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**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:

S-05-0067

Lincoln Highlands Limited Partnership
and
Marjorie M. Boyd,

ORDER TO CEASE AND DESIST,
ORDER DENYING EXEMPTIONS,
ORDER ASSESSING CIVIL PENALTY,
and
CONSENT TO ENTRY OF ORDER

Respondents.

WHEREAS the Director of the Department of Consumer and Business Services (“the Director”) has conducted an investigation of certain business activities conducted by Lincoln Highlands Limited Partnership and Marjorie M. Boyd (hereinafter referred to collectively as “Respondents”), and the Director has determined that Respondents transacted business in violation of the Oregon Securities Law, Oregon Revised Statutes Chapter 59 and Oregon Administrative Rules Chapter 441; and

WHEREAS the Respondents, without admitting or denying the Findings of Fact and Conclusions of Law stated hereinafter, wish to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this Order, Respondents hereby CONSENT to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter.

I. FINDINGS OF FACT

The Director **FINDS** that:

1. Between April 9, 1992, and April 6, 2012, Lincoln Highlands Limited Partnership was an Oregon limited partnership registered with the Oregon Secretary of State, Corporation Division. The records office and registered agent of Lincoln Highlands were located at 7190 SW 126th Court in Beaverton, Oregon.

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





1 2. At all times material this Order, Marjorie M. Boyd was a general partner of Lincoln
2 Highlands. Ms. Boyd's address is in Honolulu, Hawaii.

3 3. Beginning no later than 1995, the Respondents raised a total of at least \$1.8 million
4 from at least 30 investors. Many of the investors were residents of Hawaii, but at least two
5 investors were residents of Oregon, including "JD" and "PR".

6 4. Beginning in 1995, "JD" invested a total of \$80,000 with the Respondents, and "PR"
7 invested a total of at least \$26,000 with the Respondents. In exchange for their funds, "JD" and
8 "PR" received promissory notes issued by Lincoln Highlands and signed by Ms. Boyd on behalf
9 of Lincoln Highlands. The terms of those notes provided for interest at the rate of 12% per
10 annum.

11 5. The Respondents represented to "JD" and "PR" the funds they invested would be
12 used to develop a real estate project near Lincoln City, Oregon. In reality, the developers' plans
13 for a 1,829-unit condo development that was once projected have not materialized. Some of the
14 work on The Villages at Cascade Head development began, but the project stalled.

15 6. In 1997, three limited liability companies were formed for the purpose of developing
16 a portion of the property owned by Lincoln Highlands Limited Partnership. The limited liability
17 companies were administratively dissolved in 1998.

18 7. The Respondents did not provide "JD" and "PR", prior to their investments, a
19 prospectus, offering memorandum, or written disclosures regarding the financial condition of
20 Lincoln Highlands; the education, business background and experience of the management of
21 Lincoln Highlands, including any adverse disclosures; the amount of funds the Respondents
22 would need to raise from investors for business operations, construction costs, taxes, and project
23 development; a description how the Respondents planned to raise sufficient capital to execute
24 plans for the project; the nature and risks of the investment; or the actual use of investor funds.

25 8. The Respondents did not disclose to "JD" and "PR" the risks of their investments,
26 such as undercapitalization, lack of operating history, and lack of liquidity.



1 9. The Respondents defaulted on the notes issued to “JD” and “PR”. “JD” and “PR”
 2 filed complaints with the Oregon Division of Finance and Corporate Securities (“DFCS”).

3 10. DFCS has no record of securities license or registration in Oregon for the
 4 Respondents.

5 11. At all times material to this Order, no securities issued by the Respondents were
 6 registered with DFCS.

7 12. The Respondents did not disclose to “JD” and “PR” that Respondents did not register
 8 any securities with DFCS.

9 13. At all times material to this Order, the Respondents were not licensed to sell
 10 securities in Oregon.

11 14. The Respondents did not disclose to “JD” and “PR” that the Respondents were not
 12 licensed to sell securities in Oregon.

13 **II. CONCLUSIONS OF LAW**

14 The Director **CONCLUDES** that:

15 1. The notes sold to Oregon investors meet the definition of a “security” in Oregon
 16 under ORS 59.015(19)(a).

17 2. The securities sold to Oregon investors were not registered securities under ORS
 18 Chapter 59 and OAR Chapter 441.

19 3. Respondents sold unregistered securities to Oregon investors, in violation of ORS
 20 59.055.

21 4. On behalf of Lincoln Highlands, Ms. Boyd participated or materially aided in in the
 22 sale of securities to Oregon investors.

23 5. Ms. Boyd acted as a securities "salesperson" as defined in ORS 59.015(18)(a), by
 24 representing an issuer of securities in effecting transactions in securities.

25 6. Ms. Boyd transacted business in Oregon as a securities salesperson without a license,
 26 in violation of ORS 59.165.



1 7. In connection with the offer and sale of securities to Oregon investors, Respondents
2 omitted to state material facts, in violation of ORS 59.135(2), by failing to adequately disclose
3 the financial condition of Lincoln Highlands; the management’s background; the amount of
4 investor capital needed for the project and the plans for raising it; the risks of the investment; or
5 the actual use of investor funds.

6 8. In connection with the offer and sale of securities to Oregon investors, Respondents
7 omitted to state a material fact, in violation of ORS 59.135(2), by failing to disclose that the
8 notes issued by Lincoln Highlands were unregistered securities.

9 9. In connection with the offer and sale of securities to Oregon investors, Respondents
10 omitted to state a material fact, in violation of ORS 59.135(2), by failing to disclose that
11 Respondents were not licensed to sell securities in Oregon.

12 **III. ORDER**

13 1. Pursuant to ORS 59.245, Respondents are **ORDERED TO CEASE AND DESIST**
14 from:
15 a. Offering or selling unregistered securities in Oregon, in violation of ORS 59.055;
16 b. Transacting business in Oregon as a securities salesperson without a license, in violation
17 of ORS 59.165;
18 c. Making any untrue statements of a material fact or omitting to state a material fact
19 necessary in order to make the statements made, in light of the circumstances under which they
20 are made, not misleading, pursuant to ORS 59.135(2); and
21 d. Violating any provision of Oregon Revised Statutes Chapter 59 or Oregon Administrative
22 Rules Chapter 441.

23 2. The Director pursuant to the authority under ORS 59.045 hereby **DENIES**
24 Respondents and any affiliated and/or successor business or corporation the exemptions
25 otherwise allowed by ORS 59.025 and ORS 59.035.

26 3. Pursuant to the authority of ORS 59.995, the **DIRECTOR** hereby **ASSESSES CIVIL**

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



1 **PENALTIES** in the amount of \$40,000 (forty thousand dollars) against Respondents Lincoln
2 Highlands Limited Partnership and Marjorie M. Boyd, jointly and severally, for violations of
3 ORS 59.055, ORS 59.165, and ORS 59.135(2).

4 4. The Director will **SUSPEND** \$35,000 (thirty-five thousand dollars) of the civil
5 penalties assessed in Paragraph III.3, above, so long as Respondents comply with all terms of
6 this Order and all requirements of the Oregon Securities Law; **PROVIDED HOWEVER**, that
7 the suspended portion of the civil penalty shall be immediately due and payable upon a
8 determination by the Director that any Respondent has violated any term of this Order, or any
9 provision of the Oregon Securities Law.

10 5. Respondents must pay \$5,000 (five thousand dollars) of the civil penalty to the
11 Oregon Department of Consumer and Business Services at the time of execution of this Order.

12 The Director reserves the right to take further action to enforce this Order or to take
13 appropriate action upon discovery of new violations of the Oregon Securities Law that arise from
14 facts and circumstances outside the scope of this Order.

15 Dated this 5th day of July, 2012, at Salem, Oregon.

16 PATRICK M. ALLEN, Director
17 Department of Consumer and Business Services

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

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350 Winter Street NE, Suite 410
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CONSENT OF MARJORIE M. BOYD TO ENTRY OF ORDER

I, Marjorie M. Boyd, state that I am a resident of Hawaii, that I have read the foregoing Order and that I know and fully understand the contents hereof; that I have been advised of the right to a hearing and to be represented by counsel in this matter; that without admitting or denying the factual allegations herein, 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 Order is a public document.

/s/ Marjorie M. Boyd
MARJORIE M. BOYD

State of: Oregon

County of: Multnomah

SUBSCRIBED AND SWORN to before me this 26th day of June, 2012.

/s/ Renee A. Riley
Signature of Notary Public

**CORPORATE CONSENT TO ENTRY OF ORDER FOR MARJORIE M. BOYD
ON BEHALF OF LINCOLN HIGHLANDS LIMITED PARTNERSHIP**

I, Marjorie M. Boyd, state that I was a general partner of Lincoln Highlands Limited Partnership (“Lincoln Highlands”) and 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 Lincoln Highlands and I have been advised of the right to a hearing and to be represented by counsel in this matter; that Lincoln Highlands voluntarily and without any force or duress, consents to the entry of this Order without admitting or denying the factual allegations herein, expressly waiving



1 any right to a hearing in this matter; that Lincoln Highlands understands that the Director
2 reserves the right to take further actions to enforce this Order or to take appropriate action upon
3 discovery of other violations of the Oregon Securities Law; and that Lincoln Highlands will fully
4 comply with the terms and conditions stated herein.

5 Lincoln Highlands further assures the Director that neither Lincoln Highlands nor its
6 members, partners, officers, directors, employees or agents will engage in the activities of a
7 broker-dealer, state investment adviser, mortgage broker, or act as a salesperson for any of these
8 unless such activities are in full compliance with Chapter 59 of the Oregon Revised Statutes, and
9 Chapter 441 of the Oregon Administrative Rules.

10 Lincoln Highlands understands that this Order is a public document.

11
12 By: /s/ Marjorie M. Boyd
13 **Marjorie M. Boyd**, general partner
Lincoln Highlands Limited Partnership

14 **ACKNOWLEDGMENT**

15 There appeared before me this 26th day of June 2012,
16 Marjorie M. Boyd, who was first duly sworn on oath, and stated that she was a general partner of
17 Lincoln Highlands and that she is authorized and empowered to sign this Consent to Entry of
18 Order on behalf of Lincoln Highlands, and to bind Lincoln Highlands to the terms hereof.

19 State of: Oregon

20 County of: Multnomah

21
22 /s/ Renee A. Riley
23 Signature of Notary Public

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