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**BEFORE THE ARIZONA CORPORATION COMMISSION**

**COMMISSIONERS**

MARC SPITZER, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
MIKE GLEASON  
KRISTIN K. MAYES

In the matter of:	)	DOCKET NO. S-03550A-04-0000
	)	
ARTHUR B. COOPER	)	<b>NOTICE OF OPPORTUNITY FOR</b>
CRD #1856331	)	<b>HEARING REGARDING PROPOSED</b>
8025 E. Redwing	)	<b>ORDER TO CEASE AND DESIST,</b>
Scottsdale, Arizona 85250	)	<b>ORDER FOR RESTITUTION, ORDER</b>
	)	<b>FOR ADMINISTRATIVE PENALTIES,</b>
LINDA EBINGER-COOPER	)	<b>ORDER OF REVOCATION AND FOR</b>
CRD# 1353173	)	<b>OTHER AFFIRMATIVE ACTION</b>
8025 E. Redwing	)	
Scottsdale, Arizona 85250	)	
	)	
Respondents.	)	

**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 ARTHUR B. COOPER and LINDA EBINGER-COOPER, 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.

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**II.**  
**RESPONDENTS**

2. ARTHUR B. COOPER (“A. COOPER”) CRD #1856331, whose last known address is 8025 E. Redwing, Scottsdale, Arizona 85250, was a registered securities salesperson with Fox & Company Investments, Inc. (“Fox & Co.”), in Arizona from about May of 1988 through December of 2001 when A. COOPER became disqualified for membership under the National Association of Securities Dealers (“NASD”) by-laws due to a felony conviction and Fox & Co. terminated A. COOPER. A. COOPER’s registration was then in suspension until December 31, 2001 when it lapsed.

3. LINDA EBINGER-COOPER (“L. EBINGER-COOPER”), CRD #1353173, whose last known address is 8025 E. Redwing, Scottsdale, Arizona 85250, was a registered securities salesperson with Fox & Co. from March of 2001 through April 27, 2004 when she voluntarily terminated her registration.

4. A. COOPER and L. EBINGER-COOPER are husband and wife. At all times relevant, A. COOPER and L. EBINGER-COOPER were acting for their own benefit, and for the benefit or in furtherance of their marital community.

5. A. COOPER and L. EBINGER-COOPER may be collectively referred to as “RESPONDENTS.”

**III.**  
**FACTS**

6. From in or about January of 2001 through in or about April of 2003, RESPONDENTS offered and sold at least two different investment programs.

...

A.

INITIAL INVESTMENT IN WOLF PINES I, L.L.C.

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2           7.       The initial investment involved the offer and sale of membership interests in Wolf  
3 Pines I, L.L.C. (“Wolf Pines”), a manager managed Limited Liability Company. RESPONDENTS  
4 offered and sold interests in Wolf Pines to approximately six individuals raising about \$175,000. In  
5 addition, RESPONDENTS also invested approximately \$50,000 of their own funds in Wolf Pines.

6           8.       Wolf Pines was an Arizona Limited Liability Company formed in January of 2001, by  
7 RESPONDENTS, to invest in Silver Wolf Development L.L.C. (“Silver Wolf”). Silver Wolf was also  
8 an Arizona Limited Liability Company formed by two individuals not named in this proceeding, in  
9 March of 2000. Silver Wolf was to develop a manufactured housing community in Show Low,  
10 Arizona.

11           9.       L. EBINGER-COOPER was the managing member of Wolf Pines. In addition, L.  
12 EBINGER-COOPER was the secretary for Silver Wolf. As part of the Wolf Pines offering  
13 documents, L. EBINGER-COOPER was to receive a “6% interest in the Corporation. The purpose of  
14 this special consideration is to compensate such manager for structuring the L.L.C. and for their day  
15 to day operation of the corporation.” The disclosure document indicates that L. EBINGER-COOPER  
16 “hopes to earn 6% of the total profits through the completion of the project.”

17           10.       RESPONDENTS and the Wolf Pines investors were to receive 100% of the profit  
18 from the lot sales. Silver Wolf was to receive the profits from the sale of the manufactured homes.

19           11.       Silver Wolf purchased the property with a down payment from Wolf Pines and a  
20 carry-back mortgage from the original owners. The Property Owners then subordinated their note to  
21 that of the subdivision loan. Eventually, Silver Wolf failed to make their payments to the subdivision  
22 lender and the Property Owner and the subdivision lender foreclosed on the property.

23           12.       RESPONDENTS received \$125,000 in investment funds from approximately four  
24 individuals in January of 2001 while A. COOPER was a registered securities salesman with Fox &  
25 Co. At least two of the investors were clients of A. COOPER at the time of the investment.







**REMEDIES PURSUANT TO A.R.S. § 44-1962**

**(Denial, Revocation or Suspension of Registration of Salesman; Restitution, Penalties, or other Affirmative Action)**

30. From March of 2001 through April of 2003, L. EBINGER-COOPER's conduct is grounds to revoke L. EBINGER-COOPER's registration as a securities salesman with the Commission pursuant to A.R.S. § 44-1962. Specifically, RESPONDENT has:

- a) Offered and sold unregistered securities to at least three individuals.
- b) While registered as a salesman, effecting securities transactions, in two different securities transactions, which have not been recorded on the records of the dealer with who such salesman is registered at the time of the transaction.
- c) Employed, in connection with the purchase or sale of a security, a manipulative or deceptive device or contrivance.

31. L. EBINGER-COOPER's conduct is grounds to assess restitution, penalties, and/or take appropriate affirmative action pursuant to A.R.S. § 44-1962. Specifically, L. EBINGER-COOPER has:

- a) Engaged in dishonest or unethical practices in the securities industry by:
  - i) transacting private securities transactions;
  - ii) selling products not on the books and records of Fox & Co.;
  - iii) failing to disclose principals felony conviction;
  - iv) selling unregistered securities; and
  - v) being present when A. COOPER represented himself as a salesman with Fox & Co. knowing he had not been a securities salesman for almost two years.

**IX.**

**REQUESTED RELIEF**

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



1 form and instructions may be obtained from Docket Control by calling (602) 542-3477 or on the  
2 Commission's Internet web site at [www.cc.state.az.us/utility/forms/index.htm](http://www.cc.state.az.us/utility/forms/index.htm).

3 If a request for a hearing is timely made, the Commission shall schedule the hearing to begin  
4 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the  
5 parties, or ordered by the Commission. If a request for a hearing is not timely made, the Commission  
6 may, without a hearing, enter an order against each RESPONDENT granting the relief requested by  
7 the Division in this Notice of Opportunity for Hearing.

8 Persons with a disability may request a reasonable accommodation such as a sign language  
9 interpreter, as well as request this document in an alternative format, by contacting Yvonne L.  
10 McFarlin, Executive Assistant to the Executive Secretary, voice phone number 602/542-3931, e-  
11 mail [ymcfarlin@cc.state.az.us](mailto:ymcfarlin@cc.state.az.us). Requests should be made as early as possible to allow time to  
12 arrange the accommodation.

13 **XI.**

14 **ANSWER REQUIREMENT**

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

22 Additionally, RESPONDENT must serve the Answer upon the Division. Pursuant to  
23 A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a  
24 copy of the Answer to the Division at 1300 West Washington, 3<sup>rd</sup> Floor, Phoenix, Arizona, 85007,  
25 addressed to Wendy Coy.

