



STATE OF OREGON

INTEROFFICE MEMO

TO: Dick Grant

DATE: October 10, 1984

FROM: Bob Oliver (*BO*)

SUBJECT: Rajneeshpuram

Attached is correspondence from John Olin, regarding a recent visit to Rajneeshpuram. Also attached is a memorandum from the Insurance Division, regarding its contacts with the Rajneesh Medical Corporation. This may (or may not) be relevant to the c/n situation discussed at staff meeting on October 9.

cc: Gerry Thompson



Department of Commerce

BANKING DIVISION

BUSICK BUILDING, SALEM, OREGON 97310 PHONE (503) 378-4140

October 4, 1984

The Honorable Victor Atiyeh
Governor of Oregon
254 State Capitol
Salem, Oregon 97310

Dear Governor Atiyeh:

A number of years ago when the Rajneesh Puram was first organized, a Mr. Silverman who then was and may still be the husband of Ma Sheila, called me to inquire about starting a bank in either Antelope or Rajneesh Puram. I told him that there was a rather important criteria that had to be met but one of them that was the most important was the population requirement so as to indicate to us that there would be sufficient business to make the organization profitable. My direct question to him was, "How many people live in Antelope?" His answer was "Just a few," and I suggested that when they got to 5,000 or 6,000 folks, it would be appropriate at that time to make an application. I have heard nothing since on that subject.

On December 19, 1983, we wrote to The Rajneesh Services Corporation to the attention of a party by the name of Manas in response to their request of procedure to obtain a consumer finance license.

On December 29, 1983, Mr. Vishuddha of their legal division inquired of my Deputy about incorporating a corporation to be known as Rajneesh Puram Services Trust. The point of inquiry was the use of the name of "trust" and would we O.K. it. In checking with the Corporation Division, we found that this is a Massachusetts investment trust under ORS 128 and is excluded from all Banking Code provisions. Vissudah reaffirmed that they planned to seek a finance company license sometime in the future.

On January 9, 1984, Mr. Manas of the Rajneesh Legal Services Corporation requested a copy of the Sale of Checks Act and we sent them a copy of the act, outlining net worth requirements, surety bond requirement and the need to see articles, bylaws, etc, including a financial statement. We received back a declaration of trust running between the Rajneesh Services International Limited and several of their members as trustees together with a certification from the Corporation Division that the Rajneesh Financial Services Trust was properly organized. In their letter of January 13 they responded to our January 9 letter but not completely, and as a typical divisive act of them, they assured us that they had reviewed drafts of the current Financial Statements of the Trust and assured us that the net worth of the Trust was well in excess of \$100,000 but gave us no exhibits to substantiate this allusion. We have had nothing further on that subject.

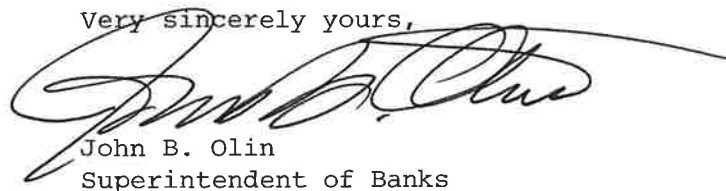
The Honorable Victor Atiyeh
October 4, 1984
Page 2

On June 5 The Oregonian had heard that they were operating some kind of banking business in Rajneesh Puram and I then inquired of Mr. Vissudah precisely what it was and I determined from the discussion that I had with him and some of the alleged banking activities known as a Rajneesh currency card that was sent to their constituents, were to utilize at the recent convention, that it was not a banking business but only a prepayment of services of meals and lodging for their delegates. Since it was strictly a prepayment of services, it was not unlike lunch tickets that our children have at their schools hence I could not find it a banking business.

The last week of June my wife and I visited Rajneesh Puram as undisclosed, unannounced tourists and took the tour of their facility, entering the tourist information center at the west end of town where we were stopped from travelling further and paid a fee of \$3 apiece, and after my wife's purse was inspected for contraband, we were placed on a bus and toured their facilities. This took several hours. They did not stop along the way except at the truck garden, bypassing their boutiques, shops, etc. They would not go up the canyon that I observed to the south under construction that I thought we might inspect, as I suspected it contained their Rolls Royce cars and maybe other interesting developments.

The bus was loaded with folks from Europe. We were the only nonmembers of the group and they inadvertently stopped at their huge lunch pavilion and let everyone off and so we departed with them--had a salad--and were chastised for being there and stopping and participating in what appeared to us to have been an invitation. We then were loaded back on the bus (just my wife and me) and taken to the information center, bypassing their main meeting hall, which appeared to be a community center, bypassing the shopping area, bypassing the place where the convertible Rolls Royce was being raffled and heading back toward Madras. They were cordial and polite but very protective. We could not find that this had the aspect of any creature of the state such as an incorporated city where folks had any rights of entry, ownership or anything else.

Very sincerely yours,

A handwritten signature in dark ink, appearing to read "John B. Olin", with a long, sweeping horizontal line extending to the right.

John B. Olin
Superintendent of Banks

JBO:lp