BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES STATE OF OREGON

In the Matter of:	**No. O-98-0024**
CRAIG BERKMAN,	**STIPULATED ORDER TO CEASE AND DESIST, DENYING EXEMPTIONS, and ASSESSING CIVIL PENALTIES AND STIPULATION AND CONSENT TO ENTRY OF ORDER BY RESPONDENT**
Respondent.	

WHEREAS, the Director of the Department of Consumer and Business Services for the State of Oregon (hereafter the "Director"), acting by and pursuant to the authority of Oregon Securities Law, Chapter 59 of the Oregon Revised Statutes (hereinafter cited as ORS Chapter 59), and other applicable authority, has a pending investigation into the offer and sale of convertible promissory notes by Craig Berkman (hereafter "Respondent").

WHEREAS, Respondent, without admitting or denying the allegations by the Director, wishes to avoid the time and expense of further investigation and an action by or before the Director and desires to obtain disposition of this matter without invoking any rights to a hearing before the Director.

WHEREAS, Respondent is represented by legal counsel and has acknowledged fully reading and understanding the contents of this Stipulated Order to Cease and Desist, Denying Exemptions, and Assessing Civil Penalties (hereafter the "Order"), and has waived any right to a hearing with respect to this matter and to challenge or appeal this Order.

WHEREAS, Respondent has consented to the jurisdiction of the Director of the Department of Consumer and Business Services, State of Oregon for the purpose of this Order and the issuance thereof.

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WHEREAS, Respondent has been notified and understands that a violation of this Order will potentially subject Respondent to the assessment of a further civil penalty or other action against Respondent by the Director.

NOW, THEREFORE, the Director hereby makes the following Findings of Fact and Conclusions of Law, which Respondent neither admits nor denies, and issues the following Order, to which Respondent has consented, as is evidenced by the signature of Respondent in the Stipulation and Consent to Entry of Order attached hereto.

FINDINGS OF FACT

The Director **FINDS** that:

1. Respondent Craig Berkman (hereafter "Respondent") was, at all times material herein, an individual and a resident of the State of Oregon. Respondent's business address is: 806 SW Broadway Ste. 900, Portland OR 97205.

2. Beginning in August, 1983, and continuing until September, 1997, Respondent, directly or indirectly, offered and sold in or from Oregon or to Oregon residents investments in the form of convertible promissory notes (hereafter referred to as "notes").

3. At all times material herein, the above described notes were not registered as securities in Oregon.

4. At all times material herein, Respondent was not licensed to effect securities transactions in or from Oregon as a salesperson or broker-dealer.

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CONCLUSIONS OF LAW

The Director, based upon the findings of fact above, **CONCLUDES** that:

1. The notes which were offered and sold in or from Oregon or to Oregon residents by Respondent, as described herein above, are "securities" under ORS 59.015(19)(a) and other applicable authority.

2. The above described securities were never registered in Oregon nor were said securities exempt from registration under ORS 59.035(12) or any other provision of Oregon Securities Law.

3. Respondent issued, offered, and sold unregistered securities in Oregon in violation of ORS 59.055 when the above described securities were offered and sold in or from Oregon or to Oregon residents.

4. The offer and sale of the above described securities in or from Oregon and to Oregon residents by Respondent constitutes the transaction of securities business in Oregon by a broker-dealer and/or salesperson under ORS 59.015(1) and (18)(a), and other applicable authority.

5. Respondent is not licensed in Oregon to effect transactions in the above described securities, either as a salesperson or broker-dealer, in violation of ORS 59.165.

ORDER

NOW, THEREFORE, THE DIRECTOR ORDERS, pursuant to the stipulation and consent of Respondent, that:

1. Respondent Craig Berkman shall **CEASE AND DESIST** from offering, selling, and transferring, directly or indirectly, any of the above described securities, or any other security which is issued by Respondent or any company in which Respondent owns all or a majority ownership interest, including but not limited to Craig Berkman & Associates, Inc., in or from the State of Oregon or to Oregon

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