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: **Wayne Von Borstel and Oregon Trail Financial Services, Inc.,** **Respondents.**	**S-12-0007** **ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTY, and CONSENT TO ENTRY OF ORDER**

WHEREAS the Director of the Department of Consumer and Business Services ("the Director") has conducted an investigation of certain business activities conducted by Wayne Von Borstel and Oregon Trail Financial Services, Inc., and the Director has determined that Respondents Wayne Von Borstel and Oregon Trail Financial Services, Inc., conducted business as a state investment adviser without maintaining the required surety bond or letter of credit, in violation of the Oregon Securities Law; and

WHEREAS the Respondents, Wayne Von Borstel and Oregon Trail Financial Services, Inc., wish to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this Order, Wayne Von Borstel and Oregon Trail Financial Services, Inc., hereby **CONSENT** to entry of this 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) 378-4140

I. FINDINGS OF FACT

The Director **FINDS** that:

1. Oregon Trail Financial Services, Inc. ("Oregon Trail") is an Oregon corporation with a principal place of business at 308 East Third Street, The Dalles, Oregon 97058.

2. Wayne Von Borstel ("Von Borstel") is the president and registered agent of Oregon Trail.

3. Oregon Trail is licensed in Oregon as a state investment adviser. Oregon Trail became licensed in Oregon in 1991, and its Oregon license number is IA-595. The Investment Adviser Registration Depository number for Oregon Trail is #117724.

4. Von Borstel is licensed in Oregon as an investment adviser representative. The Central Registration Depository number for Von Borstel is #1419351.

5. Around December 2008, Respondents self-reported to the Oregon Division of Finance and Corporate Securities ("DFCS") that Oregon Trail's required surety bond for $10,000 had lapsed.

6. Oregon Trail's bond lapsed for approximately eight years, from December 2000 to December 2008.

7. From December 2000 to December 2008, Oregon Trail did not have a letter of credit on file with DFCS.

II. CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. Oregon Trail is a state investment adviser, as defined by ORS 59.015(20)(a).

2. Von Borstel is an officer or director of Oregon Trail and is an investment adviser representative licensed in Oregon, as defined by ORS 59.015(8)(a).

3. From approximately December 2000 to December 2008, Respondents Von Borstel and Oregon Trail failed to maintain the surety bond or letter of credit required by OAR 441-175-0110.

4. By failing to maintain the required surety bond or letter of credit, Respondents Von Borstel and Oregon Trail violated OAR 441-175-0110(2).

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III. ORDER

Order to Cease and Desist

1. Pursuant to ORS 59.245, Respondents Von Borstel and Oregon Trail are **ORDERED TO CEASE AND DESIST** from:

(a) failing to maintain the required surety bond or letter of credit, in violation of OAR 441-175-0110(2); and

(b) violating any provision of Oregon Revised Statutes Chapter 59 or Oregon Administrative Rules Chapter 441.

Letter of Credit

2. Due to the additional risk that an eight-year lapse in surety bond coverage exposes Oregon investors, within 10 days from the date this Order is executed, the Respondents will file with the Director an irrevocable letter of credit in the sum of $10,000 (ten thousand dollars) executed by the Respondents as obligor, together with a financial institution authorized to do banking business in Oregon.

(a) The irrevocable letter of credit shall be executed to the State of Oregon and for the use of the state and of any person who may have an arbitration claim or civil cause of action against the obligor of the irrevocable letter of credit under the Oregon Securities Law. The irrevocable letter of credit shall be conditioned that the obligor will faithfully conform to and abide by the provisions of the Oregon Securities Law, ORS Chapter 59 and OAR Chapter 441, and all rules lawfully made by the Director under the Oregon Securities Law, and will pay to the state and to any such person any and all moneys that may become due or owing to the state or to such person from the obligor under and by virtue of the provisions of the Oregon Securities Law.

(b) If any person is aggrieved by a Respondent's violation of any provision of the Oregon Securities Law and recovers judgment or arbitration award therefor, the person may, after the return unsatisfied either in whole or in part of any execution issued upon

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the judgment or arbitration award, maintain an action or proceeding for the person's own use upon the irrevocable letter of credit of the Respondents in any court having jurisdiction of the amount claimed.

(c) The Respondents shall continuously maintain the irrevocable letter of credit in the amount of $10,000 (ten thousand dollars) until December 31, 2014.

Civil Penalty

3. Pursuant to the authority of ORS 59.995, the DIRECTOR hereby **ASSESSES a CIVIL PENALTY** in the amount of $3,600 (three thousand six hundred dollars) against Respondents Von Borstel and Oregon Trail, jointly and severally, for violation of OAR 441-175-0110(2). The civil penalty was calculated as follows: $450 (four hundred fifty dollars) which is approximately three times, or treble costs, the average annual cost of the required surety bond, for each year the Respondents failed to maintain the required bond or letter of credit.

4. The Director will **SUSPEND** $2,000 (two thousand dollars) of the civil penalty assessed in Paragraph III.3, above, so long as Respondents Von Borstel and Oregon Trail comply with all terms of this Order and all requirements of the Oregon Securities Law; **PROVIDED HOWEVER**, that the suspended portion of the civil penalty shall be immediately due and payable upon a determination by the Director that either Respondent, Von Borstel or Oregon Trail, has violated any term of this Order, or any provision of the Oregon Securities Law.

5. Respondents Von Borstel and Oregon Trail must pay $1,600 (sixteen hundred dollars) of the civil penalty to the Oregon Department of Consumer and Business Services at the time of execution of this Order, to be allocated for the General Fund of the

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Oregon State Treasury, pursuant to ORS 59.995(1).

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

Dated this 7th day of March, 2012, at Salem, Oregon.

PATRICK ALLEN, Director
Department of Consumer and Business Services

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

CONSENT OF WAYNE VON BORSTEL TO ENTRY OF ORDER

I, Wayne Von Borstel, 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 the right to a hearing and the right to be 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

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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/ Wayne Von Borstell
WAYNE VON BORSTEL

State of:

County of:

SUBSCRIBED AND SWORN to before me this 28 day of February, 2012.

/s/ Roberta K. Wymore
Signature of Notary Public

CORPORATE CONSENT TO ENTRY OF ORDER
for Wayne Von Borstel on behalf of
Oregon Trail Financial Services, Inc.

I, Wayne Von Borstel, state that I am the president of Oregon Trail Financial Services, Inc. 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 the factual allegations stated herein are true and correct; that Oregon Trail Financial Services, Inc. and I have been advised of the right to a hearing and the right to be represented by counsel in this matter; that Oregon Trail Financial Services, Inc., 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 Oregon Trail Financial Services, Inc. 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 Oregon Trail Financial Services, Inc. will fully comply with the terms and conditions stated herein.

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

Oregon Trail Financial Services, Inc. understands that this Order is a public document.

By: /s/ Wayne Von Borstell
Wayne Von Borstel, president
Oregon Trail Financial Services, Inc.

CORPORATE ACKNOWLEDGMENT

There appeared before me this 28th day of February, 2012, Wayne Von Borstel, who was first duly sworn on oath, and stated that he is the president of Oregon Trail Financial Services, Inc. and that he is authorized and empowered to sign this Corporate Consent to Entry of Order on behalf of Oregon Trail Financial Services, Inc., and to bind Oregon Trail Financial Services, Inc. to the terms hereof.

State of: Oregon

County of: Wasco

/s/ Roberta K. Wymore
Signature of Notary Public

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