

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

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3 WILLIAM A. MUNDELL  
Chairman  
4 JIM IRVIN  
Commissioner  
5 MARC SPITZER  
Commissioner

6 In the matter of:

7 EASY MONEY AUTO LEASING, INC.  
8 10243 N. Scottsdale Rd., Suite 5  
Scottsdale, Arizona 85253

9 SUPERIOR FINANCIAL SERVICES, INC.  
10 2102 E. Sharon Dr.  
Phoenix, Arizona 85022

11 JAMES ANTHONY CICERELLI  
12 13027 N. Surrey Circle  
Phoenix, Arizona 85029

13 DAVID PAUL FRENCH  
14 2102 E. Sharon Dr.  
Phoenix, Arizona 85022

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Respondents.

DOCKET NO. S-03415A-01-0000

**NOTICE OF OPPORTUNITY FOR  
HEARING REGARDING PROPOSED  
ORDER TO CEASE AND DESIST,  
ORDER FOR RESTITUTION, ORDER  
FOR ADMINISTRATIVE PENALTIES  
AND FOR OTHER AFFIRMATIVE  
ACTION**

18 **NOTICE: RESPONDENTS HAVE 10 DAYS TO REQUEST A HEARING**

19 The Securities Division (“Division”) of the Arizona Corporation Commission (“Commission”) alleges  
20 that respondents have engaged in acts, practices and transactions, which constitute violations of the Securities  
21 Act of Arizona, A.R.S. § 44-1801 *et seq.* (“Securities Act”).

22 **I.**

23 **JURISDICTION**

24 1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona  
25 Constitution and the Securities Act.  
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1 **II.**

2 **RESPONDENTS**

3 2. EASY MONEY AUTO LEASING, INC. ("EASY MONEY") is a Nevada corporation  
4 whose last known address is 10243 N. Scottsdale Road, Suite 5, Scottsdale, Arizona 85253.

5 3. SUPERIOR FINANCIAL SERVICES, INC. ("SFS") is a company whose last known  
6 address is 2102 E. Sharon Drive, Phoenix, Arizona 85022.

7 4. JAMES ANTHONY CICERELLI ("CICERELLI") whose last known address is 13027  
8 North Surrey Lane, Phoenix, Arizona 85029, was president of EASY MONEY.

9 5. DAVID FRENCH, ("FRENCH") whose last known address is 2102 E. Sharon Drive,  
10 Phoenix, Arizona 85022, is president of SFS and was secretary of EASY MONEY.

11 6. The respondents may be collectively referred to as "RESPONDENTS".

12 **III.**

13 **FACTS**

14 7. RESPONDENTS have engaged in the offer or sale within or from Arizona of securities in the  
15 form of promissory notes or investment contracts to the public.

16 **The EASY MONEY Investment Scheme**

17 8. Beginning in October 1998, RESPONDENTS sold at least 43 promissory notes and/or  
18 investments contracts to at least 29 investors for a total of at least \$1,360,140.42.

19 9. RESPONDENTS represented to investors that EASY MONEY was in the automobile sale-  
20 leaseback business. They represented that EASY MONEY would purchase automobiles from individuals in  
21 need of cash at a very low rate and then lease the cars back to the same individuals. The transaction required  
22 the individual to transfer his vehicle title to EASY MONEY. EASY MONEY would then obtain a new title in  
23 its own name. Simultaneously, EASY MONEY and the individual would enter into a lease arrangement in  
24 which the individual would lease his car back from EASY MONEY. If the individual defaulted on his  
25 payments, EASY MONEY could obtain the vehicle from him.

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1 the operations of EASY MONEY and had approved them. He also told the investor that he had previously  
2 been a stockbroker, before operating his own firm for six years. That firm, according to FRENCH, sold fixed-  
3 rate investments.

4 **IV.**

5 **VIOLATION OF A.R.S. § 44-1841**

6 **(Offer or Sale of Unregistered Securities)**

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8 17. From on or about October 1998, RESPONDENTS offered or sold securities in the form of  
9 promissory notes and/or investment contracts, within or from Arizona.

10 18. The securities referred to above were not registered pursuant to the provisions of Articles 6 or  
11 7 of the Securities Act.

12 19. This conduct violates A.R.S. § 44-1841.

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14 **V.**

15 **VIOLATION OF A.R.S. § 44-1842**

16 **(Transactions by Unregistered Dealers or Salesmen)**

17 20. RESPONDENTS offered or sold securities within or from Arizona, while not registered as  
18 dealers or salesmen pursuant to the provisions of Article 9 of the Securities Act.

19 21. This conduct violates A.R.S. § 44-1842.

20 **VI.**

21 **VIOLATION OF A.R.S. § 44-1991**

22 **(Fraud in Connection with the Offer or Sale of Securities)**

23 22. In connection with the offer or sale of securities within or from Arizona, RESPONDENTS  
24 directly or indirectly: (i) employed a device, scheme or artifice to defraud; (ii) made untrue statements of  
25 material fact or omitted to state material facts which were necessary in order to make the statements made not  
26 misleading in light of the circumstances under which they were made; and (iii) engaged in transactions,

1 practices or courses of business which operated or would operate as a fraud or deceit upon offerees and  
2 investors. RESPONDENTS' conduct includes, but is not limited to, the following:

3 a) Failing to disclose the criminal record of FRENCH;

4 b) Representing that the funds raised from investors would be used to buy, lease and  
5 rent vehicles when in fact they were also used for other purposes, including transfers to other  
6 companies controlled by CICERELLI or FRENCH;

7 c) Representing to investors that EASY MONEY had an established and proven track  
8 record when in fact it had only been in business since October 1998;

9 d) Representing to investors that EASY MONEY had virtually no competition when  
10 there were at least 12 other companies in the Phoenix marketplace providing similar services;

11 e) Representing that the investments were liquid, 100% secured and insured against loss  
12 when in fact the investments were illiquid, were not secured and were not insured against loss; and

13 f) Misrepresenting that the investment had no risk.

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16 23. In connection with the offer or sale of securities within or from Arizona, FRENCH directly or  
17 indirectly: (i) employed a device, scheme or artifice to defraud; (ii) made untrue statements of material fact or  
18 omitted to state material facts which were necessary in order to make the statements made not misleading in  
19 light of the circumstances under which they were made; and (iii) engaged in transactions, practices or courses  
20 of business which operated or would operate as a fraud or deceit upon offerees and investors. FRENCH's  
21 conduct includes, but is not limited to, the following:

22 a) Representing to the Transplant investor that EASY MONEY was successful when it  
23 had filed for bankruptcy and that most investors lost the majority of their investment;



1 Control by calling (602) 542-3477 or on the Commission's Internet web site at  
2 [www.cc.state.az.us/utility/forms/index.htm](http://www.cc.state.az.us/utility/forms/index.htm).

3 If a request for a hearing is timely made, the Commission shall schedule the hearing to begin 20 to 60  
4 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by  
5 the Commission. If a request for a hearing is not timely made, the Commission may, without a hearing, enter  
6 an order against each RESPONDENT granting the relief requested by the Division in this Notice of  
7 Opportunity for Hearing.

8 Persons with a disability may request a reasonable accommodation such as a sign language  
9 interpreter, as well as request this document in an alternative format, by contacting Shelly M. Hood, ADA  
10 Coordinator, voice phone number 602/542-3931, e-mail [shood@cc.state.az.us](mailto:shood@cc.state.az.us). Requests should be made  
11 as early as possible to allow time to arrange the accommodation.

12 Dated this \_\_\_\_\_ day of May, 2001.

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15 Mark Sendrow  
16 Director of Securities  
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