NEW APPLICATION

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

In the matter of: Owen A. Vilan and Lucina Vilan (aka Lucy Vilan), husband and wife, 7523 E. Kael Circle Mesa, AZ 85207 Saguaro Investments, Inc., fka Vilan Enterprises, Inc., A Nevada Corporation, 7440 E. Main Street, Suite 2-B Mesa, AZ 85207	DOCKET NO. S-20519A-07-0154 **TEMPORARY ORDER TO CEASE AND DESIST AND NOTICE OF OPPORTUNITY FOR HEARING**

NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY

EACH RESPONDENT HAS 20 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 Owen Vilan, Lucina Vilan, and Saguaro Investments, Inc., fka Vilan Enterprises, Inc., engaged in or are about to engage in acts and practices that constitute violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act ("Securities Act"), and that the public welfare requires immediate action.

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1 I.

2 **JURISDICTION**

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

5 II.

6 **RESPONDENTS**

7 1. Owen Vilan ("VILAN") is an individual whose last known address is 7523 E. Kael
8 Circle, Mesa, Arizona 85207.

9 2. Lucina Vilan aka Lucy Vilan ("MRS. VILAN") was at all relevant times the spouse
10 of VILAN. MRS. VILAN is joined in this action under A.R.S. § 44-2031(C) solely for purposes of
11 determining the liability of the marital community.

12 3. At all relevant times, VILAN and Mrs. Vilan were acting for their own benefit, and
13 for the benefit or in furtherance of the marital community.

14 4. Vilan Enterprises, Inc. is an entity that was incorporated in Nevada on August 19,
15 2004, with a registered address of 101 Convention Center Drive, Suite 700, Las Vegas, NV 89109.
16 In about January of 2006, Vilan Enterprise, Inc.'s name was changed to Saguaro Investments, Inc.

17 5. Saguaro Investments, Inc., fka Vilan Enterprises, Inc., ("SAGUARO" or "VEI")
18 does not appear to be registered to do business in the State of Arizona. Saguaro Investments, Inc.
19 maintains an office at 7440 E. Main Street, Suite 2-B, Mesa, AZ 85207.

20 6. VILAN is named as the President, Secretary, Treasurer, and Director of SAGUARO.

21 7. RESPONDENTS, VILAN, VEI, AND SAGUARO, may be collectively referred to
22 as "RESPONDENTS." MRS. VILAN may be referred to as "RESPONDENT SPOUSE."

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III.

FACTS

8. At least since January of 2006, RESPONDENTS have been and are directly or indirectly offering securities in the form of investment contracts. VILAN and SAGUARO operate from 7440 E. Main Street, Suite 2-B in Mesa Arizona, 85207.

9. VILAN has portrayed himself as a "private investment consultant" to at least two potential Arizona investors. VILAN offered to establish an investment account for the investors, manage and trade securities, and promised a fixed 36% yearly return. The offer was made in the name of VILAN and SAGUARO via an"Independent Investors Agreement."

10. VILAN represented that he is a broker and that he trades stock and stock options for investors. VILAN explained that investors had to invest a $100,000.00 minimum. Potential investors were only required to provide funds. Potential investors were not requested, nor required, to participate in the daily trading decisions. Furthermore, no questions were made about investors' capacity to sustain losses, nor was there an inquiry into their net worth.

11. Neither VILAN, SAGUARO, or VEI are registered with the Arizona Corporation Commission as dealers or salesman of securities.

IV.

VIOLATION OF A.R.S. § 44-1841

(Offer and Sale of Unregistered Securities)

12. From on or about January 5, 2007, RESPONDENTS offered or sold securities in the form of investment contracts, within or from Arizona.

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

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

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V.

VIOLATION OF A.R.S. § 44-1842

(Transactions by Unregistered Dealers or Salesmen)

15. RESPONDENTS offered or sold securities within or from Arizona while not registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

16. 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)

17. 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) Portraying themselves as "brokers" of securities while not registered as dealers or salesmen;

b) Promising a guaranteed 36% yearly return on securities accounts they offer to manage without disclosing the risk factors involved in such an investment;

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

VII.

TEMPORARY ORDER

Cease and Desist from Violating the Securities Act

THEREFORE, based on the above allegations, and because the Commission has determined that the public welfare requires immediate action,

IT IS ORDERED, pursuant to A.R.S. §§ 44-2032 and A.A.C. R14-4-307, that the RESPONDENTS, their agents, servants, employees, successors, assigns, and those persons in active concert or participation with them CEASE AND DESIST from any violations of the Securities Act.

IT IS FURTHER ORDERED that this Temporary Order to Cease and Desist shall remain in effect for 180 days unless sooner vacated, modified or made permanent by the Commission.

IT IS FURTHER ORDERED that this Order shall be effective immediately.

VIII.

REQUESTED RELIEF

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

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

B. 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;

C. 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;

D. Order that the marital community of RESPONDENT VILAN and MRS. VILAN, be subject to any order of restitution, rescission, administrative penalties, or other appropriate affirmative action pursuant to A.R.S. § 25-215; and

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

IX.

HEARING OPPORTUNITY

RESPONDENTS may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. Rule 14-4-307. **If any respondent or respondent spouse requests a hearing, the respondent must also answer this Temporary Order and Notice.** A request for hearing must be in writing and received

by the Commission within 20 days after service of this Temporary Order to Cease and Desist. 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 10 to 30 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. **Unless otherwise ordered by the Commission, this Temporary Order shall remain effective from the date a hearing is requested until a decision is entered.** After a hearing, the Commission may vacate, modify or make permanent this Temporary Order, with written findings of fact and conclusions of law. A permanent Order may include ordering restitution, assessing administrative penalties or other action.

If a request for hearing is not timely made, the Division will request that the Commission make permanent this Temporary Order, with written findings of fact and conclusions of law, which may include ordering restitution, assessing administrative penalties or other relief.

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 Temporary Order to Cease and Desist and 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 Shoshana O. Epstein, Enforcement Attorney.

The Answer shall contain an admission or denial of each allegation in this Temporary Order and 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 20 day of March, 2007.

Matthew J. Neubert
Director of Securities

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