

"Certified to be a true and correct copy of the original"

J. Elaine Curvas 1-11-95

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
SECURITIES SECTION
BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
STATE OF OREGON

In the Matter of:)	O-94-0032
)	
DONALD G. VARCE,)	FINAL ORDER BY DEFAULT
)	ORDER TO CEASE AND DESIST
)	DENIAL OF EXEMPTIONS
)	and
Respondent.)	ASSESSMENT OF CIVIL PENALTIES

On November 9, 1994 the Director of the Department of Consumer and Business Services for the State of Oregon, acting by the authority of the Securities Law, Chapter 59 of the Oregon Revised Statutes (hereinafter cited as ORS Chapter 59), issued Administrative Order O-94-0032 to Cease and Desist, Denying Exemptions and Assessing Civil Penalties, with Notice of Right to Hearing.

Respondent Donald G. Varce (VARCE) was duly served with a certified copy of Administrative Order O-94-0032 and Notice of Right to Hearing. Service was effected by mailing the Order and Notice of Right to Hearing by certified mail to his last known address and Mr. Varce signed the return receipt that was returned to the Division of Finance and Corporate Securities.

On November 18, 1994 the Division of Finance and Corporate Securities received an envelope bearing the return address of Donald G. Varce which contained the certified copy of Administrative Order O-94-0032. Each page of the order was stamped with the words "Refusal for Cause without Dishonor U.C.C. 5-301", followed by the initials "DV". The envelope also contained an affidavit signed by Donald Varce. The affidavit was deemed by the Director to constitute a request for hearing in the Matter of Donald G. Varce O-94-0032.

Respondent Donald G. Varce was duly served with notice of the time and date

OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
Division of Finance and Corporate Securities
21 Labor and Industries Building
Salem, OR 97310
(503) 378-4387

OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
Division of Finance and Corporate Securities
21 Labor and Industries Building
Salem, OR 97310
(503) 378-4387

1 of hearing by U.S. certified mail and signed the return receipt. The notice of
2 hearing also included notice of a pre-hearing conference at 9:00 a.m. on the
3 Friday preceeding the day of the administrative hearing. VARCE did not appear
4 at the pre-hearing conference and did not otherwise communicate with the
5 Division of Finance and Corporate Securities.

6 Respondent VARCE did not appear at the time and place designated for the
7 administrative hearing on Administrative Order 0-94-0032 and did not otherwise
8 communicate with the Division of Finance and Corporate Securities.

9 **NOW THEREFORE**, after consideration of the Investigative Report and
10 accompanying exhibits submitted in this matter by Carol A. Rives, the Director
11 hereby issues the following Findings of Fact, Conclusions of Law and Final Order:

12 **FINDINGS OF FACT**

13 The Director **FINDS** that:

14 1. Donald G. Varce is an Oregon resident who was licensed to sell
15 securities in Oregon as a registered representative for Securities America, Inc.
16 from July 15, 1991 until July 24, 1994. VARCE may be served with process at
17 17475 Monticello, Gladstone, OR 97027; telephone (503) 655-4403;

18 2. On July 9, 1991 Administrative Order 0-90-0037, including Order to
19 Cease and Desist, Denial of Exemptions and Assessment of Civil Penalty, was
20 entered by signed consent between the DIRECTOR and VARCE. VARCE signed the
21 Consent to Entry of Order 0-90-0037 on June 6, 1991. The Order was entered as a
22 result of Varce's participation in the unlicensed sale of unregistered
23 securities that occurred between January 1, 1975 and January 1, 1991;

24 3. Under the terms of Administrative Order 0-90-0037 the DIRECTOR issued a
25 salesperson license under which VARCE would be employed as a registered
26 representative for Securities America, Inc., a licensed broker-dealer in

1 Oregon. The license issued to VARCE was subject to the following restrictions:
 2 VARCE was prohibited from selling any investment products that were not
 3 authorized by Securities America, Inc. and VARCE was denied the privilege of
 4 selling any securities in reliance on exemptions provided under ORS Chapter 59,
 5 with the sole exception being the exemption that is described at ORS 59.025(4)
 6 for exchange-listed securities;

7 4. During the period commencing on or about July 8, 1991 and continuing
 8 through November 24, 1993 VARCE issued and sold promissory notes secured by
 9 mortgages on real estate located in Oregon. The promissory notes were sold to
 10 the following private investors:

11	DATE	INVESTOR/ADDRESS	AMOUNT
12	7/08/91	Milton Hopper, Florence OR	\$ 3,000 (Roll-over)
13	8/09/91	Milton Hopper, Florence OR	2,000
14	1/13/92	Thelma Howell, Oregon City OR	18,000
15	2/06/92	Hugh Brown, Milwaukie OR	5,000
16	2/13/92	Winifred Brown, Milwaukie OR	5,000
17	4/07/92	Marion Gent, West Linn OR	10,000
18	5/03/92	Bob Roome, North Bend OR	10,000
19	5/27/92	Carla Somerville, Cordova AK	27,500 (Roll-over)
20	6/04/92	Kenneth Jones, San Jose CA	10,000
21	6/21/92	Eunice Kelley, Stanwood WA	15,000 (Roll-over)
22	10/17/92	Rosalie Albee, Milwaukie OR	4,000
23	7/14/93	John McCarter, Hutchinson KS	19,000 (Roll-over)
24	7/30/93	Knoll Family Trust, Vancouver WA	10,000
25	7/20/93	Thomas Hall, Newton KS	22,500
26	9/13/93	Thelma Howell, Oregon City OR	18,000 (Roll-over)
	10/04/93	Thelma Hurt Trust, Oregon City	10,000 (Roll-over)
	10/20/93	Charles McIntyre, Portland OR	16,000 (Roll-over)
	10/20/93	Georgianne Swaren, Salem OR	7,600 (Roll-over)
	11/01/93	George Lindemulder, Columbus MT	22,950 (Roll-over)
	11/24/93	LaVern Streight, Gladstone OR	15,000
	//		
	//		
	//		
	//		

OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
 Division of Finance and Corporate Securities
 21 Labor and Industries Building
 Salem, OR 97310
 (503) 378-4387

