoing Order and that I know and fully understand the contents thereof; that the factual allegations contained herein are true and correct; that I have been advised of my right to a hearing and to be represented by counsel in this matter; that I consent to the entry of this Order voluntarily; and without any force or duress; that I understand that the Director reserves the right to take further actions to enforce this Order, or, upon discovery, to enforce other violations of the Oregon Securities Law by me; that I will fully comply with the terms and conditions stated herein. I further assure the Director that I will conduct no further business in Oregon related to securities. I understand that this Order is a public document.

Dated this 8 day of Aug., 2011.

/s/ David R. Loeser
David R. Loeser

SUBSCRIBED TO BEFORE ME this 8 day of Aug., 2011.

/s/ Patricia l. Willey
Notary Public

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CONSENT TO ENTRY OF ORDER FOR D. R. LOESER & CO., INC.

I, David R. Loeser, state that I am the president of D. R. Loeser & Co., Inc. ("DRLC"); that I am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the contents hereof; that DRLC and I have been advised of the right to a hearing and the right to be represented by counsel in this matter; that DRLC voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving any right to a hearing in this matter; that DRLC understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law; and that DRLC will fully comply with the terms and conditions stated herein. DRLC further assures the Director that neither DRLC nor its officers, directors, employees or agents will conduct further business in Oregon related to securities.

DRLC understands that this Order is a public document.

Dated this 8th day of August 2011.

D. R. LOESER & CO., INC.

By: /s/ David R. Loeser
David R. Loeser
President, D.R. Loeser & Co., Inc.

State of Oregon

County of: Lane

ACKNOWLEDGEMENT

There appeared before me this 8 day of Aug., 2011, David R. Loeser, who was first duly sworn on oath, and stated that he is the president of DRLC., and he is authorized and empowered to sign this Consent to Entry of Order on behalf of DRLC and to bind DRLC to the terms hereof.

/s/ Patricia L. Willey
Notary Public

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