

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 CARL J. KUNASEK  
Chairman  
3 JIM IRVIN  
Commissioner  
4 WILLIAM A. MUNDELL  
Commissioner  
5

6 In the matter of ) DOCKET NO. S-03384A-99-0000  
7 )  
8 DEBORAH SUANN ANGUS ) **NOTICE OF OPPORTUNITY FOR**  
5452 N. 78<sup>th</sup> Street ) **HEARING REGARDING PROPOSED**  
Scottsdale, Arizona 85250 ) **ORDER FOR RELIEF**  
9 CRD# 2632511, )  
Respondent. )  
10

11 **NOTICE: RESPONDENT HAS 10 DAYS TO REQUEST A HEARING**

12 For its proposed order for relief, the Securities Division (the "Division") of the Arizona Corporation  
13 Commission (the "Commission") alleges that respondent, Deborah Suann Angus ("Angus"), has engaged in  
14 acts, practices and transactions, which constitute violations of A.R.S. § 44-1801 et seq., the Securities Act of  
15 Arizona (the "Securities Act").

16 The Division alleges as follows:

17 **I.**

18 **JURISDICTION**

19 1. The Commission has jurisdiction over these matters pursuant to Article XV of the Arizona  
20 Constitution, and the Securities Act.

21 **II.**

22 **RESPONDENT**

23 2. Angus' last known address is 5452 N. 78<sup>th</sup> Street, Scottsdale, Arizona 85250.  
24 3. From August 1996 until February 1997, Angus was registered with Washington Square  
25 Securities, Inc. In February 1997, Angus became registered with Princor Financial Services Corporation  
26 ("Princor"), where she stayed registered until February 1999. Since February 1999, she

1 has not registered with any Dealer. Angus' registration is currently in administrative suspension because she is  
2 not registered with any Dealer.

3 **III.**

4 **FACTS**

5 4. Each of the preceding paragraphs is incorporated by reference.

6 5. In October 1997, Angus accepted a position as a salesperson with Hanover Financial  
7 Corporation ("Hanover"), located in Scottsdale, Arizona. Angus maintained her securities registration with  
8 Princor during her entire employment with Hanover. Angus did not inform Princor of her employment with  
9 Hanover. Hanover was purportedly an investment-banking firm that raised capital to finance businesses,  
10 particularly start-up businesses. Hanover raised capital for Executive Investment Group, LLC ("Executive"),  
11 by selling membership units in the limited liability company. Around December 1997, Angus was listed as a  
12 Manager of Executive. Hanover raised capital for Keystone Asset Management Group, Inc. ("Keystone"),  
13 by providing a bridge loan to the company. Angus' employment relationship with Hanover ended in May  
14 1998.

15 6. Between October 1997 and May 1998, Angus offered for sale and sold membership units in  
16 Executive to fourteen or more investors. All units were offered for sale and sold within or from Arizona.  
17 These investors purchased \$383,000 or more of units in Executive. Some investors in Executive were Angus'  
18 Princor clients.

19 7. The membership units Angus offered for sale and sold in Executive were not registered in  
20 Arizona. In addition, these membership units: were not securities for which a notice filing has been made,  
21 were not exempt, were not offered or sold in an exempt transaction, and were not exempt under any rule or  
22 order promulgated by the Commission. Membership units in Executive were previously the subject of S-  
23 03265A-98-0000, Decision No. 61102, in which the Commission found that the units constituted securities  
24 which were neither registered, nor exempt from registration, nor securities for which a notice filing has been  
25 made.

26 . . .



V.

**GROUND FOR REVOCATION PURSUANT TO A.R.S. § 44-1962**

**(Revocation of Registration of Salesman)**

14. Each of the preceding paragraphs is incorporated by reference.

15. Angus' conduct constitutes grounds for the revocation of her registration as a securities salesman with the Commission pursuant to A.R.S. § 44-1962(2) and (10). Specifically, Angus has:

a) sold or offered for sale within or from Arizona unregistered securities in Executive for which no notice filing has been made and for which no exemption is applicable, in violation of §44-1841;

b) engaged in dishonest or unethical practices in the securities industry by being registered as a salesman and effecting securities transactions in Executive and in Keystone which were not recorded on the records of the dealer with whom she was registered at the time of the transactions, within the meaning of A.A.C. R14-4-130(17).

VI.

**REQUESTED RELIEF**

The Division requests that the Commission grant the following relief against Angus:

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

2. Order Angus to take affirmative action to correct the conditions resulting from her acts, practices or transactions, including without limitation a requirement to make restitution pursuant to, inter alia, A.R.S. § 44-2032;

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

4. Order the revocation of Angus' registration as a securities salesman pursuant to A.R.S. § 44-1962;

5. Order any other relief that the Commission deems appropriate and authorized by law.

VII.

**HEARING OPPORTUNITY**

In accordance with A.R.S. §§ 44-1972 and A.A.C. R14-4-306, Angus is notified that she is afforded an opportunity for a hearing only by filing a written request for a hearing and cover sheet with Docket Control, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007, within 10 days after service of this Notice. Angus is further notified that a cover sheet must accompany all filings. Failure to use the cover sheet may result in the delay of processing or the refusal to accept documents. Angus may obtain a copy of the cover sheet by calling Docket Control at (602) 542-3477.

The date set for the hearing shall be within 15 to 30 days after the request for the hearing has been docketed, unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. Any respondent who does not request a hearing within the time prescribed is subject to the Commission issuing an order against that respondent containing such relief as the Commission deems appropriate, including but not limited to the relief requested above.

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 Cynthia Mercurio-Sandoval, ADA Coordinator, voice phone number 602/542-0838, e-mail [csandoval@cc.state.az.us](mailto:csandoval@cc.state.az.us). Requests should be made as early as possible to allow time to arrange the accommodation.

Dated this \_\_\_\_\_ day of December, 1999.

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Mark Sendrow  
Director of Securities