ARIZONA CORPORATION COMMISSION

FOR IMMEDIATE RELEASE: July 17, 2008 CONTACT: Rebecca Wilder (602) 542-0844

Commission Orders Lake Havasu Couple to Pay Restitution for Defrauding Seniors

PHOENIX, AZ—The Arizona Corporation Commission today ordered a Lake Havasu couple who defrauded investors in a million-dollar investment scheme to pay restitution of nearly $720,000 to investors and to pay a penalty of $100,000.

Lake Havasu residents, Morris Clyde Kuykendall and spouse Judy Powers, co-owned Kuypow, Inc. and were doing business as Mo's Properties and Investment Group. The couple raised over $1 million from at least 15 investors, most of whom were senior citizens with winter homes in Arizona. Neither was registered to sell securities in the state.

An Internet search conducted by the Commission's Securities Division discovered the investment program from ads featured on "Craig's List." Kuykendall and Powers claimed to already have 28 investors who were making money, but their solicitation materials did not state exactly how investor funds would be invested in order to generate the promised profits. Moreover, Kuykendall and Powers failed to ask if investors could sustain a financial loss after investing in the program. The Commission found that at least one potential Arizona investor was told that all of the investment contracts and promissory notes were secured by real estate and other business assets.

Additionally, among his material omissions, Kuykendall failed to disclose that he had pleaded guilty in August 2000 to a *Class 3 Felony* for theft and had been sentenced to five years of probation and ordered to pay $60,650 in restitution to his victim.

The full text of the Commission orders can be viewed at:
http://www.azcc.gov/divisions/securities/enforcement/enforce-orders.asp

Caution for investors:

Investors need to be especially cautious now because scam artists will use the recent downturn in the stock market to exploit investors' anxiety about increasing their earnings. Even when investing with someone they know, investors should verify the registration of sellers and investment opportunities and investigate disciplinary histories by contacting the Arizona Corporation Commission's Securities Division at 602-542-4242 or toll free in Arizona at 1-866-VERIFY-9. The Division's investor education web site also has helpful information at www.azinvestor.gov**.**

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