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DEPARTMENT OF JUSTICE
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IN THE CIRCUIT COURT FOR THE STATE OF OREGON
FOR THE COUNTY OF MULTNOMAH

STATE OF OREGON, ex rel CORY
STREISINGER, Director of the Department of
Consumer and Business Services, in her official
capacity,

Plaintiff,

v.

GUY B. RENCHER II, et al,
Defendants.

Case No. 0204-03988

JUDGMENT – FINAL

as to
GUY B. RENCHER II; THE RENCHER
LAW FIRM, LLP; ROBERT J. SKIRVING;
AND PAUL JAMES PEIFFER

Recitals

This Judgment resolves this case as to Defendants Guy B. Rencher II (hereafter Rencher),
The Rencher Law Firm, LLP (hereafter Rencher Law), Robert J. Skirving (hereafter Skirving),
and Paul James Peiffer (hereafter Peiffer). All claims as to all other defendants have been
reduced to judgment in previous judgments, or have been the subject of a Notice of Dismissal
recently submitted by Plaintiff.

With respect to Rencher, Rencher Law, Skirving and Peiffer, pro-tem Circuit Court Judge
Richard Maizels found numerous statutory violations of state securities laws upon motions for
partial summary judgment filed by the Plaintiff against those parties. Judge Maizels also declined
to grant summary judgment with respect to some claims of violations that were asserted by the
Plaintiff in her Complaint. The undersigned then held a bench hearing on injunctive relief,
penalties and sanctions to be imposed as a consequence of the violations found by Judge
Maizels. The undersigned issued an Opinion and Order respecting such injunctive relief,
penalties, and sanctions, on or about September 22, 2003. And Plaintiff has, subsequent to that
bench hearing and to the issuance of the Opinion and Order, advised the Court that she does not

1 wish to seek judgment on the Fourth Claim for Relief, the claim upon which Judge Maizels had
2 declined to grant summary judgment.

3 Judgment and Decree

4 THEREFORE,

5 Plaintiff's Fourth Claim for Relief is dismissed without prejudice.

6 Judgment is hereby rendered in favor of Plaintiff, State of Oregon, ex rel Cory
7 Streisinger, director of the Department of Consumer and Business Services, and against
8 defendants, as set forth below, and execution may issue therefore. The determination of the
9 award of costs and disbursements and attorney fees, if any, shall be made pursuant to ORCP 68.

10 **1. Defendant Guy B. Rencher II**

11 a. Guy B. Rencher II is permanently enjoined from illegally selling securities within
12 the State of Oregon. ~~In particular, in addition to all other requirements and in~~
13 ~~order to prevent the illegal sale of securities, Guy B. Rencher II is required, in the~~
14 ~~event of any sale of a security to any individual or entity, prior to such sale, to:~~
15 ~~orally make disclosure of all items numbered 1) through 5) on the attached~~
16 ~~Exhibit A; to insert the name, address, and phone number of the person to whom~~
17 ~~the disclosure is made; to obtain the signature of such person on a copy of Exhibit~~
18 ~~A; and to mail to Plaintiff the fully executed and signed copy of Exhibit A within~~
19 ~~one business day of any sale of a security, such mailing to be addressed to Chief~~
20 ~~of Enforcement, Division of Finance and Corporate Securities, Labor & Industries~~
21 ~~Building, 350 Winter Street NE, Room 410, Salem, OR 97301-3881.~~ *FB-1015103*

22 b. A penalty of \$320,000 (three hundred twenty thousand dollars) is imposed upon
23 Guy B. Rencher II, representing a penalty of \$20,000 (twenty thousand dollars)
24 for each of 16 separate violations of the securities laws involving
25 misrepresentations or omissions of material facts.

26 **2. Defendant The Rencher Law Firm, LLP**

- 1 a. A penalty of \$115,000 (one hundred fifteen thousand dollars) is imposed upon
2 The Rencher Law Firm, LLP, representing a penalty of \$5,000 (five thousand
3 dollars) for each of 23 counts of selling unregistered securities.

4 **3. Defendant Robert J. Skirving**

- 5 a. Robert J. Skirving is permanently enjoined from violating State of Oregon
6 securities laws. In particular, in addition to all other requirements and in order to
7 prevent the illegal sale of securities, Robert J. Skirving is required, in the event of
8 any sale of a security to any individual or entity, prior to such sale, to: orally make
9 disclosure of all items numbered 1) through 7) on the attached Exhibit B; to insert
10 the name, address, and phone number of the person to whom the disclosure is
11 made; to obtain the signature of such person on a copy of Exhibit B; and to mail
12 to Plaintiff the fully executed and signed copy of Exhibit B within one business
13 day of any sale of a security; such mailing to be addressed to Chief of
14 Enforcement, Division of Finance and Corporate Securities, Labor & Industries
15 Building, 350 Winter Street NE, Room 410, Salem, OR 97301-3881.
- 16 b. A penalty of \$780,000 (seven hundred eighty thousand dollars) is imposed upon
17 Robert J. Skirving, representing \$20,000 (twenty thousand dollars) for each of 39
18 separate violations.
- 19 c. Robert J. Skirving is to disgorge the sum of \$750,000 (seven hundred fifty
20 thousand dollars), which is directed to be placed in trust by Plaintiff and held for
21 disbursement to the various victim investors in proportion to their actual out-of-
22 pocket loss. This Court will retain jurisdiction to provide guidance to Plaintiff,
23 upon Plaintiff's request, on the proper distribution of any disgorged funds.

24 **4. Defendant Paul James Peiffer**

- 25 a. Paul James Peiffer is permanently enjoined from violating State of Oregon
26 securities laws. Paul James Peiffer is required, in addition to all other

1 requirements and in the event of any sale of a security to any individual or entity,
2 prior to such sale, to: orally make disclosure of all items numbered 1) through 4)
3 on the attached Exhibit C; to insert the name, address, and phone number of the
4 person to whom the disclosure is made; to obtain the signature of such person on
5 a copy of Exhibit C; and to mail to Plaintiff the fully executed and signed copy of
6 Exhibit C within one business day of any sale of a security; such mailing to be
7 addressed to Chief of Enforcement, Division of Finance and Corporate Securities,
8 Labor & Industries Building, 350 Winter Street NE, Room 410, Salem, OR
9 97301-3881.

- 10 b. A penalty of \$390,000 (three hundred ninety thousand dollars) is imposed upon
11 Paul James Peiffer, representing \$10,000 (ten thousand dollars) for each of 39
12 separate violations.

13 This Court specifically retains jurisdiction to revise Exhibits A, B, or C in the event of
14 changed circumstances. The injunctions in Paragraphs 1a, 3a, and 4a, except for the first
15 sentence in each, do not apply to securities purchased or sold through duly registered
16 representatives or broker-dealer firms that are active members of the National Association of
17 Securities Dealers (NASD).

18 MONEY JUDGMENT

- 19 1) Judgment Creditor: State of Oregon, ex rel Cory Streisinger, director of the Department
20 of Consumer and Business Services, in her official capacity

21 Address of Judgment Creditor: Labor & Industries Building, 350 Winter Street NE,
22 Room 410, Salem, OR 97301-3881

23 Judgment Creditor's Attorney: Daniel H. Rosenhouse, Assistant Attorney General

24 Address of Creditor's Attorney: Oregon Department of Justice, 1515 SW 5th Avenue,
25 Suite 410, Portland, OR 97201

26 Phone Number of Creditor's Attorney: (503) 229-5725

1 2) Judgment Debtors:

2 **Guy B. Rencher II**

3 a) Address: 1495 Skye Parkway, West Linn, OR 97068

4 b) Date of birth: February 5, 1952

5 c) Social Security No.: N/A

6 d) Driver's License No.: N/A; State of issuance: N/A

7 e) Name of attorney: Sally Leisure

8 **The Rencher Law Firm, LLP**

9 a) Address: Unknown

10 b) Date of Birth: N/A

11 c) Social Security No.: N/A

12 d) Driver's License No.: N/A; State of issuance: N/A

13 e) Name of Attorney: Sally Leisure

14 **Robert J. Skirving**

15 a) Address: 11806 SE Eastbourne Lane, Portland, OR 97236

16 b) Date of Birth: N/A

17 c) Social Security No.: N/A

18 d) Driver's License No.: N/A; State of Issuance: N/A

19 e) Name of Attorney: pro se

20 **Paul James Peiffer**

21 a) Address: 21590 SW York Street, Aloha, OR 97006

22 b) Date of Birth: N/A

23 c) Social Security No.: N/A

24 d) Driver's License No.: N/A; State of Issuance: N/A

25 e) Name of Attorney: pro se

26

1 3) Other persons or public body entitled to any portion of payment made on judgment:
2 None, except that \$750,000 is to be held in trust, as set forth above.

3 4) Principal Amount of Judgment:

4 Second Claim for Relief, Sales of Unregistered Securities—

5	Rencher Law Firm, LLP	\$115,000.00
6	Robert J. Skirving	\$460,000.00
7	Paul James Peiffer	\$230,000.00

8 Third Claim for Relief, Misrepresentations and Omission—

9	Guy B. Rencher II	\$320,000.00
10	Robert J. Skirving	\$320,000.00
11	Paul James Peiffer	\$160,000.00

12 Eighth Claim for Relief, Disgorgement—

13	Robert J. Skirving	\$750,000.00
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14 5) Prejudgment simple interest owed to date of Judgment: None.

15 6) Post judgment simple interest at the rate of 9 percent per annum on the total judgment
16 which consists of items 4 plus 8 from the date judgment is entered until fully paid.


17 7) Periodic Accrual/Accrued arrearages: None.

18 8) Costs, disbursements, and attorney fees are awarded as follows:

19 a) Costs and disbursements: To be determined per ORCP 68.

20 b) Attorney fees: To be determined per ORCP 68.

21 DATED this 15 day of October 2003.

22 
 23 _____
 Frank L. Bearden, Circuit Court Judge

24 Submitted by:
 25 Daniel H. Rosenhouse #77327
 Assistant Attorney General
 26 Caroline L. Smith, #95523
 Special Assistant Attorney General
 Of Attorneys for Plaintiff

Customer name: _____
Customer Address: _____
Customer Phone number: _____

Disclosure to My Customers

Under a decree entered in the Oregon Circuit Court for Multnomah County, I am required to provide you with the following disclosures before you transfer any money or other thing of value in connection with a securities transaction in which I act, directly or indirectly, as an issuer, offeror, seller, buyer, salesperson or adviser. This is in addition to all other disclosures required by law. You must sign this Disclosure and I am required to send a copy of it, within one day of your transfer of any money (whether to me or to others), to the Chief of Enforcement of the Oregon Department of Consumer and Business Services, Division of Finance and Corporate Securities.

- 1) I, Guy B. Rencher II, am not licensed as a securities salesperson, investment adviser, or broker-dealer.
- 2) I promoted an illegal investment program during 2000 and 2001. Investors who purchased securities through me lost their principal investment of more than \$7 million. I was named as a defendant in a lawsuit filed by the State of Oregon, Department of Consumer and Business Services, for violations of the Oregon Securities Law, and I was also named as a defendant in lawsuits filed by many of the investors. In 2003, I was found liable for selling unregistered securities, acting as an unlicensed securities salesperson, and failing to disclose material facts to investors.
- 3) I filed for Chapter 7 bankruptcy in 2001. Following a trial, I was denied a discharge of debts because the judge found, among other things, that I "knowingly and fraudulently made several false oaths relating to material facts in connection with [a property that I owned]" and that I had transferred rental payments for that property to my father "with the intent to hinder, delay or defraud" my creditors and the trustee.
- 4) In 1995, acting on behalf of my professional corporation, Guy B. Rencher II, P.C., I entered into a consent agreement with the Oregon Department of Justice. The consent agreement requires Guy B. Rencher II, P.C., among other things, to not violate any provision of the Oregon Unlawful Trade Practices Act.
- 5) The Oregon State Bar suspended me from practicing law for 30 days in December 2000, for dishonesty, fraud, deceit or misrepresentation, and false or misleading advertising. I am currently under investigation by the Oregon State Bar.

GUY B. RENCHER II

I, _____, acknowledge that I received and reviewed the above disclosure statement before engaging in any sale or purchase of securities from Guy B. Rencher II, and prior to transferring any money in connection with a sale or purchase of securities arising from my contact with Mr. Rencher.

Date: _____

Customer name: _____
 Customer Address: _____
 Customer Phone number: _____

Disclosure to My Customers

Under a decree entered in the Oregon Circuit Court for Multnomah County, I am required to provide you with the following disclosures before you transfer any money or other thing of value in connection with a securities transaction in which I act, directly or indirectly, as an issuer, offeror, seller, buyer, salesperson or adviser. This is in addition to all other disclosures required by law. You must sign this Disclosure and I am required to send a copy of it, within one day of your transfer of any money (whether to me or to others), to the Chief of Enforcement of the Oregon Department of Consumer and Business Services, Division of Finance and Corporate Securities.

- 1) I am not licensed as a securities salesperson, investment adviser, or broker-dealer.
- 2) I have never been licensed as a securities salesperson, investment adviser, or broker-dealer.
- 3) I operated an illegal investment program during 2000 and 2001. Investors who purchased securities lost their principal investment of more than \$7 million. I was named as a defendant in a lawsuit filed by the State of Oregon, Department of Consumer and Business Services, for violations of the Oregon Securities Law. I was found liable as a material participant in the sales of unregistered securities and failing to disclose material facts to investors in connection with the sales of securities. In 2001, I was also named as a defendant in separate lawsuits filed by investors stemming from the investment program.
- 4) The State of Oregon issued a warning letter to me in 1992 after determining that I unlawfully offered a security in violation of the Oregon Securities Law.
- 5) I was named in a cease and desist order issued in 1988 by the State of Minnesota, Commissioner of Commerce, for violations of securities laws.
- 6) I am currently under investigation by the U.S. Attorney's office in Portland, Oregon.
- 7) In 2003, I was charged with felony violations of the Nevada Securities Law, and those criminal charges are pending.

 ROBERT J. SKIRVING

I, _____, acknowledge that I received and reviewed the above disclosure statement before engaging in any sale or purchase of securities from Robert J. Skirving and prior to transferring any money in connection with a sale or purchase of securities arising from my contact with Mr. Skirving.

Date: _____

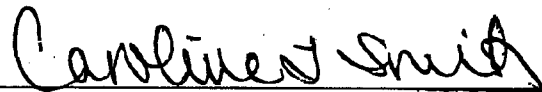
CERTIFICATE OF SERVICE BY MAIL

I certify that on October 14, 2003 I served the foregoing JUDGMENT -FINAL, upon the parties hereto by mailing, regular mail, postage prepaid, a true, exact and full copy thereof to:

Sally Leisure
820 SW Second Ave., Suite 200
Portland, OR 97204
Attorney for Defendant Guy B. Rencher II

Robert J. Skirving
11806 SE Eastbourne Lane
Portland, OR 97236
Defendant

Paul James Peiffer
21590 SW York St.
Aloha, OR 97006
Defendant



Caroline L. Smith #95523
Special Assistant Attorney General

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