

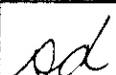
1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

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

Arizona Corporation Commission

DOCKETED

AUG 12 1999

5 DOCKETED BY 

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8 IN THE MATTER OF:
9 BAPTIST FOUNDATION OF ARIZONA;
10 ARIZONA SOUTHERN BAPTIST NEW
11 CHURCH VENTURES, INC.; and
12 CHRISTIAN FINANCIAL PARTNERS, INC.
13 Respondents.

)
)
) DOCKET NO. S-2773A-99-000

)
) DECISION NO. 61881

)
) **ORDER TO CEASE & DESIST AND**
) **OTHER AFFIRMATIVE ACTION**
) **AND CONSENT TO SAME**

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16 **I.**

17 BAPTIST FOUNDATION OF ARIZONA; ARIZONA SOUTHERN BAPTIST NEW
18 CHURCH VENTURES, INC.; and CHRISTIAN FINANCIAL PARTNERS, INC. elect to,
19 individually and collectively, permanently waive their right to a hearing and appeal under Articles 11
20 and 12 of the Securities Act of Arizona (the "Act") with respect to this Order to Cease and Desist and
21 Other Affirmative Action ("Order"); admit the jurisdiction of the Arizona Corporation Commission
22 ("Commission"); and, without admitting or denying the Findings of Fact and Conclusions of Law
23 contained in this Order, consent to entry of this Order solely for the purpose of settling this
24 proceeding, with the understanding that no part of this Order is to be considered an admission in this
25 or any other proceeding.
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II**FINDINGS OF FACT**

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3 1. Baptist Foundation of Arizona ("BFA"), which conducts some of its activities under the
4 name Christian Investment Services, is and was at all times material to this Order, an Arizona non-
5 profit corporation, having its principal place of business in Maricopa County, Arizona and, at all
6 times material to this Order, did business in, through and from Arizona and caused events to occur
7 in Arizona out of which this Order arises. BFA has numerous subsidiaries and affiliates, many of
8 which have subsidiaries or affiliates of their own. Attached hereto, as Exhibit "A" is a recent
9 organization chart of BFA and its subsidiaries and affiliates. BFA has issued various securities as
10 investment vehicles to the public.

11 2. Arizona Southern Baptist New Church Ventures, Inc. ("NCV") is and was at all times
12 material to this Order, an Arizona non-profit corporation, having its principal place of business in
13 Maricopa County, Arizona and, at all times material to this Order, did business in, through and
14 from Arizona and caused events to occur in Arizona out of which this Order arises. NCV has
15 numerous subsidiaries and affiliates, some of which have subsidiaries or affiliates of their own.
16 Attached hereto, as Exhibit "B" is a recent organization chart of NCV and its subsidiaries and
17 affiliates.

18 3. Christian Financial Partners, Inc. ("CFPI") is and was at all times material to this Order, an
19 Arizona non-profit corporation, having its principal place of business in Maricopa County, Arizona
20 and, at all times material to this Order, did business in, through and from Arizona and caused
21 events to occur in Arizona out of which this Order arises.

22 4. Over the years, BFA, NCV and CFPI have sold various securities investment products. All
23 of the investment products are variations of short and long term collateralized or non-collateralized
24 promissory notes.

25 5. BFA also acts as custodian of funds contained in Individual Retirement Accounts (IRAs).
26 As a custodian, BFA can not invest funds in its own investment products. This fact led BFA

1 management to create NCV and later CFPI.

2 6. NCV and CFPI were incorporated in Arizona in 1984 and 1996 respectively as non-profit
3 corporations. The day-to-day activities of NCV and CFPI are conducted by the staff of
4 subsidiaries of BFA pursuant to management service agreements.

5 7. The Commission through its Securities Division and the Arizona Attorney General's Office
6 have been conducting and continue to conduct an investigation into the offer and sale of securities
7 by BFA, NCV and CFPI. The investigation to date reveals that the true financial condition of
8 BFA, NCV and CFPI has not been disclosed to the investing public. BFA, NCV and CFPI are
9 cooperating with the ongoing investigation of the Securities Division and the Arizona Attorney
10 General's Office.

11 8. There are currently in excess of 13,000 investors who as of December 31, 1998 have in
12 excess of \$483 Million invested in BFA, NCV and CFPI investment products.

13 III

14 CONCLUSIONS OF LAW

15 9. The Arizona Corporation Commission has jurisdiction over this matter pursuant to Article
16 15 of the Arizona Constitution and pursuant to the Securities Act of Arizona, A.R.S. § 44-1801 et
17 seq.

18 10. Respondents offered and sold securities within or from Arizona through material
19 misrepresentations and omissions of material fact, and engaged in transactions, practices or courses
20 of business in violation of A.R.S. § 44-1991.

21 IV.

22 ORDER

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24 THEREFORE, on the basis of the Findings of Fact and Conclusions of Law, the
25 Commission finds that the following Order is appropriate, in the public interest and necessary for
26 the protection of investors:

1 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that BFA, NCV, CFPI, their agents,
2 servants, employees, successors, assigns, and those persons in active concert or participation with
3 them CEASE AND DESIST from offering to sell or selling securities within or from the State of
4 Arizona in violation of the Securities Act.

5 IT IS FURTHER ORDERED that BFA, NCV and CFPI shall on a reasonable basis, but no
6 less than every 45 days, send written updates to investors describing the steps their Boards and
7 management are taking on behalf of the investors.

8 IT IS FURTHER ORDERED that nothing in this Order shall be construed as an approval
9 by the Arizona Corporation Commission of the past, present or future conduct of BFA, NCV and
10 CFPI, and BFA, NCV and CFPI are prohibited from directly or indirectly representing anything to
11 the contrary.

12 IT IS FURTHER ORDERED that BFA, NCV and CFPI continue to cooperate with the
13 investigation being conducted and provide any and all documents requested by the Securities
14 Division and the Arizona Attorney General's Office.

15 IT IS FURTHER ORDERED that this Order shall become effective immediately upon the
16 date set forth below.

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1 The Commission shall retain jurisdiction in this matter and may in the future address issues
2 relating to possible restitution or rescission to investors in accordance with A.R.S. § 44-2032 and
3 Rule 14-4-308, possible administrative penalties in accordance with A.R.S. § 44-2036, and other
4 appropriate matters.

5
6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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9 CHAIRMAN

COMMISSIONER

COMMISSIONER

10 IN WITNESS WHEREOF, I BRIAN C. MCNEIL,
11 Executive Secretary of the Arizona Corporation
12 Commission, have hereunto set my hand and
13 caused the official seal of this Commission to be
14 affixed at the capitol, in the City of Phoenix, this
15 12th day of August, 1999.

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BRIAN C. MCNEIL
Executive Secretary

DISSENT

**CONSENT TO ENTRY OF ORDER BY THE COMMISSION
AND WAIVER OF HEARING**

BAPTIST FOUNDATION OF ARIZONA, an Arizona non-profit corporation ("BFA"), ARIZONA SOUTHERN BAPTIST NEW CHURCH VENTURES, INC., an Arizona non-profit corporation ("NCV"), and CHRISTIAN FINANCIAL PARTNERS, INC., an Arizona non-profit corporation ("CFPI"), acknowledge that they have been fully advised of their rights to a hearing to present evidence and call witnesses. BFA, NCV and CFPI waive all hearing procedures and right to appeal provided by the Securities Act of Arizona with respect to this Order to Cease and Desist and Other Affirmative Action.

BFA, NCV and CFPI admit the jurisdiction of the Arizona Corporation Commission with respect to matters set forth in this Order and Consent.

BFA, NCV and CFPI neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Order and Consent and enter into this Order and Consent solely for the purpose of settling this proceeding, with the understanding that no part of this Order and Consent is to be considered an admission in this or any other proceeding.

BFA, NCV and CFPI acknowledge that this Order resolves only that BFA, NCV and CFPI will cease offering and selling securities in violations of the Securities Act and no less than every 45 days send written updates to investors describing the steps their Boards and management are taking on behalf of the investors.

BFA, NCV and CFPI further acknowledge that nothing in this Order shall be construed to restrict or preclude the Arizona Corporation Commission and the Arizona Attorney General's Office or any other agency or officer of the State of Arizona or its subdivisions from initiating other administrative, civil or criminal proceedings against BFA, NCV and CFPI, now or in the future, that may be related to any matter addressed by this Order and the Consent.

Further, nothing in this Order shall be construed to restrict the State of Arizona's right in a future proceeding to bring an action against BFA, NCV and CFPI related to facts not set

S-2773A-99-000

1 forth in this Order.

2 BFA, NCV and CFPI state that their entry into this Consent to Entry of Order is a
3 voluntary act and that no promise was made nor coercion used to induce them to enter into it.

4 BAPTIST FOUNDATION OF ARIZONA, an Arizona non-profit
5 corporation

6 BY [Signature]
7
8 ITS CHAIRMAN OF THE BOARD

9
10 SUBSCRIBED TO AND SWORN TO BEFORE me this 9th day of
11 August, 1999.



[Signature]
NOTARY PUBLIC

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13 My Commission Expires:
14 10/20/00

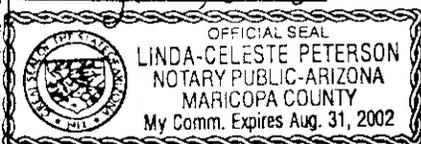
15 ARIZONA SOUTHERN BAPTIST NEW CHURCH
16 VENTURES, an Arizona non-profit corporation

17 BY [Signature]
18 ITS Sec/Treas

19
20 SUBSCRIBED TO AND SWORN TO BEFORE me this 6 day of
21 August, 1999.

[Signature]
NOTARY PUBLIC

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23 My Commission Expires:
24 Aug 31, 2002



S-2773A-99-000

CHRISTIAN FINANCIAL PARTNERS, INC., an Arizona non-profit corporation

BY Ralph J. Bryan

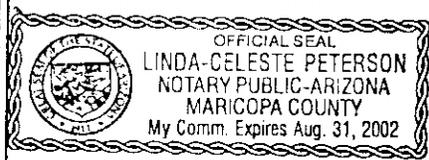
ITS Sec/Treas

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SUBSCRIBED TO AND SWORN TO BEFORE me this 6 day of Aug, 1999.

Linda Celeste Peterson
NOTARY PUBLIC

My Commission Expires:
Aug 31, 2002



ARIZONA SOUTHERN BAPTIST
NEW CHURCH VENTURES, INC.
AND SUBSIDIARIES
ORGANIZATIONAL CHART

