NEW APPLICATION

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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In the matter of: EDWARD A. PURVIS and MAUREEN H. PURVIS, husband and wife 2131 W. Shannon Chandler, Arizona 85224 GREGG L. WOLFE and ALLISON A. WOLFE, husband and wife 2092 W. Dublin Lane Chandler, Arizona 85224 NAKAMI CHI GROUP MINISTRIES INTERNATIONAL, (a/k/a NCGMI), a Nevada corporation sole 4400 N. Scottsdale Road, Suite 9-231 Scottsdale, Arizona 85251 JAMES W. KEATON, Jr. and JENNIFER KEATON, husband and wife 11398 E. Whitehorn Drive, Apt. D Scottsdale, Arizona 85255 ACI HOLDINGS, INC., a Nevada corporation 17650 N. 25th Avenue Phoenix, Arizona 85023 Respondents.	Docket No. S-00000A-06-0631 **NOTICE OF OPPORTUNITY FOR HEARING REGARDING PROPOSED ORDER TO CEASE AND DESIST, ORDER FOR RESTITUTION, FOR ADMINISTRATIVE PENALTIES AND FOR OTHER AFFIRMATIVE ACTION**

NOTICE: EACH RESPONDENT HAS 10 DAYS TO REQUEST A HEARING

EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that RESPONDENTS Edward A. Purvis and Maureen H. Purvis, husband

and wife, Gregg L. Wolfe and Allison A. Wolfe, husband and wife, James W. Keaton, Jr. and Jennifer Keaton, husband and wife, ACI HOLDINGS, INC., a Nevada corporation, and NAKAMI CHI GROUP MINISTRIES INTERNATIONAL (a/k/a/ NCGMI), a Nevada corporation sole, have engaged in acts, practices and transactions, which constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act").

I.

JURISDICTION

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

II.

RESPONDENTS

2. Edward A. Purvis ("PURVIS") is a married person whose last known residence is 2131 W. Shannon, Chandler, Arizona 85224.

3. Maureen H. Purvis ("M. PURVIS") was at all relevant times the spouse of PURVIS. M. PURVIS is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital community.

4. At all relevant times, PURVIS and M. PURVIS were acting for their own benefit and for the benefit or in furtherance of the marital community.

5. Gregg L. Wolfe ("WOLFE") is a married person whose last known residence is 2092 W. Dublin Lane, Chandler, Arizona 85224.

6. Allison A. Wolfe ("A.WOLFE") was at all relevant times the spouse of WOLFE. A. WOLFE is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital community.

7. At all relevant times, WOLFE and A. WOLFE were acting for their own benefit and for the benefit or in furtherance of the marital community.

8. James W. Keaton, Jr. ("KEATON") is a married person whose last known residence is 11398 E. Whitehorn Drive, Apartment D, Scottsdale, Arizona 85225.

9. Jennifer Keaton ("J. KEATON") was at all relevant times the spouse of KEATON. J. KEATON is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital community.

10. At all relevant times, KEATON and J. KEATON were acting for their own benefit and for the benefit or in furtherance of the marital community.

11. At all relevant times, PURVIS and WOLFE have transacted business under the name Nakami Chi Group Ministries International ("NCGMI") which is a corporation sole registered with the Nevada Secretary of State and whose last known address is 4400 N. Scottsdale Road, Suite 9-231, Scottsdale, Arizona 85251. Pursuant to a records search, NCGMI is not registered with the Arizona Corporation Commission, Corporations Division to conduct business within or from Arizona.

12. Pursuant to a records search of the Nevada Secretary of State, WOLFE is the "subscriber" for NCGMI. Upon information and belief, a subscriber is similar to an officer of a corporation.

13. ACI Holdings, Inc. ("ACI HOLDINGS") is a corporation which was registered with the Nevada Secretary of State on August 21, 2003 and whose last known address is 17650 N. 25th Avenue, Phoenix, Arizona 85023. Pursuant to a records search, ACI HOLDINGS is not registered with the Arizona Corporation Commission, Corporations Division to conduct business within or from Arizona.

14. Pursuant to a search of the Nevada Secretary of State records, KEATON is the President, Treasurer and Director of ACI HOLDINGS. PURVIS served as a Director of ACI HOLDINGS until 2005.

15. PURVIS, WOLFE, KEATON, NCGMI, and ACI HOLDINGS may be referred to individually or, collectively, as "RESPONDENTS". M. PURVIS, A. WOLFE, and J. KEATON may be collectively referred to as "RESPONDENT SPOUSES."

III.

FACTS

COMPANY STOCK AND BRIDGE LOAN INVESTMENTS

16. From in or about January 2002, PURVIS and WOLFE offered and sold unregistered securities in the form of investment contracts and company stock to investors, within or from Arizona and several other states.

17. From in or about August, 2003, ACI HOLDINGS offered and sold unregistered securities in the form of company stock to investors, within and from Arizona and several other states.

18. PURVIS and WOLFE told offerees and investors they offer at least two different investment opportunities; namely, bridge loans and company stock.

19. PURVIS and WOLFE represented to offerees and investors that they directed the business affairs of their "ministry", NCGMI.

20. NCGMI is a corporation sole registered with the Nevada Secretary of State. A corporation sole is a corporate entity used for the purpose of "...acquiring, holding or disposing of church or religious society property, for the benefit of religion...charity and...public worship...[1].

21. PURVIS and WOLFE told offerees and investors that they have accumulated wealth through their investments. PURVIS and WOLFE told offerees and investors that they could also achieve financial success by investing with them.

22. PURVIS and WOLFE represented to offerees and investors that their business address and the address for NCGMI is 4400 N. Scottsdale Road, Suite 9-231, Scottsdale, Arizona 85251. This address is a postal box located inside of a UPS Store.

[1] Nevada Revised Statutes § 84.010.

23. PURVIS and WOLFE advised some offerees and investors to form a corporation sole. PURVIS and WOLFE told offerees and investors that a corporation sole would reduce their income tax liability resulting from their investment returns.

24. For those investors who formed a corporation sole, PURVIS and WOLFE stated that repayment of their investment would be made payable to their respective corporation sole instead of being made payable to the individual investor.

25. WOLFE charged investors a fee to prepare the documents necessary to form a corporation sole.

26. PURVIS and WOLFE told offerees and investors who purchased company stock and, on at least one occasion, bridge loans that their investment was guaranteed.

27. KEATON told at least one investor who purchased company stock that their investment was guaranteed.

28. Some offerees and investors entered into investment contracts (i.e., bridge loans) with PURVIS and WOLFE on their verbal promise to repay the principal amount invested plus interest.

29. In some instances, PURVIS and WOLFE provided investors with monthly statements which detail their investment account activity including the amount invested, the type of investment, expected return on the investment, and current balance of the account.

BRIDGE LOAN INVESTMENT

30. PURVIS and WOLFE represented to offerees and investors that the bridge loan investment funded short-term, high interest bridge loans to small companies.

31. PURVIS and WOLFE told offerees and investors that the bridge loans they invested in were secured by personal guarantees and assets belonging to the officer of the company borrowing the funds.

32. PURVIS and WOLFE told offerees and investors in the bridge loan program that they would receive an annual return of 24% at the rate of 2% per month.

33. PURVIS and WOLFE suggested to some investors that they refer to their investments as "donations" even though investors expected a return.

34. Upon information and belief, PURVIS and WOLFE deposited investor funds into a bank account for NCGMI and, in some instances, used the proceeds from the account to pay investor returns and various expenses.

ACI HOLDINGS' STOCK

35. Another investment opportunity PURVIS and WOLFE offered was stock in ACI HOLDINGS.

36. PURVIS and WOLFE offered and sold company stock in ACI HOLDINGS to offerees and investors. KEATON had knowledge that PURVIS and WOLFE offered and sold stock in ACI HOLDINGS.

37. In at least one instance, PURVIS told an offeree and investor that he was the owner of ACI HOLDINGS. According to records of the Nevada Secretary of State, KEATON is the President, Treasurer and Director of ACI HOLDINGS, and PURVIS served as a director for ACI HOLDINGS until 2005.

38. PURVIS and WOLFE represented to offerees and investors that the price for stock in ACI HOLDINGS was $.80 per share. Some offerees and investors received offering documents for ACI HOLDINGS. KEATON approved the selling price of the stock and the offering documents for ACI HOLDINGS.

39. PURVIS and WOLFE told offerees and investors that the value of ACI HOLDINGS' stock would increase four to five times its original purchase price after the company became publicly traded. PURVIS and WOLFE represented to offerees and investors that ACI HOLDINGS' stock would be publicly traded within 12 to 18 months from the time of their investment.

40. PURVIS and WOLFE told offerees and investors who decided to invest in ACI HOLDINGS to open a self-directed individual retirement account (IRA) and deposit their

investment into the IRA account. PURVIS and WOLFE instructed investors to list PURVIS as the designated representative for the account which gave PURVIS the authority to invest the funds in the account on behalf of the investor.

41. In at least one instance, PURVIS and KEATON told an investor that their investment in ACI HOLDINGS was to be secured by a then defunct entity.

IV.

VIOLATION OF A.R.S. § 44-1841

(Offer and Sale of Unregistered Securities)

42. From in or about January 2002, PURVIS and WOLFE offered or sold securities in the form of investment contracts and company stock, within or from Arizona.

43. From in or about August 2003, ACI HOLDINGS offered or sold securities in the form of company stock, within or from Arizona.

44. The securities referred to above were not registered pursuant to the provisions of Articles 6 or 7 of the Securities Act.

45. This conduct violates A.R.S. § 44-1841.

V.

VIOLATION OF A.R.S. § 44-1842

(Transactions by Unregistered Dealers or Salesmen)

46. From in or about January 2002, WOLFE and PURVIS offered or sold securities within or from Arizona, while not registered as dealers or salesmen pursuant to the provisions of Article 9 of the Securities Act.

47. From in or about August 2003, ACI HOLDINGS offered or sold securities within or from Arizona, while not registered a dealer pursuant to the provisions of Article 9 of the Securities Act.

48. This conduct violates A.R.S. § 44-1842.

VI.

VIOLATION OF A.R.S. § 44-1991

(Fraud in Connection with the Offer or Sale of Securities)

49. In connection with the offer or sale of securities within or from Arizona, RESPONDENTS directly or indirectly: (i) employed a device, scheme or artifice to defraud; (ii) made untrue statements of material fact or omitted to state material facts which were necessary in order to make the statements made not misleading in light of the circumstances under which they were made; or (iii) engaged in transactions, practices or courses of business which operated or would operate as a fraud or deceit upon offerees and investors. RESPONDENTS' conduct includes, but is not limited to, the following:

a) PURVIS represented to offerees and investors that he owned ACI HOLDINGS when, in fact, PURVIS served as a director for the company for only a limited time;

b) PURVIS and WOLFE represented to offerees and investors that ACI HOLDINGS would become a publicly traded company when, in fact, steps had not been taken for the company's stock to be publicly traded;

c) PURVIS and WOLFE represented to offerees and investors that stock in ACI HOLDINGS would increase four or five times its original purchase price; however, upon information and belief, the value of the stock has actually decreased;

d) PURVIS and KEATON represented to an offeree and investor that their investment was secured and guaranteed by an entity which, at the time of the representation was dissolved and had no assets;

e) PURVIS and WOLFE represented to investors that they would receive investment returns from the personal assets of PURVIS and WOLFE when, in fact, investors are repaid from sources other than the personal assets of PURVIS and WOLFE.

50. This conduct violates A.R.S. § 44-1991.

VII.

REQUESTED RELIEF

The Division will request that the Commission grant the following relief against RESPONDENTS:

1. Order RESPONDENTS to permanently cease and desist from violating the Securities Act, pursuant to A.R.S. § 44-2032;

2. Order RESPONDENTS to take affirmative action to correct the conditions resulting from their acts, practices or transactions, including a requirement to make restitution pursuant to A.R.S. § 44-2032;

3. Order RESPONDENTS to pay the state of Arizona administrative penalties of up to five thousand dollars ($5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;

4. Order that the marital communities of PURVIS and M. PURVIS, WOLFE and A. WOLFE, and KEATON and J. KEATON be subject to any order of restitution, rescission, administrative penalties, or other appropriate affirmative action pursuant to A.R.S. § 25-215; and

5. Order any other relief that the Commission deems appropriate.

VIII.

HEARING OPPORTUNITY

RESPONDENTS, including RESPONDENT SPOUSES, may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. Rule 14-4-306. **If any RESPONDENT or RESPONDENT SPOUSE requests a hearing, the respondent must also answer this Notice.** A request for hearing must be in writing and received by the Commission within 10 business days after service of this Notice of Opportunity for Hearing. Each RESPONDENT must deliver or mail the request for hearing to Docket Control, Arizona Corporation Commission, 1200 West Washington, Phoenix, Arizona 85007. A Docket Control cover sheet must also be filed with the request for hearing. A cover sheet form and instructions may be obtained from Docket Control at (602) 542-3477 or on the Commission's Internet web site at www.cc.state.az.us/utility/forms/index.htm.

If a request for hearing is timely made, the Commission shall schedule a hearing to begin 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. If a request for a hearing is not timely made, the Commission may, without hearing, enter an order against each of the RESPONDENTS granting the relief requested by the Division in this Notice of Opportunity for Hearing.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Linda Hogan, Executive Assistant to the Executive Director, voice phone number 602/542-3931, e-mail lhogan@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

IX.

ANSWER REQUIREMENT

Pursuant to A.A.C. R14-4-305, if any RESPONDENT or RESPONDENT SPOUSE requests a hearing, the RESPONDENT or RESPONDENT SPOUSE must deliver or mail an Answer to this Temporary Order and Notice to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of this Notice of Opportunity for Hearing,. A Docket Control cover sheet must accompany the Answer. A cover sheet form and instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at www.cc.state.az.us/utility/forms/index.htm.

Additionally, the RESPONDENT OR RESPONDENT SPOUSE must serve the Answer upon the Division. Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix Arizona, addressed to RACHEL M. STRACHAN.

The Answer shall contain an admission or denial of each allegation in this Notice and the original signature of each RESPONDENT, RESPONDENT SPOUSE or the RESPONDENT's

attorney. A statement of a lack of sufficient knowledge or information shall be considered a denial of an allegation. An allegation not denied shall be considered admitted.

When a RESPONDENT or RESPONDENT SPOUSE intends in good faith to deny only a part or a qualification of an allegation, the RESPONDENT or RESPONDENT SPOUSE shall specify that part or qualification of the allegation and shall admit the remainder. The RESPONDENT or RESPONDENT SPOUSE waives any affirmative defense not raised in the answer.

The officer presiding over the hearing may grant relief from the requirement to file an Answer for good cause shown.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 3rd day of October, 2006.

Matthew J. Neubert
Director of Securities

(RFS)