NEW APPLICATION

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
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MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

In the matter of: BELIEVING IN JESUS INVESTMENTS, LLC, an Arizona limited liability company 7861 West Brown Street Peoria, AZ 85345 PHOEBUS VINCENT SMITH (a/k/a Vince Smith and/or Mr. Vince) 7861 West Brown Street Peoria, AZ 85345 SHARON ELIZABETH GOVAN (a/k/a Sharron E. Govan-Smith, Sharon Smith, and/or Ms. Sharon) 7861 West Brown Street Peoria, AZ 85345 Respondents.	Docket No. S-20478A-06-0565 **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 RESPONDENT BELIEVING IN JESUS INVESTMENTS, LLC, an Arizona limited liability company, RESPONDENT PHOEBUS VINCENT SMITH (a/k/a Vince Smith and/or Mr. Vince), and RESPONDENT SHARON ELIZABETH GOVAN (a/k/a Sharron E. Govan-Smith, Sharon Smith, and/or Ms. Sharon) 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.

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. Phoebus Vincent Smith (a/k/a Vince Smith and/or Mr. Vince) ("Smith") is an individual whose last known residential address is 7861 West Brown Street, Peoria, Arizona 85345.

3. Jane Doe Smith was at all relevant times the spouse of Respondent Smith. Jane Doe Smith is a fictitious name used to describe any person married to Smith. Jane Doe Smith is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital community.

4. Sharon Elizabeth Govan (a/k/a Sharron E. Govan-Smith, Sharon Smith, and/or Ms. Sharon) ("Govan") is an individual whose last known residential address is 7861 West Brown Street, Peoria, Arizona 85345.

5. At all relevant times, Respondent Smith and Jane Doe Smith were acting for their own benefit, and for the benefit or in furtherance of the marital community.

6. John Doe Govan was at all relevant times the spouse of Respondent Govan. John Doe Govan is a fictitious name used to describe any person married to Govan. John Doe Govan 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, Respondent Govan and John Doe Govan were acting for their own benefit, and for the benefit or in furtherance of the marital community.

8. Believing in Jesus Investments, LLC, is an Arizona limited liability company

organized on February 22, 2006 and whose last known business address is 7861 West Brown Street, Peoria, Arizona 85345 ("BIJI"). Pursuant to the records of the Arizona Corporation Commission, Corporations Division, Smith and Govan are, and were at all relevant times, the co-managers of BIJI.

9. Smith, Govan and BIGI may be referred to individually or, collectively, as "RESPONDENTS" as the context so requires. Jane Doe Smith and John Doe Govan may be collectively referred to as "RESPONDENT SPOUSES."

III.

FACTS

10. Beginning at least as early as fall of 2005, RESPONDENTS have been offering securities in the form of investment contracts.

11. RESPONDENTS promote their investment opportunities through fliers and live presentations by primarily targeting fellow church members.

12. RESPONDENTS inform potential investors that the purpose of BIJI is to invest in raw land, real estate development, condominiums, luxury cars, new business ventures, and bulk merchandise.

13. Documents provided to unsophisticated investors by Smith and Govan, replete with religious references and biblical quotes, state that BIJI is a private investment company for BIJI members only.

14. RESPONDENTS inform offerees that in order in participate in the investment opportunities, investors must purchase one of four types of memberships from BIJI ("BIJI Members"). RESPONDENTS inform these offerees that the first and second membership types are entitled "Christian Millionaires in Training 1" or "CMIT 1" and "Christian Millionaires in Training 2" or "CMIT 2." RESPONDENTS inform offerees that these programs are designed for mainly children, teens, grandparents raising their grandchildren, single parents and individuals earning less than $20,000 per year. The non-refundable membership fee is $50 for

CMIT 1 and $150 for CMIT 2. The third type of BIJI membership is the "Regular" whose non-refundable membership fee is $500. The fourth type of BJI membership is the "Premier" whose non-refundable membership fee is $1,000. Investors are told that as a BIJI Member, for each new BIJI Member they recruit, they will receive referral fee of up to $250.00, the amount of which is determined by the type of BIJI membership that is held by the recruiter and the type of new membership that is acquired.

15. RESPONDENTS solicit investors to enroll in a variety of investment contracts including, but not limited to, the following:

(a) a program that would yield $600 on a $500 investment in 60 days or $1,250 on a $1,000 investment in 90 days;

(b) a program in which investment amounts ranging from $2,000 to $500,000 promise a 100% return on the initial investment minus a 25% transaction fee in 6-36 months. Potential investors are provided charts showing investment amount and returns;

(c) the "Future BIJI Homebuyers" program. RESPONDENTS inform offerees that an investment of 6 consecutive payments of $500 up to $10,000 per month would yield a guaranteed 100% return on their initial investment after 12-18 months;

(d) the "24 Rolls Royce/Bentley Project 2006-2007" program. RESPONDENTS inform offerees that 5 BIJI members will be allowed to each purchase one-fifth of a Rolls Royce or Bentley automobile by investing one-fifth of the wholesale price of the car. A 25% mark-up is then added to wholesale cost of the car and sold with each investor yielding a 25% return on their initial investment;

(e) the "Land Investment Plan" program. RESPONDENTS inform offerees that BIJI intends to develop 500 lots or acres of land located in Utah, New Mexico, California, and Arizona during 2006-2007. From 2 to 20 BIJI members will be allowed to participate in this program by investing their proportionate share of the cost of the land. A minimum of a 25% mark-up is then added to the cost of the property (or to the

acquisition and construction costs) and sold with each investor yielding at least a 25% return on their initial investment; and

(f) the "Home Investment Plan" program. RESPONDENTS inform offerees that BIJI intends to purchase homes (exiting or to be constructed) ranging in cost from $100,000 up to $350,000. BIJI members will be allowed to participate in this program by investing their proportionate share of the cost of the home. A minimum of a 25% mark-up is then added to the sale price of the property and sold with each investor yielding at least a 25% return on their initial investment. In the RESPONDENTS' offering materials, Smith states he will buy-out an investor's share with interest in the event that a completed home remains unsold after 12 months.

16. According to the offering materials, Smith oversees all investment programs with BIJI, and distributes all the income directly to the investors. Apart from enrolling in a particular program by contributing their funds, the investors do not participate in the business operations of RESPONDENTS.

17. Investors are told that any return received on their investments comes from returns on BIJI investments. Based on information and belief, RESPONDENTS have paid old investors with money received from new investors.

18. RESPONDENTS fail to disclose to potential investors that investor funds will be expended for personal use. Upon information and belief, RESPONDENTS have expended investor funds for personal expenses without authorization from investors.

19. A Desist and Refrain Order was entered by the State of California, Department of Corporations on January 31, 2005 against Smith and Govan for operating a ponzi scheme related to the offer and sale of similar investment opportunities while residents of California and to investors located in that state ("California Order"). RESPONDENTS fail to inform potential investors of the existence of the California Order.

IV.

VIOLATION OF A.R.S. § 44-1841

(Offer and Sale of Unregistered Securities)

20. Beginning at least as early as fall of 2005, RESPONDENTS offered or sold securities in the form of investment contracts within or from Arizona.

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

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

V.

VIOLATION OF A.R.S. § 44-1842

(Transactions by Unregistered Dealers or Salesmen)

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

24. 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)

25. 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; and/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) failing to failing to disclose to offerees and/or investors of the California Order against Smith and of the potential consequences of those orders with respect to

their investment;

(b) failing to disclose to offerees and/or investors that new investor funds would be used to pay old investors;

(c) failing to disclose to offerees and/or investors that investor funds would be expended for personal use;

(d) failing to disclose to offerees and/or investors the risks associated with the investment; and

(e) failing to disclose to offerees and/or investors any financial information with regard to the investment programs.

26. 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.

XIII.

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 community of Smith and Jane Doe Smith be subject to any order of restitution, rescission, administrative penalties, or other appropriate affirmative action pursuant to A.R.S. § 25-215;

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

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

XIV.

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.

XV.

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 **Julie Coleman, Assistant Chief Counsel of Enforcement**.

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 7th day of September, 2006.

Matthew J. Neubert
Director of Securities

(JC)