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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**

S-12-0064

In the Matter of:

**Shelby H. Bell; Hobo Prince Economic
Project, LLC; and Be’Rio Transports,
LLC,**

**FINAL ORDER TO CEASE AND
DESIST, FINAL ORDER DENYING
EXEMPTIONS, AND FINAL ORDER
ASSESSING CIVIL PENALTIES
ENTERED BY DEFAULT**

Respondents.

On July 9, 2012, the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter, “the Director”), acting by the authority of the Oregon Securities Law, Oregon Revised Statutes Chapter 59, issued Administrative Order No. S-12-0064, ORDER TO CEASE AND DESIST, ORDER DENYING EXEMPTIONS, PROPOSED ORDER ASSESSING CIVIL PENALTIES, AND NOTICE OF RIGHT TO HEARING (the “Proposed Order”) against Shelby H. Bell; Hobo Prince Economic Project, LLC; and Be’Rio Transports, LLC (referred herein collectively as the “Respondents”).

On July 11, 2012, a Department of Consumer and Business Services’ Division of Finance and Corporate Securities’ investigator personally served a certified true copy of the Proposed Order on the Respondents at 700 Hayden Island Drive, Portland, Oregon 97217.

None of the Respondents have made a written demand for a contested case hearing in this matter and time to do so has now expired.

NOW THEREFORE, after consideration of the file in this matter maintained by the Division of Finance and Corporate Securities, including any materials that the





1 Respondents may have submitted, the Director hereby issues the following Finding of
2 Fact, Conclusion of Law, and Final Orders.

3 **I.**

4 **FINDINGS OF FACT**

5 The Director FINDS that:

6 **A. Parties**

7 1. Shelby H. Bell’s (hereinafter “Bell”) last known address is 4701 NE 72nd Ave.
8 Apt #94, Vancouver, WA 98661.

9 2. On or about November 14, 2011, Hobo Prince Economic Project, LLC (“Hobo
10 Prince, LLC”) was organized under the laws of Oregon. Keith Nguyen is listed as the
11 registered agent of Hobo Prince, LLC. According to the Hobo Prince LLC’s website,
12 www.hoboprince.com, Bell is the director of Hobo Prince LLC. The address listed for
13 Hobo Prince LLC on its website is 700 North Hayden Island Drive, Suite 297, Portland,
14 Oregon 97217.

15 3. Be’Rio Transports, LLC (“Be’Rio”) was organized under the laws of Oregon on
16 or about August 26, 2008. Bell is listed as Be’Rio’s registered agent. According to
17 HPEP website, Bell is the president of Be’Rio. On or about October 29, 2009, Be’Rio
18 was administratively dissolved by the Oregon Secretary of State.

19 4. Bell, Hobo Prince, LLC and Be’Rio are referred herein collectively as
20 “Respondents”.

21 5. At all times relevant to this matter, Respondents collectively transacted the
22 activities set forth herein in the State of Oregon.

23 **B. The Hobo Prince Economic Project**

24 6. On or about June 2011, Respondents started seeking investors for the Hobo Prince
25 Economic Project (“HPEP”).

26 7. The HPEP reportedly offers each investor the opportunity to make \$1,373.62 a



1 week for seven years in exchange for the investor providing the Respondents with a one
2 time “origination fee” of \$25. According to Respondents, of the \$1,373.62 weekly
3 distribution, \$900 will be provided directly to each investor, while the other \$473.62 will
4 be distributed to each of the following by the Respondents on each investor’s behalf:

- 5 a. \$300 to the government for taxes;
- 6 b. \$80 to an undisclosed bank;
- 7 c. \$35 to an undisclosed insurance company;
- 8 d. \$35 to unidentified “Intellectual Property Buyer” (“I.P.I. Buyer”);
- 9 e. \$15 to Be’Rio for handling fees; and
- 10 f. \$8.62 to Bell.

11 8. According to Respondents, the \$25 origination fee paid by each investor will be
12 used to pay for the administration of the investment opportunity.

13 9. To achieve such returns for investors, Respondents represent that Bell has an asset
14 in the form of an International Bill of Exchange worth over \$357 billion backed by the
15 United States Department of the Treasury, which he will use to cause an undisclosed
16 bank to provide each investor with a \$25,000 “loan.” The proceeds from each of the
17 loans are to be used to purchase a type of reverse insurance policy valued at \$500,000
18 from an undisclosed insurance company for each investor. According to Respondents,
19 the insurance company will use these funds to make investments and any gains from the
20 investment will be sent to an unidentified I.P.I. Buyer. According to Respondents, the
21 I.P.I. Buyer will buy this “situation” from him for thirty five percent of \$1.8 trillion. As a
22 result of this purchase, Bell claims he will receive \$630 billion, which will be deposited
23 with the bank to protect the bank, the insurance company, and each investor. Bell claims
24 that as a result of his efforts, he will receive royalties from the I.P.I. Buyer, which will be
25 shared with each investor in the form of \$900 a week for seven years.

26 10. On or about June 15, 2012, a document titled “Intellectual Property Investment



1 (I.P.I.) Portfolio Bid Package” was published on the HPEP website. This document is a
2 solicitation offered by Be’Rio and Bell for investors to bid on assets Bell claims to own
3 worth over \$1.8 trillion. The assets listed in the I.P.I. Portfolio Bid Package include:

- 4 a. An International Bill of Exchange reportedly worth \$357 billion.
- 5 b. An economic revitalization program reportedly worth \$1.3 trillion.
- 6 c. A hydro reclamation process reportedly worth at least \$250 billion.
- 7 d. An electric generator reportedly worth at least \$150 billion.
- 8 e. A boat manufacturing entity reportedly worth between \$100 million to \$10
9 billion.
- 10 f. A movie company reportedly worth between \$100 million to \$10 billion.
- 11 g. A children’s book reportedly worth between \$50 million to \$175 million
12 domestically and over \$1.25 billion globally.

13 11. The I.P.I. Portfolio Bid Package claims that the winning bidder will “receive a
14 Sixty (60) month return of funds guarantee.” Additionally, it is stated that “[t]his
15 guarantee will encompass the initial purchase price (winning bid) with an added
16 minimum of 5% annual return on investment.”

17 12. On or about June 15, 2012, a document titled “Buyers Warrantee” was published
18 on the HPEP website. This document states that the purchase of the I.P.I. portfolio
19 package is a good investment with “a guaranteed Low Risk Opportunity, justifiable
20 guarantees, and firm valuations.” Additionally, the document states that the “situation
21 provides for a Completely Legal Solution to freeing up the equity the holder (Shelby H.
22 Bell) has in the I.P.I. portfolio through the Insured Certificate, backed by the
23 [International Bill of Exchange].”

24 13. According to a June 13, 2012 posting on the HPEP website, money generated
25 from the asset sale will be used to fund the HPEP.

26 14. The Oregon Department of Consumer and Business Services’ Division of Finance



1 and Corporate Securities (“DFCS”) has no records of any licenses issued to any of the
2 Respondents to sell securities in Oregon.

3 15. DFCS has no records of any securities offering ever being registered in the name
4 of any of the Respondents.

5 16. Upon information and belief, and according to the United States Department of
6 the Treasury’s, Office of Inspector General, the International Bill of Exchange document
7 that reflects Bell is owed over \$357 billion has no value and is not backed by the United
8 States Department of the Treasury.

9 17. In Reciprocity Insurance Agreements provided to investors, Dashwood Brewer &
10 Phipps Ltd., of Lloyd’s of London, was identified as the entity providing investors with
11 the insurance policy.

12 18. Upon information and belief, and according to Dashwood Brewer & Phipps Ltd.
13 (“DB&P”), DB&P has not arranged any form of insurance for the Respondents or
14 Respondents’ investors.

15 19. To date, Respondents have obtained over \$187,000 from at least 7,480 investors.

16 20. To date, no investor has received any return on their investment.

17 21. Based on bank records received by DFCS, monies provided to the Respondents
18 by investors was used to pay for Bell’s personal living expenses including food, movie
19 tickets, and the purchase of a vehicle.

20 **II.**

21 **CONCLUSIONS OF LAW**

22 The Director **CONCLUDES** that:

23 22. The investments offered and sold by the Respondents, as described in the
24 Findings of Fact, meet the definition of an investment contract in Oregon, and as such,
25 are considered a “security” under ORS 59.015(19)(a).

26 23. Respondents offered and sold unregistered securities in Oregon in violation of



1 ORS 59.055.

2 24. Respondents offered and sold securities in Oregon without a license in violation
3 of ORS 59.165(1).

4 25. Respondents made untrue statements of material fact in connection with the sale
5 of securities in violation of ORS 59.135(2) by: (1) informing investors that they would
6 receive a return on their investment of \$900 a week for seven years; (2) representing that
7 Respondents have assets worth over \$1.8 trillion; (3) informing potential investors that
8 the purchase of the I.P.I. portfolio package is a “guaranteed Low Risk Opportunity”; (4)
9 representing that the United States Secretary of the Treasury is the guarantor and payor
10 for \$357 billion reportedly owed to Bell pursuant to an International Bill of Exchange;
11 and (5) representing that Dashwood Brewer & Phipps Ltd., of Lloyd’s of London, was
12 providing investors with an insurance policy.

13 26. Respondents omitted to state material facts in connection with the sale of
14 securities in violation of ORS 59.135(2) by failing to disclose to investors: (1) that their
15 money was going to be used to pay for Bell’s personal living expenses including food,
16 movie tickets, and the purchase of a vehicle; (2) that none of the Respondents were
17 licensed to sell securities in Oregon; and (3) that the securities being offered were not
18 registered with DFCS.

19 **III.**

20 **FINAL ORDERS**

21 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING FINAL ORDERS:

22 Final Order to Cease and Desist

23 27. Pursuant to the authority of ORS 59.245, the Director hereby ORDERS the
24 Respondents to CEASE AND DESIST from:

- 25 a. Selling securities without a license in violation of ORS 59.165;
- 26 b. Selling unregistered securities in the State of Oregon in violation ORS



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59.055;

- c. Violating any provision of the Oregon Securities Laws, including ORS Chapter 59 and OAR Chapter 441.

Final Order Denying Exemptions

28. Pursuant to the authority of ORS 59.045, the Director ORDERS that the Respondents and any entities owned or affiliated with the Respondents or otherwise utilizing the Respondents' services be DENIED THE USE OF ANY EXEMPTIONS, that would otherwise be available to them under ORS 59.025 and ORS 59.035, to securities registration requirements.

Final Order Assessing Civil Penalties

29. Pursuant to the authority of ORS 59.995, the Director may assess a CIVIL PENALTY in any amount determined by the Director of not more than \$20,000 for each violation. Pursuant to this provision, the Director hereby assesses Respondents, jointly and severally, a CIVIL PENALTY in the amount of \$1,000,000 for the following violations:

- a. A CIVIL PENALTY of \$250,000 for 7,481 violations of ORS 59.055 for offering and selling unregistered securities.
- b. A CIVIL PENALTY of \$250,000 for 7,481 violations of ORS 59.165(1) for offering and selling securities without a license.
- c. A CIVIL PENALTY of \$250,000 for 7,481 violations of ORS 59.135(2) for making untrue statements of material facts in connection with the sale of securities.
- d. A CIVIL PENALTY of \$250,000 for 7,481 violations of ORS 59.135(2) for omitting to state material facts in connection with the sale of securities.

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

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IT IS SO ORDERED.

Dated this 3rd day of August, 2012 at Salem,
Oregon, NUNC PRO TUNC July 9, 2012.

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

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

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