

ORIGINAL



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JDREOS; JCS

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2003 DEC -2 P 4: 55

AZ CORP COMMISSION
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BEFORE THE ARIZONA CORPORATION COMMISSION
COMMISSIONERS

MARC SPITZER, Chairman
JIM IRVIN
WILLIAM A. MUNDELL
JEFFHATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

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 JANE DOES DREOS,)
husband and wife 10201 E. Ranch Gate Road)
Scottsdale, AZ 85255)
CRD# 802681)
)
)
EDMOND L. LONERGAN and JANE DOE)
LONERGAN, husband and wife 16126 East)
Powerhorn 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

ANSWER TO NOTICE DOCKET S-
03523A-03-0000 BY RESPONDENTS
JAMES AND ESTHER DREOS AND
THEIR MARITAL COMMUNITY

Arizona Corporation Commission
DOCKETED

DEC - 2 2003

DOCKETED BY *CW*

COMES NOW James Dreos and Esther Dreos referred to as Jane Doe Dreos and in response to the "Notice" of opportunity for hearing regarding proposed order to cease and desist and for administrative penalties of revocation and/or suspension and for other affirmative action state and allege as follows:

1. In response to paragraph one "jurisdiction" admits that the Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and Securities Act.
2. These answering respondents have no knowledge or information as to whether or not IGP (International Global Positioning, Inc.) is or is not a Nevada corporation incorporated in the State of Nevada on May 15, 2000, and therefore deny the same.
3. Further these answering respondents deny that at all pertinent times IGP operated from offices located at 10245 East Via Linda, Suite 220 Scottsdale, Arizona 85258. In point of fact these answering respondents believe that IGP operated from 3200 North Central Avenue, Suite 1990 Phoenix, Arizona 85012 at least as of July 1, 1999.
4. These answering respondents have no knowledge of where the current offices of IGP are located. Said offices may very well be as alleged at 720 Brazos Street Austin, TX but these answering respondents have no knowledge of the present business location of IGP.
5. These answering respondents have no knowledge of any criminal connection or plea agreement in CR-01-1010-PHX-SRB US District Court of Arizona lodged November 5, 2001. However, it would appear likely that the conviction referred to is a matter of public record with the US District Court in Phoenix, Arizona. These answering respondents request and demand strict proof of any such conviction.

6. These answering respondents have no knowledge of whether or not Michael J. Coker (whose true name is believed to be Michael James Coker from drivers license records with the Motor Vehicle Department of the Arizona Department of Transportation), was or was not at all times pertinent President and Chief Executive Officer of IGP and therefore deny same and require strict proof of these alleged facts and the office or position held by Michael J. Coker.
7. With regard to respondents Madsen having been convicted of a felony these answering respondents affirmatively allege that had the Securities Division of the Arizona Corporation Commission been reasonably performing their duties the problems referred to in this petition would never have occurred. The Corporation Commission, Securities Division should consider themselves lucky that no investor in IGP has as yet filed a class action against the State of Arizona for the failure of the securities division to supervise the activities of respondent John Madsen who the Securities Division should have known or could have reasonably found out. Specifically John Madsen's felony plea agreement which was a matter of public record.
8. In response to paragraph five these answering respondents deny that James Dreos was a Security Salesman in Arizona since January 1992 and demand strict proof to support that allegation.
9. In response to paragraph seventeen at some time in 2001 Mr. James Dreos formed an association with Mr. Ed Lonergan whom he had known for about one year. In further response to this paragraph Mr. Lonergan took Mr. Dreos and introduced him to Mr. Madsen and people at IGP. Mr. Dreos and the people at IGP formed an understanding that respondent James Dreos would write insurance for IGP and would help in a number of areas through Mr. Lonergan and Corporate Architects, a Nevada corporation.

10. In response to paragraph seventeen respondents admit on or about October 2001, Madsen formed an association with respondent James Dreos who was interested in selling "Key-Man" life insurance to the principals of IGP and Lonergan who was interested in assisting IGP in its efforts to take the company public in an initial offering.
11. In response to paragraph eighteen respondent James Dreos admits he initiated contacts with his insurance clients for the purpose of referring them to contact Madsen and others for the purchase of IGP private placement stock and demand strict proof thereof.
12. Admit respondent James Dreos invited or referred prospective investors to meetings with Madsen. Respondent James Dreos was not aware of representations made by Madsen regarding taking IGP stock public as early as January 2002, and or any other representations made by Madsen to potential investors in IGP and requires strict proof of any such representations allegedly made by respondent James Dreos and/or his marital community.
13. Respondent James Dreos and his marital community are unaware of any alleged inducements for investors to purchase stock in IGP's private offering and demands strict proof thereof.
14. In response to the claim that the Securities Division alleges that James Dreos and his marital community have engaged in acts practices and transactions which constitute violation of the Securities Act of Arizona. Deny any and all such allegations and demand strict proof by the Commission of any such acts, practices and transactions referred to.
15. In response to the allegations of paragraph twenty six specifically deny each and every allegation of this paragraph and affirmatively allege that AGSI's representative Mark Selleh approved all activities of respondent James Dreos and his marital

community prior to any action being taken by James Dreos. In fact respondent Dreos knew that his broker dealer license prohibited receipt of any commissions. In fact Mr. Mark Selleh and the compliance department AGSI approved the agreement between Mr. Lonergan and James Dreos signed and Mr. Dreos was provided a letter from Mr. Selleh which indicates that it has been approved by the compliance department of AGSI. If this was not so, why did Mr. Mark Selleh indicate that he approved of the agreement which said approval is on record and in the custody of the Arizona Corporation Commission.

DATED this December 2, 2003.

SHANNON & FLEMING, P.C.

By


LAWRENCE J. FLEMING

L. TIMOTHY FLEMING

Attorneys for Respondent Dreos

1649 E. Bethany Home Road

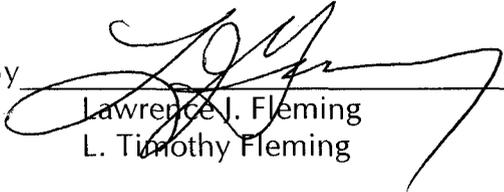
Phoenix, Arizona 85016

(602) 277-6627

Copy of the foregoing ANSWER TO NOTICE
DOCKET S-03523A-03-0000 BY RESPONDENTS
JAMES AND ESTHER DREOS AND THEIR MARITAL
COMMUNITY mailed this
December 2, 2003, to:

Ms. Pamela Johnson, Securities Division
Arizona Corporation Commission
1300 West Washington, 3rd Floor
Phoenix, Arizona 85007

By


Lawrence J. Fleming
L. Timothy Fleming