

BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE  
OF THE STATE OF IDAHO

STATE OF IDAHO, Department of Finance,  
Securities Bureau

Complainant,

vs.

ORB INDUSTRIES, INC. and CHARLES C.  
HIGHT,

Respondents.

Docket No. 1996-7-142

AGREEMENT AND ORDER

The Director of the Department of Finance has instituted an investigation into the conduct of ORB Industries, Inc., and Charles C. Hight. Pursuant to said investigation, it appears to the Director that violations of the Idaho Securities Act, Idaho Code §30-1401 et seq., have occurred. The Director and Respondents have agreed to resolve this matter without a public hearing or further proceedings. Therefore, the Director deems it appropriate and in the public interest that this Agreement and Order be entered. Respondents consent to the entry of this Agreement and Order.

I. Respondents

1. Respondent ORB Industries, Inc., is a Colorado corporation located at 14818 W. 6th Avenue, Suite 10A, Golden, Colorado.

2. Respondent Charles C. Hight (Hight) is the President of ORB Industries, Inc. Hight was subject to a securities specific Cease and Desist Order issued by the State of Alaska in 1981. At all times pertinent to this Order, Hight was a promoter of an ORB Industries securities offering.

## II. Background

3. Beginning on a date uncertain, but at least since May 1995, Respondents have offered, sold and issued ORB Industries common stock to residents of the State of Idaho. Offers and sales of ORB securities in Idaho continued into the Fall of 1996.

4. The ORB Industries stock offering was being made pursuant to a Federal Regulation D, Rule 504 registration exemption. The securities were never registered or otherwise qualified for sale in the State of Idaho.

5. The offering materials distributed in connection with the ORB securities offering provided biographical data regarding Mr. Hight. Mr. Hight's biography as a successful businessman dated back to a description of Mr. Hight's employment as president of Alaska General Alarm between 1977 and 1982.

6. The offering document failed to disclose Mr. Hight's association with Alaska Energy Service, Inc. The offering document also failed to disclose that a securities related Cease and Desist Order was entered against Hight and Alaska Energy Services, Inc., on September 28, 1981.

7. The offering materials distributed in connection with the ORB securities offering provided biographical data regarding Kim D. Orr (Orr), a Director of ORB and ORB's Vice-President of Corporate Development.

8. The offering materials failed to disclose Orr's retention as a securities sales agent for the City of St. Francisville, Illinois, to offer and sell trust certificates of the Bluff City Mushroom Royalty Investment Trust (BCMRIT) and Orr's capacity as general partner of Royalty Capital Access Limited, L.P. (RCAL).

9. A Temporary Order of Prohibition was entered against Orr, BCMRIT, and others on August 15, 1996 by the Illinois Securities Department prohibiting Orr and other parties from offering and selling securities in or from the State of Illinois. A final Order of Prohibition was issued against Orr on December 6, 1996.

10. Idaho investors that were offered ORB securities after approximately June, 1996 were not provided complete biographical information regarding Orr.

### III. Findings of Violations

11. The offering documents provided inadequate disclosure such that omissions of material fact occurred in violation of Idaho Code §30-1403(2). Respondents have violated Idaho Code §30-1403(2).

12. The offering was conducted in violation of the salesperson and securities registration provisions of the Idaho Securities Act. Respondents have violated Idaho Code §§30-1406 and 30-1416.

### IV. Remedies

Complainant and Respondents hereby agree as follows:

1. Respondents represent that the information provided to Complainant in its investigation of this matter is accurate and complete.

2. Respondents neither admit nor deny that violations of the Idaho Securities Act have occurred.

3. Respondents agree to offer rescission to all Idaho investors within thirty (30) days of the date of this Order. Respondents have submitted rescission offering materials to Complainant for its review and such materials are hereby approved for distribution to Orb's Idaho investors. Rescission payments will take place not later than ninety (90) days from the date of this Order.

4. Respondents agree to provide Complainant with a report detailing those individuals offered rescission and those individuals accepting rescission. Said report will be provided to Complainant not later than sixty (60) after the date the rescission offer is completed.

5. Respondents agree to abide by the Idaho Securities Act in the future.

6. Respondents represent that they are not subject to any securities related order or actions entered by any other state, federal or provincial jurisdiction or court within the previous ten (10) years.

7. Complainant agrees that this Order shall not be used to disqualify Respondents from claiming or utilizing any exemption available under the Idaho Securities Act, or from registering a securities offering pursuant to any provisions of the Idaho Securities Act. The Director hereby determines that, under the Idaho Securities Act and IDAPA 12.01.08.270.02.b.vii, for good cause shown, the disqualification of either ORB or Mr. Hight from the use of any registration or exemption provision (including Regulation D) contained in the Idaho Securities Act and the Rules Pursuant to the Idaho Securities Act is not necessary under the circumstances.

8. Respondents agree to provide advance notice to the Director of any offering, whether registered or exempt, that will be conducted in Idaho and to submit any offering materials that will be used in Idaho for the Director's review and approval.

9. Respondents agree to pay to Complainant a joint and several fine of two thousand five hundred dollars (\$2,500.00). Said fine shall be paid within thirty (30) days of the date of this Order.

10. This Agreement and Order is in lieu of civil litigation or other proceedings.

DONE AND DATED at Boise, Idaho, this 30<sup>th</sup> day of ~~August~~ <sup>July</sup>, 1997.

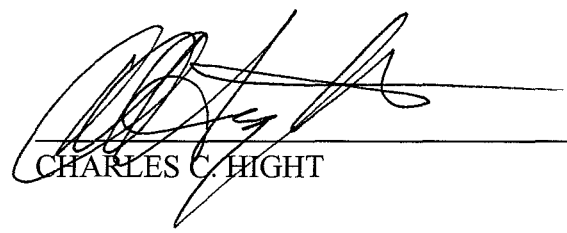
ORB INDUSTRIES, INC.

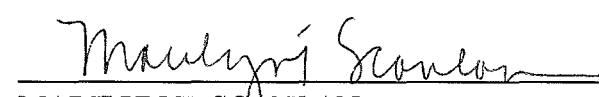
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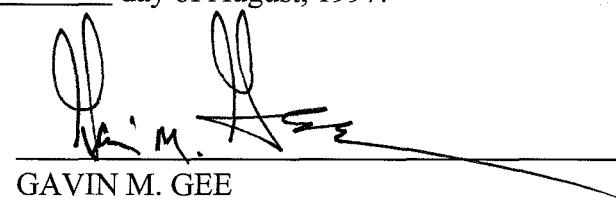
  
Charles C. Hight

TITLE: PRESIDENT

  
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CHARLES C. HIGHT

  
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MARILYN T. SCANLAN  
Bureau Chief, Securities Bureau  
Department of Finance  
State of Idaho

IT IS SO ORDERED This 18<sup>TH</sup> day of August, 1997.

  
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GAVIN M. GEE  
Director of Finance

