STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES

In the Matter of: Michael J. Eugenio and Cascade Financial Concepts, Inc. dba Eugenio Financial, Respondents.	S-12-0008 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 Michael J. Eugenio and Cascade Financial Concepts, Inc. dba Eugenio Financial (collectively, "Respondents"), and the Director has determined that Respondents violated a provision of the Oregon Securities Law, Oregon Revised Statutes Chapter 59 and Oregon Administrative Rules Chapter 441; and

WHEREAS Respondents wish to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this Order, Respondents, without admitting or denying the factual allegations herein, hereby CONSENT to entry of this Order to Cease and Desist, Order Assessing Civil Penalty, and Consent to Entry of Order ("Order") upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

I. FINDINGS OF FACT

The Director FINDS that:

1. Cascade Financial Concepts, Inc. is an Oregon corporation that was formed in 1994, and its principal place of business is in Lake Oswego, Oregon.

2. Eugenio Financial is an assumed business name of Cascade Financial Concepts, Inc. registered with the Oregon Secretary of State, Corporation Division.

3. Cascade Financial Concepts, Inc. dba Eugenio Financial ("CFCI") is a state

investment adviser licensed with the Oregon Division of Finance and Corporate Securities ("DFCS"). CFCI became licensed with DFCS as a state investment adviser in February 2007. The Investment Adviser Registration Depository ("IARD") number for CFCI is #143260.

4. Michael J. Eugenio is licensed with DFCS as an investment adviser representative to work for CFCI. The Central Registration Depository ("CRD") number for Mr. Eugenio is #2475700.

5. Mr. Eugenio is the president and registered agent of CFCI, and Mr. Eugenio owns more than 50% of CFCI.

6. Mr. Eugenio has been licensed with DFCS to work in the securities industry as a securities salesperson and/or investment adviser representative since 1994.

7. Mr. Eugenio has represented to the Director that Mr. Eugenio attended a seminar around 1998 regarding the use of rare collectible numismatic coins ("rare coins") as an alternative investment option for clients. The seminar was sponsored by the broker-dealer where Mr. Eugenio was licensed to work at the time. The seminar included a presentation by an individual, "FG", who is the president of a rare coin dealer business, "NASC".

8. After attending the seminar, Mr. Eugenio began to offer rare coins as an alternative investment option for some of the Respondents' clients. Those investments were purchased through NASC. As a securities salesperson licensed to work for a broker-dealer at that time, Mr. Eugenio received commissions in connection with some of his clients' initial purchases of rare coins. Mr. Eugenio's outside business activity concerning rare coins and NASC was disclosed on Mr. Eugenio's license records filed with the CRD/IARD.

9. Between 2007 and 2009, Mr. Eugenio advised some clients of CFCI to diversify their portfolios by investing in rare coins. Mr. Eugenio suggested those clients

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use a maximum of 10% of their liquid portfolios to purchase rare coins. Some of the clients purchased rare coins through transactions Mr. Eugenio arranged with NASC.

10. Typically, Mr. Eugenio would contact FG and inform him that a client had a set amount of money available to purchase the rare coins. FG would then suggest a range of coins, usually adding up in value to the dollar amount suggested by Mr. Eugenio. Funds were provided by the client directly to FG. Upon receipt of the funds, FG would purchase the coins at auction or estate sales, then ship the coins directly to the client. The clients held the coins.

11. Over time, at least 22 clients of CFCI invested a total of at least $493,000 in rare coins through transactions Mr. Eugenio arranged with NASC.

12. Between 2007 and 2011, the Respondents charged management fees to some clients of CFCI for investment advisory services relating to those investments in rare coins. The fees were based on the value of the clients' assets under management of CFCI.

13. The Respondents based the value of the clients' coin investments on information provided by FG. Each quarter, the Respondents would contact FG to obtain the value of each coin held in the clients' accounts. FG would provide the Respondents with a list of the coins, under management of the Respondents, with the new stated value. In turn, the Respondents would bill the clients, based on the stated value of the coins in their portfolio, a quarterly management fee. The average management fee was at least 1.3% per annum.

14. The valuations FG provided quarterly to the Respondents, regarding the value of the rare coins held by the Respondents' clients, were not always accurate.

15. The Respondents relied on FG's valuations, without independently verifying the value of the clients' coins, and without seeking additional valuations from other appraisers or coin dealers.

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16. Between 2007 and 2011, in at least one instance, the stated value of a client's coin investments was inflated. Consequently, at least one client was charged an unreasonably high fee for the client's rare coin assets managed by the Respondents.

17. In 2011, DFCS received a complaint filed by "ORH", an Oregon resident and former client of CFCI. The complaint filed by ORH concerns investments in rare coins involving the Respondents and NASC. Except for the ORH complaint, DFCS has no record of prior investor complaints or enforcement actions regarding the Respondents. The Respondents cooperated with the DFCS investigation of the ORH complaint.

II. CONCLUSIONS OF LAW

The Director CONCLUDES that:

18. At times material to this Order, CFCI was a "state investment adviser" in Oregon, as defined by ORS 59.015(20)(a).

19. At times material to this Order, Mr. Eugenio was an "investment adviser representative" as defined by ORS 59.015(8)(a) in Oregon for CFCI.

20. At times material to this Order, each Respondent was a fiduciary and had a duty to act primarily for the benefit of CFCI's clients.

21. At times material to this Order, Mr. Eugenio was an officer, director, owner and control person of CFCI.

22. Between 2007 and 2011, by charging at least one client of CFCI a management fee that was based on inflated value of the coins, the Respondents charged a client an unreasonable advisory fee, in violation of OAR 441-205-0145(1)(j).

III. ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

23. The Director, pursuant to ORS 59.245, hereby ORDERS the Respondents, Michael J. Eugenio and Cascade Financial Concepts, Inc. dba Eugenio Financial, shall CEASE and DESIST from:

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A. Charging a client an unreasonable advisory fee, in violation of OAR 441-205-0145(1)(j); and

B. Violating any provision of the Oregon Securities Law.

24. The Director, pursuant to ORS 59.995, may assess a CIVIL PENALTY of up to $20,000 per violation against any person who violates the Oregon Securities Law.

25. Pursuant to the authority of ORS 59.995, the DIRECTOR hereby ASSESSES A CIVIL PENALTY in the amount of $2,500 (two thousand five hundred dollars) against the Respondents, Michael J. Eugenio and Cascade Financial Concepts, Inc. dba Eugenio Financial, jointly and severally, for the violation of OAR 441-205-0145(1)(j).

26. In addition to the civil penalty assessed above, the Respondents must pay to the Department of Consumer and Business Services ("DCBS") $1,750 (one thousand seven hundred fifty dollars) to be allocated for the DCBS Consumer Financial Education Account, and the Respondents must also pay to DCBS $1,750 (one thousand seven hundred fifty dollars) to be allocated for costs of investigation.

27. The Respondents must pay DCBS the civil penalty, the payment for the DCBS Consumer Financial Education Account, and the costs of investigation in full at signing, prior to the entry of this Order.

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

Dated this 17th day of September, 2013.

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

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

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CONSENT OF MICHAEL J. EUGENIO TO ENTRY OF ORDER

I, Michael J. Eugenio, 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 I have been advised of my right to a hearing, and that I have been represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, without admitting or denying the factual allegations stated herein, 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 Consent Order is a public document.

/s/ Michael J. Eugenio
Michael J. Eugenio

State of: Oregon

County of: Clackamas

SUBSCRIBED AND SWORN to before me this 5th day of September, 2013.

/s/ Amy M Pratt
Signature of Notary Public

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CONSENT TO ENTRY OF ORDER FOR MICHAEL J. EUGENIO ON BEHALF OF CASCADE FINANCIAL CONCEPTS, INC. DBA EUGENIO FINANCIAL

I, Michael J. Eugenio, state that I am the president of Cascade Financial Concepts, Inc. dba Eugenio Financial ("CFCI") 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 CFCI and I have been advised of the right to a hearing and have been represented by counsel in this matter; that CFCI voluntarily and without any force or duress, consents to the entry of this Order, without admitting or denying the factual allegations stated herein, expressly waiving any right to a hearing in this matter; that CFCI 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 CFCI will fully comply with the terms and conditions stated herein.

CFCI further assures the Director that neither CFCI nor its members, officers, directors, employees or agents will engage in the activities of a broker-dealer, state investment adviser, or act as a salesperson or representative 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.

CFCI understands that this Order is a public document.

/s/ Michael J Eugenio
MICHAEL J. EUGENIO, President
Cascade Financial Concepts, Inc.
dba Eugenio Financial

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ACKNOWLEDGMENT

There appeared before me this 5th day of September 2013, Michael J. Eugenio, who was first duly sworn on oath, and stated that he is the president of Cascade Financial Concepts, Inc. dba Eugenio Financial and that he is authorized and empowered to sign this Consent to Entry of Order on behalf of Cascade Financial Concepts, Inc. dba Eugenio Financial, and to bind Cascade Financial Concepts, Inc. dba Eugenio Financial to the terms hereof.

State of: Oregon

County of: Clackamas

/s/ Amy M Pratt
Signature of Notary Public

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