

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 CARL J. KUNASEK
Chairman

3 JIM IRVIN
Commissioner

4 WILLIAM A. MUNDELL
Commissioner

5 In the matter of

6 DEBORAH SUANN ANGUS
7 7373 N. Scottsdale Rd., Ste. C138
8 Scottsdale, Arizona 85253
9 CRD# 2632511

10 Respondent.

)
) DOCKET NO. S-03384A-99-0000
)
) DECISION NO. _____
)
) **ORDER TO CEASE AND DESIST;
) ORDER OF REVOCATION; ORDER
) FOR ADMINISTRATIVE PENALTIES
) AND CONSENT TO SAME**
)

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12 RESPONDENT DEBORAH SUANN ANGUS (“ANGUS”), elects to waive her right to a
13 hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et*
14 *seq.* (“Securities Act”), with respect to this Order To Cease And Desist; Order Of Revocation;
15 Order For Administrative Penalties And Consent To Same (“Order”). ANGUS admits the
16 jurisdiction of the Arizona Corporation Commission (“Commission”); neither admits nor denies the
17 Findings of Fact and Conclusions of Law contained in this Order; and consents to the entry of this
18 Order by the Commission.

19 **I.**

20 **FINDINGS OF FACT**

21 1. ANGUS’ last known business address is 7373 N. Scottsdale Rd., Ste. C138,
22 Scottsdale, Arizona 85253.

23 2. From February 1997 until February 1999, ANGUS was registered to sell securities
24 in Arizona through Princor Financial Services Corporation (“Princor”). She has not registered with
25 any securities dealer since Princor.

26 . . .

1 3. Around the middle of October 1997, ANGUS began working as a sales
2 representative at Hanover Financial Corporation (“Hanover”), located in Scottsdale, Arizona.
3 Hanover was purportedly an investment-banking firm that raised capital to finance businesses,
4 particularly start-up businesses. ANGUS sold investments in two of these businesses, Executive
5 Investment Group, L.L.C. (“Executive”) and Keystone Investment Management Group, Inc.
6 (“Keystone”). ANGUS failed to notify Princor of her sales position with Hanover. Hanover raised
7 capital for Executive by promoting the sale of membership units in the limited liability company.
8 Around December 1997, ANGUS was listed in Executive’s promotional materials as a Manager of
9 the company. Hanover provided funds to Keystone through a bridge loan to the company.

10 4. From in or about October 1997 to May 1998, ANGUS offered for sale and sold
11 membership units in Executive to approximately sixteen investors. All units were offered for sale
12 and sold within or from Arizona. These investors invested approximately \$424,418 in Executive.

13 5. The membership units ANGUS offered for sale and sold in Executive were not
14 registered in Arizona. In addition, these membership units were not exempt nor were they the
15 subject of a notice filing. Membership units in Executive were previously the subject of S-03265A-
16 98-0000, Decision No. 61102, dated August 27, 1998, in which the Commission found that the
17 units constituted securities which were not registered, not exempt from registration, and not
18 securities for which a notice filing had been made.

19 6. From in or about May 1998 to July 1998, ANGUS offered for sale and sold
20 securities in Keystone to approximately two investors. All securities were offered for sale and sold
21 within or from Arizona. These investors invested approximately \$100,000 in Keystone. One
22 investor was subsequently refunded his \$50,000 investment.

23 7. In May 1998, Keystone filed with the Commission a Form D, Notice of Sale of
24 Securities pursuant to Regulation D. Keystone is still an ongoing company.

25 8. Princor did not authorize ANGUS to conduct private securities transactions in
26 Executive or in Keystone. The sale of membership units in Executive and securities in Keystone

1 were not recorded on the books of Princor, the dealer ANGUS was registered with at the time of
2 the transactions.

3 **II.**

4 **CONCLUSIONS OF LAW**

5 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
6 Arizona Constitution and the Securities Act.

7 2. ANGUS offered and sold securities within or from Arizona, within the meaning of
8 A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

9 3. ANGUS violated A.R.S. § 44-1841 by offering and selling securities, in the form of
10 membership units in Executive, that were not registered, not the subject of a notice filing under
11 A.R.S. § 44-3321, and not exempt from registration.

12 4. ANGUS engaged in dishonest or unethical practices by effecting securities
13 transactions in Executive and in Keystone which were not recorded on the records of the dealer
14 with whom she was registered at the time of the transactions, pursuant to A.A.C. R14-4-
15 130(A)(17).

16 5. ANGUS' conduct described above is grounds for revocation of her registration,
17 pursuant to A.R.S. § 44-1962(A)(2) and (10).

18 6. ANGUS' conduct is grounds for a cease and desist order to be issued pursuant to
19 A.R.S. § 44-2032.

20 7. ANGUS' conduct is grounds for penalties to be assessed under A.R.S. § 44-2036.

21 **III.**

22 **ORDER**

23 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and ANGUS'
24 consent to the entry of this Order, the Commission finds that the following relief is appropriate, in
25 the public interest, and necessary for the protection of investors:

26 . . .

1 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that ANGUS permanently cease and
2 desist from violating the Securities Act.

3 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-1962, that ANGUS' registration
4 as a securities salesperson is revoked.

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1 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that ANGUS shall pay an
2 administrative penalty in the amount of \$12,500, payable to the State of Arizona. Payment shall be
3 made as follows: \$1,500 on the date of this Order, \$325 per month on or before the 15th day of
4 each month beginning on January 15, 2001. Any amount of penalty outstanding will accrue interest
5 at the rate of 10% per annum from the date of this Order until paid in full. If ANGUS does not
6 comply with this order for administrative penalties, any outstanding balance may be deemed in
7 default and shall be immediately due and payable.

8 IT IS FURTHER ORDERED that this Order shall become effective immediately.

9 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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11
12 CHAIRMAN

COMMISSIONER

COMMISSIONER

13 IN WITNESS WHEREOF, I, Brian C. McNeil, Executive
14 Secretary of the Arizona Corporation Commission, have
15 hereunto set my hand and caused the official seal of the
16 Commission to be affixed at the Capitol, in the City of Phoenix,
17 this ____ day of _____, 2000.

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19 _____
20 BRIAN C. McNEIL
21 Executive Secretary

22
23 DISSENT

24
25 ABB

26 This document is available in alternative formats by contacting Shelly M. Hood, ADA Coordinator,
voice telephone number 602/542-3931, E-mail shood@cc.state.az.us.

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**CONSENT BY DEBORAH SUANN ANGUS TO ENTRY OF THE
COMMISSION'S ORDER AND WAIVER OF HEARING**

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3 1. DEBORAH SUANN ANGUS ("ANGUS"), an individual, admits the jurisdiction
4 of the Commission over the subject matter of this proceeding. ANGUS acknowledges that she has
5 been fully advised of her right to a hearing to present evidence and call witnesses and ANGUS
6 knowingly and voluntarily waives any and all rights to a hearing before the Commission and all
7 other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona
8 Administrative Code. ANGUS acknowledges that this Order To Cease And Desist; Order Of
9 Revocation; Order For Administrative Penalties And Consent To Same ("Order") constitutes a
10 valid final order of the Commission.

11 2. ANGUS knowingly and voluntarily waives any and all rights she may have under
12 Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or
13 extraordinary relief resulting from the entry of this Order.

14 3. ANGUS acknowledges and agrees that this Order is entered into freely and
15 voluntarily and that no promise was made or coercion used to induce her to enter into it.

16 4. ANGUS acknowledges that she been represented by counsel in this matter, she has
17 reviewed this Order with her attorney and understands all terms it contains.

18 5. ANGUS neither admits nor denies the Findings of Fact and Conclusions of Law
19 contained in this Order. ANGUS agrees that she shall not challenge their validity in any present
20 or future administrative proceeding before the Commission or any other state agency concerning
21 the denial or issuance of any license or registration required by the State in order to engage in
22 the practice of any business or profession.

23 6. ANGUS consents to the entry of this Order and agrees to be fully bound by its
24 terms and conditions. ANGUS further acknowledges that should she fail to comply with the
25 provisions of this Order, the Commission may enforce this Order in Superior Court, pursuant to
26 A.R.S. § 44-2036(C). In addition, the Commission may impose additional sanctions and costs and

1 seek other appropriate relief subject to ANGUS' right to a hearing pursuant to the Securities Act.

2 7. ANGUS understands that default will render her liable to the Commission for its
3 costs of collection and interest at the maximum legal rate pursuant to A.R.S. § 44-1201(A).

4 8. ANGUS acknowledges that this Order resolves only alleged administrative
5 violations of the Securities Act and that nothing contained in this Order purports to resolve any
6 other issues which may exist between ANGUS and the state of Arizona. Nothing in this Order
7 shall be construed to restrict or preclude any other agency or officer of the State or its
8 subdivisions from initiating other civil or criminal proceedings against ANGUS, now or in the
9 future, that may be related to the matters addressed by this Order. Nothing in this Order shall be
10 construed to restrict the State's right in a future proceeding to bring an action against ANGUS
11 from or related to facts not set forth in this Order.

12 9. ANGUS acknowledges that this Order represents the complete and final
13 resolution of, and discharge of any basis for any civil or administrative proceeding by the
14 Commission against ANGUS for violations arising as a result of or in connection with any
15 actions or omissions by ANGUS, pursuant to A.R.S. § 44-1841; provided, however, this release
16 does not apply to facts not known by the Commission or staff or not otherwise provided by
17 ANGUS as of the date of this Order; provided further that this release does not apply to
18 violations arising from misrepresentations or omissions by ANGUS in connection with the offer
19 or sale of securities, in violation of A.R.S. § 44-1991.

20 10. ANGUS acknowledges that she has been informed and understands that the
21 Commission or its designee, at the Commission's sole and exclusive discretion, may refer this
22 matter, or any information or evidence gathered in connection therewith or derived therefrom, to
23 any person or entity having appropriate administrative, civil or criminal jurisdiction. In connection
24 therewith, ANGUS acknowledges that no representations regarding the above have been made so
25 as to induce her to enter into this Order, and no promise or representation has been made by the
26 Commission or its designee or staff with regard to any potential criminal liability or immunity

1 from any potential criminal liability.

2 11. ANGUS agrees that, as a part of the settlement reached herein, she shall not apply
3 for registration as a securities dealer or salesman or for licensure as an investment adviser or
4 investment adviser representative, under the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.*, or
5 the Arizona Investment Management Act, A.R.S. § 44-3101 *et seq.*, until the latter in time of two
6 years from the date of this Order or when the penalty with interest is paid in full. ANGUS
7 acknowledges that the Commission retains discretion to enter an order, after a hearing or notice and
8 an opportunity for a hearing, denying her application for registration as a securities dealer or
9 salesman pursuant to A.R.S. § 44-1961 or § 44-1962, respectively, or denying her application for
10 licensure as an investment adviser or investment adviser representative pursuant to A.R.S. § 44-
11 3201.

12 12. ANGUS acknowledges that interest will accrue at the rate of 10% per annum on the
13 outstanding balance of the penalty amount ordered to be paid.

14 13. ANGUS agrees that as part of the settlement reached herein, she will continue to
15 cooperate with the Securities Division in connection with matters contained in this Order and
16 other related matters, including but not limited to, providing complete and accurate testimony at
17 any hearing as may be requested by the Securities Division.

18 _____
19 DEBORAH SUANN ANGUS

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21 SUBSCRIBED AND SWORN TO BEFORE me this _____ day of _____,
22 2000.

23 _____
24 NOTARY PUBLIC

25 My Commission Expires:
26 _____