



COMMISSION NEWS

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

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ACC TAKES LEAD IN HIGH PROFILE FRAUD CASE

PHOENIX — A federal district court in Dallas, Texas issued a final judgment of permanent injunction against Benjamin Franklin Cook, III, an Arizona businessman, for violation of the federal securities laws based on intensive undercover investigation initiated by the Arizona Corporation Commission's Securities Division. According to the District Court judgment, Cook was ordered to turn over almost \$43 million earned through his fraudulent investment schemes. Dannel Finance Limited was the name of the company he used to perpetrate the fraud.

Cook's call to justice was the result of an investigation conducted by the Arizona Corporation Commission, Arizona Attorney General's Office, the U.S. Customs Service, the U.S. Securities and Exchange Commission and the Arizona Department of Public Safety. Cook was recently indicted by an Arizona grand jury and faces charges of racketeering, fraud and theft for taking millions of dollars from people across the country to be invested in a bogus investment program.

The Arizona indictment alleges that Cook, through his company, Dannel Finance Limited, collected some \$41 million from more than 300 investors, under the guise that the money would be invested in a lucrative European Bank Trading Program. Of that money, only \$625,000 was ever actually invested and most of those

funds were lost. The investigating agencies allege that Cook used the money for personal expenses, including a luxury home, airplanes, real estate properties, high-end vehicles, such as a Dodge Viper and late model BMW Coupe, a Cadillac, expensive motorcycles, jewelry and jet skis. Additionally, Cook donated some \$1.8 million to the Church of Scientology. The Arizona Corporation Commission and Attorney General's Office have seized nearly \$11 million of Cook's assets, which will ultimately be restored to the victims based the amount of their investment. Cook is currently jailed in Texas on federal civil contempt charges.

Both the Arizona Corporation Commission and the Arizona Attorney General's Office have dedicated many resources to this case, with the goal of holding Cook accountable and providing restitution to investors. Carl Kunasek, Chairman of the Arizona Corporation Commission, said, "I am very proud of the individuals – state and federal employees – who have worked tirelessly to bring Cook to justice. I am also pleased with the level of interagency cooperation between the Arizona Attorney General's Office and the Corporation Commission." Commissioner Jim Irvin said, "This kind of teamwork between state agencies demonstrates clearly that the public interest is being served. Con artists will not get away with living in high style on money they've stolen from investors." Commissioner Bill Mundell concluded by saying that he "looks forward to the day when the staff can tell me that everyone who was swindled by Cook has gotten their money back."

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