



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
FOR: IMMEDIATE RELEASE

DATE: August 10, 1999
CONTACT: MARK SENDROW (602) 542-0643

ARIZONA CORPORATION COMMISSION ORDERS BAPTIST FOUNDATION OF ARIZONA TO STOP VIOLATING SECURITIES ACT

(Phoenix, AZ) - The Arizona Corporation Commission and Attorney General Janet Napolitano today announced that the Corporation Commission has issued an order requiring the Baptist Foundation of Arizona and two related corporations, Arizona Southern Baptist New Church Ventures, Inc., and Christian Financial Partners, Inc., to cease and desist from violating the Arizona Securities Act in offering and selling their investment products. The three nonprofit corporations have sold more than \$483 million in investment products, in the form of various types of promissory notes, to more than 13,000 investors. As well as selling its own investments, Baptist Foundation of Arizona is the custodian of Individual Retirement Account investments sold by the other two corporations.

The three corporations consented to the issuance of the order without admitting or denying the findings of fact and conclusions of law. An investigation conducted by the Securities Division of the Corporation Commission and the Attorney General's Office has revealed that "the true financial condition of [the three corporations] has not been disclosed to the investing public." The Commission concluded that the three corporations "offered and sold securities within or from Arizona through material misrepresentations and omissions of material fact."

The Corporation Commission has ordered the three corporations to cease and desist from offering or selling securities in violation of the Arizona Securities Act, to provide updates to investors on what it is doing on behalf of investors, and to cooperate with the ongoing investigation being conducted by the Securities Division and the Attorney General's Office. The order permits the Corporation Commission, the Attorney General's Office, or other state agencies, to take further appropriate action in the future.

To date, the three corporations have cooperated fully with the investigation being conducted by the Commission and the Arizona Attorney General's Office. Prior to the issuance of the Order, the corporations disclosed in a letter to their investors the actions they are taking to rectify the situation, including creating a new executive oversight committee and management committee. A copy of that letter is attached to this press release.

The Securities Division may be contacted at (602) 542-4242, by fax (602) 594-7470 or by E-mail at accsec@ccsd.cc.state.az.us.

###