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BEFORE THE ARIZONA CORPORATION COMMISSION

21

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

MARC SPITZER, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

APR 21 2004

DOCKETED BY NR

In the matter of)
INTERNATIONAL GLOBAL POSITIONING,)
INC., a Nevada corporation)
720 Brazos Street, Suite 500)
Austin, TX 78701)

JOHN J. MADSEN)
11801 W HWY 71)
Austin TX 78738)

MICHAEL J. COKER)
11801 W. HWY 71)
Austin, TX 78738)

JAMES W. DREOS, individually and dba DREOS)
FINANCIAL SERVICES, and ESTHER DREOS,)
husband and wife)
10201 E. North Ranch Gate Road)
Scottsdale, AZ 85255)
CRD# 802681)

EDMOND L. LONERGAN and DOLORES)
LONERGAN, husband and wife)
16126 East Powderhorn Drive)
Fountain Hills, AZ 85268)

CORPORATE ARCHITECTS, INC., a Nevada)
corporation)
8360 East Via de Ventura, Suite L-200)
Scottsdale, AZ 85258)

Respondents.)

DOCKET NO. S-03523A-03-0000

DECISION NO. 66934

**ORDER TO CEASE AND DESIST,
ORDER OF RESTITUTION, ORDER
OF ADMINISTRATIVE PENALTIES,
AND CONSENT TO SAME
BY: RESPONDENT EDMOND L.
LONERGAN and RESPONDENT
DOLORES LONERGAN, husband and
wife, and RESPONDENT CORPORATE
ARCHITECTS, INC.**

RESPONDENT EDMOND L. LONERGAN ("LONERGAN") and RESPONDENT
DOLORES LONERGAN, husband and wife, and RESPONDENT CORPORATE ARCHITECTS,
INC. ("CAI") (collectively "RESPONDENTS") elect to permanently waive their right to a hearing

1 and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801, *et seq.*
2 (“Securities Act”) with respect to this Order To Cease And Desist, Order of Restitution, Order of
3 Administrative Penalties, and Consent to Same (“Order”). RESPONDENTS admit the jurisdiction
4 of the Arizona Corporation Commission (“Commission”); neither admit nor deny the Findings of
5 Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the
6 Commission.

7 **I.**

8 **FINDINGS OF FACT**

9 1. INTERNATIONAL GLOBAL POSITIONING, INC. (“IGP”) was at all pertinent times,
10 operating from offices in Arizona located at 3200 N. Central Ave., Suite 1990, Phoenix, AZ 85012,
11 until approximately June 2001.

12 2. Upon information and belief, JOHN J. MADSEN (“MADSEN”) was at all pertinent times
13 Director of Sales and Marketing of IGP, and a principal of IGP.

14 3. Upon information and belief, MICHAEL J. COKER (“COKER”) was at all pertinent times
15 President and Chief Executive Officer of IGP, and a principal of IGP.

16 4. LONERGAN’S current address is 16126 East Powderhorn Drive, Fountain Hills, AZ
17 85268. LONERGAN is and was at all pertinent times an officer and director of, and controlled,
18 CAI.

19 5. DOLORES LONERGAN was at all pertinent times the spouse of LONERGAN.
20 DOLORES LONERGAN is joined in this action under A.R.S. § 44-2031(C) solely for purposes of
21 determining the liability of the marital community.

22 6. At all pertinent times, LONERGAN was acting for his own benefit, and for the benefit or in
23 furtherance of the marital community.

24 7. CAI was at all pertinent times a Nevada corporation, operating in Scottsdale, Arizona.
25 CAI’s last known address is 7320 East Butherus Drive, Suite 206, Scottsdale, AZ 85260.

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1 8. IGP purported to market a global positioning device that, mounted in an automobile, could
2 communicate through a satellite, on a cellular communications technology, information including
3 where it was located, its speed and direction.

4 9. IGP's plan was to sell IGP stock to private investors, and distributorship franchises
5 nationwide to market the device. In or around July 2001, IGP initiated a stock offering, represented
6 as a private placement under federal Rule 506, Regulation D.

7 10. In or around October 2001, LONERGAN, who was interested in assisting IGP in its efforts to
8 become a public company, and JAMES W. DREOS ("DREOS"), who was interested in selling "key-
9 man" life insurance to the principals of IGP, formed associations with MADSEN and IGP.

10 11. In or around October 2001, DREOS offered to assist IGP in its efforts to raise private investor
11 funds by referring his insurance customers to purchase stock in IGP'S private offering, on the
12 condition that the principals of IGP would purchase key-man insurance from him, for which DREOS
13 would earn substantial commissions.

14 12. In or around November 2001, LONERGAN attended one meeting with a small group of
15 potential investors, where he participated in a discussion regarding his efforts to facilitate IGP's
16 negotiations with a public company regarding a potential reverse merger.

17 13. Beginning in or around November 2001, DREOS initiated contacts with his insurance clients
18 for the purpose of inducing them to contact MADSEN for the purchase of IGP private placement
19 stock.

20 14. DREOS proposed a consulting agreement with CAI, whereby any compensation from IGP
21 resulting from DREOS's efforts to raise investor funds for IGP would be paid to CAI, and would be
22 split 50-50 between DREOS and LONERGAN.

23 15. In December 2001, IGP paid CAI two checks totaling \$39,850.10, representing 10% of the
24 investor funds raised by IGP resulting from DREOS's efforts in promoting investments in IGP stock
25 to his insurance clients. In December 2001, CAI paid DREOS \$19,925.05 of the compensation IGP
26 paid to CAI, pursuant to the agreement between DREOS and LONERGAN.

1 16. To this date, IGP is not listed on any public exchange, and the investors have received no
2 return on their investments.

3 **II.**

4 **CONCLUSIONS OF LAW**

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

7 2. The IGP stock offering described in paragraph 9 above constituted the offer and sale of
8 securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and
9 44-1801(26).

10 3. The securities sold by IGP were neither registered nor exempt from registration, in
11 violation of A.R.S. § 44-1841.

12 4. IGP was not registered to sell securities, in violation of A.R.S. § 44-1842.

13 5. RESPONDENTS are liable for violations of A.R.S. §§ 44-1841 and 44-1842 pursuant
14 to A.R.S. §§ 44-2003 and 44-2032.

15 6. RESPONDENTS' conduct is grounds for a cease and desist order pursuant to A.R.S. §
16 44-2032.

17 7. RESPONDENTS' conduct is grounds for an order of restitution pursuant to A.R.S. §
18 44-2032.

19 **III.**

20 **ORDER**

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

24 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that RESPONDENTS, their agents,
25 employees, successors and assigns, permanently cease and desist from violating the Securities Act.

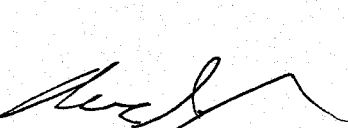
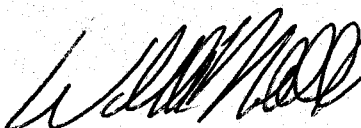
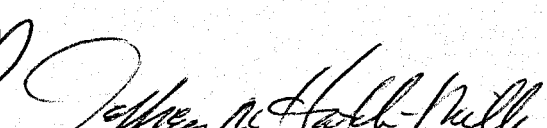
1 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that RESPONDENTS and
2 their marital community shall, jointly and severally with all other respondents who are ordered to
3 make restitution in this matter, pay restitution to investors shown on the records of the
4 Commission in the amount of \$19,925.00. RESPONDENTS further agree to pay interest at the
5 rate of 10% per annum on any amount of unpaid restitution from the date of this Order until such
6 restitution is paid in full. Payment shall be made by cashier's check or money order payable to the
7 "State of Arizona" to be placed in an interest-bearing account maintained and controlled by the
8 Arizona Attorney General. The Arizona Attorney General shall disburse the funds on a pro rata
9 basis to investors. If all investors are paid in full, any excess funds shall revert to the state of
10 Arizona.

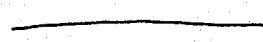
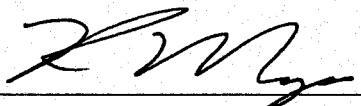
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1 RESPONDENTS agree to pay administrative penalties in the amount of \$2,500.00, to be
2 reduced to \$1,000.00 if all restitution and penalties are paid in full within 45 days of entry of this
3 Order. RESPONDENTS further agree to pay interest at the rate of 10% per annum from the date
4 of this Order until such penalties are paid in full.

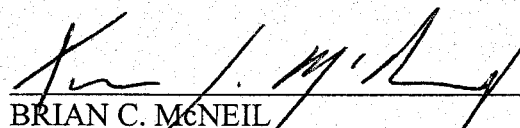
5 IT IS FURTHER ORDERED that this Order shall become effective immediately.

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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9 CHAIRMAN COMMISSIONER COMMISSIONER

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13 COMMISSIONER COMMISSIONER

14 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
15 Executive Secretary of the Arizona Corporation
16 Commission, have hereunto set my hand and caused the
17 official seal of the Commission to be affixed at the
18 Capitol, in the City of Phoenix, this 21st day of
April, 2004.

19 
20 BRIAN C. McNEIL
21 Executive Secretary

22
23 DISSENT

24 This document is available in alternative formats by contacting Yvonne L. McFarlin, Executive
25 Assistant to the Executive Secretary, voice phone number 602-542-3931, E-mail
ymcfarlin@cc.state.az.us.

26 (PTJ)

CONSENT TO ENTRY OF ORDER

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2 1. RESPONDENT EDMOND L. LONERGAN and DOLORES LONERGAN, husband and wife,
3 and CORPORATE ARCHITECTS, INC., a Nevada corporation (“RESPONDENTS”), admit the
4 jurisdiction of the Commission over the subject matter of this proceeding. RESPONDENTS acknowledge
5 that they have been fully advised of their right to a hearing to present evidence and call witnesses and
6 RESPONDENTS knowingly and voluntarily waive any and all rights to a hearing before the Commission
7 and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona
8 Administrative Code. RESPONDENTS acknowledge that this Order To Cease And Desist, Order of
9 Restitution, Order of Administrative Penalties, and Consent to Same (“Order”) constitutes a valid final
10 order of the Commission.

11 2. RESPONDENTS knowingly and voluntarily waive any right they may have under Article 12 of
12 the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief resulting
13 from the entry of this Order.

14 3. RESPONDENTS acknowledge and agree that this Order is entered into freely and voluntarily
15 and that no promise was made or coercion used to induce such entry.

16 4. RESPONDENTS acknowledge that they have chosen not to be represented by counsel in this
17 matter, they have reviewed this Order and understand all terms it contains.

18 5. RESPONDENTS neither admit nor deny the Findings of Fact and Conclusions of Law
19 contained in this Order.

20 6. By consenting to the entry of this Order, RESPONDENTS agree not to take any action or to
21 make, or permit to be made, any public statement denying, directly or indirectly, any Finding of Fact or
22 Conclusion of Law in this Order or to create the impression that this Order is without factual basis.
23 RESPONDENTS will undertake steps necessary to assure that all of their agents and employees understand
24 and comply with this agreement. Nothing in this provision affects RESPONDENTS’ testimonial
25 obligations or rights to take legal positions in litigation in which an administrative agency of the
26 State of Arizona is not a party.

1 7. While this Order settles this administrative matter between RESPONDENTS and the
2 Commission, RESPONDENTS understand that this Order does not preclude the Commission from
3 instituting other administrative proceedings based on violations that are not addressed by this
4 Order.

5 8. RESPONDENTS understand that this Order does not preclude the Commission from
6 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
7 that may be related to the matters addressed by this Order.

8 9. RESPONDENTS understand that this Order does not preclude any other agency or
9 officer of the state of Arizona or its subdivisions from instituting administrative, civil or criminal
10 proceedings that may be related to matters addressed by this Order.

11 10. RESPONDENTS agree that they will not apply to the state of Arizona for registration
12 as a securities dealer or salesman or for licensure as an investment adviser or investment adviser
13 representative until restitution and penalties pursuant to this Order are paid in full, and for one year
14 after entry of this Order.

15 11. RESPONDENTS agree that they will not exercise any control over any entity that
16 offers or sells securities or provides investment advisory services, within or from Arizona until
17 restitution and penalties pursuant to this Order are paid in full, and for one year after entry of this
18 Order.

19 12. RESPONDENTS agree that until restitution and penalties are paid in full,
20 RESPONDENTS will notify the Director of the Securities Division within 30 days of any change
21 in home address or any change in RESPONDENTS' ability to pay amounts due under this Order.

22 13. RESPONDENTS understand that default shall render him liable to the Commission for
23 its costs of collection and interest at the maximum legal rate.

24 14. RESPONDENTS agree that they will continue to cooperate with the Securities Division
25 including, but not limited to, providing complete and accurate testimony at any hearing in this
26

Docket No. S-03523A-03-0000

1 matter and cooperating with the state of Arizona in any related investigation or any other matters
2 arising from the activities described in this Order.


3 15. RESPONDENT EDMOND L. LONERGAN and RESPONDENT LONERGAN's
4 SPOUSE, DOLORES LONERGAN, acknowledge that any restitution, rescission or penalties
5 imposed by this Order are obligations of the RESPONDENTS as well as the marital community.

6 16. RESPONDENTS consent to the entry of this Order and agree to be fully bound by its
7 terms and conditions. If RESPONDENTS breach any provision of this Order, the Commission
8 may vacate this Order and restore this case to its active docket.

9 17. EDMOND L. LONERGAN represents that he is President of Corporate Architects, Inc.
10 ("CAI"), and that he has been authorized by CAI to enter into this Order for and on its behalf.

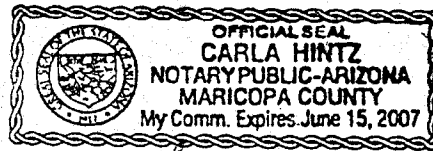
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12 _____
13 EDMOND L. LONERGAN

14 SUBSCRIBED AND SWORN TO BEFORE me this 25th day of March, 2004.

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17 NOTARY PUBLIC

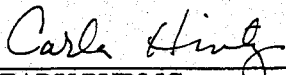
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22 DOLORES LONERGAN

23 SUBSCRIBED AND SWORN TO BEFORE me this 25th day of March, 2004.

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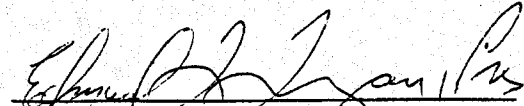
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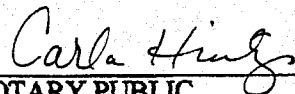
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CORPORATE ARCHITECTS, INC.


By: Edmond L. Lonergan, President

SUBSCRIBED AND SWORN TO BEFORE me this 25th day of March, 2004.


NOTARY PUBLIC

My Commission Expires:

6-15-2007

