



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 I. FINDINGS OF FACT

2 The Director **FINDS** that:

3 **A. The Respondents**

4 1. Eljay Investment Company is a sole proprietorship located at  
5 5660 Castle Drive; Tillamook, Oregon 97141.

6 2. Leonard J. Chaitin is the Sole Proprietor, Principal, President,  
7 and Chief Compliance Officer for Eljay Investment Company. He shares the same  
8 address as Eljay Investment Company.

9 **B. Unlicensed Investment Adviser Activity by Eljay Investment Company**

10 3. The State of California licensed Eljay Investment Company to  
11 act as an investment adviser in California on December 12, 1986 (IARD #124530).

12 4. Eljay Investment Company relocated to Oregon on or about  
13 2005. It presently manages approximately 24 investment or trading accounts in  
14 securities for compensation. In total, Eljay Investment Company manages  
15 approximately \$8.5 million in assets.

16 5. Eljay Investment Company is not and, at all times material to  
17 this Order, has not been licensed as an investment adviser in Oregon.

18 **C. Unlicensed Investment Adviser Representative Activity by Leonard Chaitin**

19 6. Leonard Chaitin manages the investment or trading account  
20 in securities of Eljay Investment Company.

21 7. Leonard Chaitin is not and, at all times material to this order,  
22 has not been licensed in Oregon as an investment adviser representative to Eljay  
23 Investment Company.

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## II. CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

### A. Violation of ORS 59.165(6)(a) by Eljay Investment Company

8. From 2005 to the date of this Order, Eljay Investment Company acted as a “state investment adviser” as defined under ORS 59.015(20)(a) in Oregon because it managed the investment or trading account in securities of others for compensation.

9. Eljay Investment Company violated ORS 59.165(6)(a) because it transacted business in Oregon as a “state investment adviser” when it was not licensed to do so.

### B. Violation of ORS 59.165(4)(c) by Leonard Chaitin

10. From 2005 to the date of this Order, Leonard Chaitin acted as an “investment adviser representative” as defined under ORS 59.015(8)(a) to Eljay Investment Company because he was a partner, officer, director, or person occupying a similar status for Eljay Investment Company and managed the investment or trading accounts in securities for the clients of Eljay Investment Company.

11. Leonard Chaitin violated ORS 59.165(4)(c) because he acted as an “investment adviser representative” for Eljay Investment Company in Oregon when he was not licensed to do so.

## III. ORDERS

Now, therefore the Director issues the following **ORDERS**:

### A. Order to Cease and Desist

12. The Director, pursuant to the authority under ORS 59.245(4), hereby **ORDERS** the Respondents and any affiliated and/or successor business or

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1 corporation to **CEASE AND DESIST** from violating any provision of the Oregon  
2 Securities Law and Administrative Rules promulgated thereunder.

3 **B. Order Assessing Civil Penalties**

4 13. The Director, pursuant to the authority under ORS 59.995,  
5 hereby **ASSESSES** the following **CIVIL PENALTY**:

6 14. The Respondents shall, joint and severally, pay TEN  
7 THOUSAND DOLLARS (\$10,000) for the violations of ORS 59.165(6)(a) and ORS  
8 59.165(4)(c).

9 15. The Director **SUSPENDS** FIVE THOUSAND DOLLARS  
10 (\$5,000) of the Civil Penalty so long as the Respondents remain in full compliance  
11 with all terms of this Order – including any additional agreements – and commit  
12 no further violations of the Oregon Securities Law.

13 16. The remaining FIVE THOUSAND DOLLARS (\$5,000) owing  
14 as a Civil Penalty is due and payable immediately upon entry of this Order.

15 **IV. ADDITIONAL AGREEMENTS**

16 17. The Respondents agree that they will become licensed as a  
17 Oregon State Investment Adviser and Oregon State Investment Adviser  
18 Representative, respectively, no more than 30 days after the entry of the Order.

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1 **V. AUTHORITY OF DIRECTOR TO ISSUE ADDITIONAL ORDERS AND TO**  
2 **SEEK FURTHER REMEDIES UNDER OREGON SECURITIES LAW**

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

5 **IT IS SO ORDERED.**

6  
7 Dated this 14 day of February, 2012 at Salem, Oregon.

8  
9 Patrick Allen, Acting Director  
10 Department of Consumer and Business Services

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13 By: /s/ David Tatman  
14 David Tatman, Administrator  
15 Division of Finance and Corporate Securities

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**CORPORATE CONSENT TO ENTRY OF ORDER FOR  
ELJAY INVESTMENT COMPANY**

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I, Leonard J. Chaitin, state that I am the Sole Proprietor of Eljay Investment Company; 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 Eljay Investment Company has been advised of its right to a hearing; that Eljay Investment Company 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 Eljay Investment Company 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 that arise from facts and circumstances that are outside the scope of this Order; and that Eljay Investment Company will fully comply with the terms and conditions stated herein.

Eljay Investment Company further assures the Director that neither Eljay Investment Company nor its managers, employees or agents will manage the investment or trading account in securities for compensation in Oregon unless such activities are in full compliance with the terms of this Order and with Chapter 59 of the Oregon Revised Statutes and Chapter 441 of the Oregon Administrative Rules thereunder.

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Eljay Investment Company understands that this Order is a public document.

ELJAY INVESTMENT COMPANY

By: /s/ Leonard J. Chaitin  
Leonard J. Chaitin  
Sole Proprietor

State of Oregon

County of Tillamook

Subscribed and sworn to before me Brennan Quenneville, February 2nd, 2012.

/s/ Brennan Quenneville  
*Notary Public*

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**CONSENT TO ENTRY OF ORDER FOR LEONARD J. CHAITIN**

I, Leonard J. Chaitin, state 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 of the right to be represented by counsel in this matter; that I voluntarily and without any force or duress, consent to the entry of this Order, expressly waiving any right to a hearing in this matter; that I understand 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 I will fully comply with the terms and conditions stated herein.

I further assure the Director that I will not manage accounts or portfolios of clients in Oregon unless such activities are in full compliance with the Oregon Securities Law and Oregon Administrative Rules thereunder.

I understand that this Consent Order is a public document.

By /s/ Leonard J. Chaitin  
Leonard J. Chaitin

State of Oregon

County of Tillamook

Subscribed and sworn to before me February 2nd, 2012

/s/ Brennan Quenneville  
Notary Public

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