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RON KENT HOOPER, AZ Bar # 1961
Attorney For Respondents INTERNATIONAL GLOBAL POSITIONS, INC,
JOHN J. MADSEN and MICHAEL J. COKER
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS
MARK SPITZER, Chairmen,
JIM IRVIN
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

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AZ CORP COMMISSION
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In the matter of

INTERNATIONAL GLOBAL POSITIONS, INC., a Nevada Corporation, 720 Brazos St, Suite 500, Austin TX 78701

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

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

JAMES W. DREOS, individually and dba DREOS FINANCIAL SERVICES,

EDMOND L. LONERGAN, and JANE DOE LONERGAN

CORPORATE ARCHITECTS, a Nevada corporation.

DOCKET NO S-03523A-03-0000

**SECOND
AMENDED
RESPONSE TO
COMPLAINT FILED
BY THE
SECURITIES DIVISION**

Respondents INTERNATIONAL GLOBAL POSITIONS, INC., JOHN J. MADSEN and MICHAEL J. COKER, through Attorney Ron Kent Hooper, respond to the Complaint filed by the Securities Division as follows.

SECTION I JURISDICTION

1. Admits the Arizona Corporation Commission has jurisdiction over acts that occurred in Arizona.

SECTION II. RESPONDENTS

2. Answering paragraph 2, IGP did not have an office in Scottsdale; it did have an office in Phoenix AZ. Admit that IGP was incorporated on May 15, 2000, in Nevada and its address is 720 Brazos Street, Austin TX.
3. Answering paragraph 3, admit that MADSEN was a director of Sales and Marketing of IGP, and lived at 15634 S. 6th Place, Phoenix, AZ; admit other addresses. After learning of illegal activities, MADSEN notified Federal authorities and later entered into an agreement pleading to guilty mail fraud; he has not been sentenced or convicted thereof; he was not an officer or director or control person; said allegation is impertinent and scandalous and should be stricken.
4. Answering paragraph 4, admit COKER was President and signed stock certificates. Respondents are without sufficient information to determine whether COKER signed all certificates until the certificates at issue are produced and therefore deny the same.
5. Answering paragraph 5, admit DREOS was at all times a registered salesman and he was registered with AGSI. Respondents are without sufficient information to determine his residence.
6. Answering paragraph 6, admit DREOS was registered as a securities salesman in association with or employed by Fox & Company Investments; his registration was suspended on or about the date of his termination; admit the Commission has authority to suspend or revoke his registration and it should do so.
7. Answering paragraph 7, Admit DREOS was licensed with the Arizona Department of Insurance; Respondents are without sufficient information to determine the truth or the remaining allegations and deny the same.
8. Admit the allegations of paragraphs 8, 9, 11, 12, 14, 15, and 25.
9. Respondents are without sufficient to determine the truth of paragraphs 10 and 13, and therefore deny the same.

SECTION III. FACTS

- 10. Answering paragraph 16, IGP marketed an excellent global positioning (GPS) device. IGP now markets an improved global positioning device which has better tracking and other features than offered on On-Star, Lo-Jack, etc. IGP offers to provide the Securities Division with one its GPS devices and demonstrate its exceptional capabilities. IGP registered said private placement under Rule 506, Regulation D. Its offering materials were prepared by securities counsel from Colorado and Arizona. IGP made the offering in a good faith effort to comply with Arizona Securities laws. Admit the remaining allegations of paragraph 16.**
- 11. Respondents answer paragraphs 17 and 18. DREOS approached IGP and represented he was registered and competent to lawfully sell IGP's offering to Arizona investors. DREOS insisted on receiving exclusive Arizona Distributorship rights to IGP's GPS device.**
- 12. DREOS insisted that Respondents take out Life Insurance. DREOS had an insatiable and urgent need for funds. To obtain advance commissions, DREOS baited Respondents and used false pretenses to switch life insurance companies. After learning of DREOS's improper conduct, IGP initiated complaints to the Arizona Department Of Insurance and the N.A.S.D.**
- 13. In retaliation for IGP terminating DREOS's Arizona Distributorship, for canceling insurance policies, for exposing DREOS to authorities, DREOS sabotaged IGP and its contracts with the manufacturer of the global positioning device IGP marketed.**
- 14. In breach of his fiduciary duties to investors, DREOS pursued an unconscionable and outrageous campaign, slandering and libeling Respondents and attempted to destroy IGP, COKER and MADSEN and render the interests of investors worthless. The attached January 8, 2004 letter from Akin Gump, of the firm Straus Hauer & Feld, L.L.P., is incorporated by reference herein.**

15. DREOS is continuing to attempt to annihilate IGP. The interests of investors will be seriously jeopardized unless the proceedings against these answering Respondents are severed from the proceedings against the other Respondents. These respondents request the proceedings be severed from the other respondents.
16. Though perseverance, IGP is marketing an improved GPS device, despite DREOS's attempts to annihilate IGP.
17. Admit the allegations of paragraph 19.
18. Deny DREOS promised substantial potential profits for investors from trading IGP. These Respondents believed he was acting properly in compliance with the law and the placement memorandum. LONERGAN may have assisted in presentations made by DREOS. Deny the remaining allegations of paragraphs 20, 21 and 23.
19. Admit substantial investments were made. Respondents believed that investments were properly being made by accredited investors. DREOS caused the investments to be put in an accounts relating to children, to hide assets. DREOS bragged he controlled the account of another major investor. Investors, who are claimed to be unaccredited, may not be the real parties of interest. Respondents request their names be disclosed. Respondents request leave to supplement their answer after their names are disclosed. Respondents are without sufficient information to determine the amount alleged and deny the same.
20. Answering paragraphs 27 and 28, admit substantial commissions for insurance was paid to DREOS. IGP realleges paragraphs 12 and 13 of this Response.
21. Deny the allegations of paragraphs 24, 26, 27, 28, 29, 30, 31, 32 and 33.

VIOLATIONS OF ARS § 44-1841 and 44-§1842

22. Admit IGP sold securities in Arizona which were not registered.
23. Deny any conduct of these Respondents violated ARS § 44-1841.
24. Deny MADSEN controlled IGP.
25. DENY the allegations of paragraph 38 and 39.
26. Answering paragraph 40 and 41, deny these Respondents sold securities in violation of Arizona law; deny their conduct violates 44-§1842.

VIOLATIONS OF ARS § 44-1841

27. Deny the allegations of paragraphs 42, 43 and 46.

REMEDIES PURSUANT TO ARS 44-1962

28. Answering paragraphs 44 and 45, Deny Madsen or Lonergan controlled IGP.

29. Admit grounds exist to revoke or suspend DREOS registration; these Respondents are without sufficient information to determine the truth of the remaining allegations of paragraph 47 and deny the same.

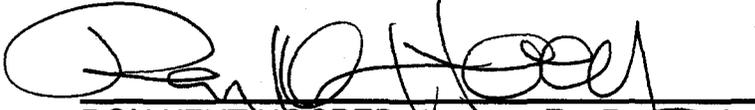
30. Deny each and every part of each and every paragraph and allegation not expressly admitted herein.

31. Deny Complainant is entitled to the relief requested from these answering Respondents.

32. Respondents affirmatively request a severance, a hearing and the opportunity to be heard.

WHEREFORE Answering Respondents request that no relief be awarded against these Respondents.

Respectfully submitted: January 12, 2004,



RON KENT HOOPER, Attorney For Respondents
INTERNATIONAL GLOBAL POSITIONS, INC.,
JOHN J. MADSEN and MICHAEL J. COKER
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Certificate of Service. On January 12, 2004,
a copy of the foregoing was: Delivered to:

PAMELA JOHNSON, Esquire
Securities Division Arizona Corporation Commission
1300 West Washington, 3rd Floor
Phoenix, AZ 85007
602-542-0702

By 
Ron Kent Hooper

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January 8, 2004

To Whomever It May Concern

From November 7, 2001 through December 20, 2002, I represented International Global Positioning, Inc. ("IGP"). During that representation, I met and worked with Michael Coker, the Chief Executive Officer of IGP, and John Madsen, the Senior Sales and Marketing Director of IGP. In addition during the representation, I worked with other employees and officers of IGP. Mr. David Nelson, the then managing partner of the Austin office of my firm, was also an advisor to IGP.

During the representation of IGP, I became aware of certain legal charges that had been leveled against Mr. Madsen. Mr. Madsen was always upfront in discussing these charges with me and together we discussed the charges with Mr. Madsen's Arizona attorney. Each time Mr. Madsen met with potential investors in my presence, Mr. Madsen told the potential investor of these pending charges and offered for the investor to contact his Arizona attorney handling the charges. No time to my knowledge did Mr. Madsen attempt to either hide or downplay the charges.

To illustrate these discussions, during the representation I discussed investment opportunities with potential investors. One such investor was Mr. Lee Jacocco, the former Chairman and CEO of Chrysler Corporation. I met with Mr. Jacocco's investment team in Las Vegas and spoke with them several times on the telephone thereafter. In addition, I spoke with the investment team for Emmett Smith, the then star running back of the Dallas Cowboys. In each case, the potential investor asked for the production of materials that were provided. In each case, the potential investor's representatives indicated that their principal was ready to make a substantial investment in IGP. In each case, however, each of these investors did not proceed with an investment in IGP. Mr. Madsen made it clear in each case that he had legal difficulties in Arizona and detailed these difficulties. Ultimately, the disclosure harmed the potential investment by the each of these groups. In addition, along with Mr. Madsen, Mr. Coker and Mr. Wayne Rutherford, I participated in discussions with The Washington Group and its principal, Admiral Bud Flannigan, and its investment advisors. Not only did Mr. Madsen disclose his Arizona legal difficulties to these individuals but also directed his Arizona attorney to have his file with the US Attorney in Arizona unsealed so these potential investors could review the charges. For a variety of reasons including the disclosures, this investment group also did not move forward with an investment in IGP. In addition, Mr. Madsen and I met with Leonard

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Chaikind of Institutional Investors Consulting. Again, Mr. Madsen at our first meeting divulged to Mr. Chaikind his legal problems in Arizona.

Prior to my representation of IGP, the corporation had a relationship with Mr. Jerry Craig and his investment team as well as Mr. Jim Dreos and his investment team. Mr. Craig and others of his investment team had invested in IGP by means of loans to the corporation. Mr. Dreos purchased stock in IGP and, along with his wife and a Mr. and Mrs. Winters, purchased a distributorship for the sale of IGP products in the State of Arizona. I believe that Mr. Dreos and Mr. Craig had a professional relationship prior to investing in IGP. Also,

I negotiated with Mr. Craig's attorney, Mr. Richard Hubbard, for the consolidation of Mr. Craig and his investors interest in IGP. A Settlement Agreement and General Release was eventually signed by Mr. Craig and his family members. During the negotiations, Mr. Dreos indicated to Mr. Madsen and to me that he was visiting with Mr. Craig and that Mr. Craig would agree to transfer his creditor position in IGP to an equity interest in the corporation. This never became a part of the offer by Mr. Hubbard on behalf of his clients. Because of the failure of IGP to acquire an equity partner, IGP was unable to meet the terms of the Settlement Agreement.

During the negotiation of the distributorship agreement with the then attorney for Mr. Dreos, Don Maxwell, Mr. Maxwell and I had several conversations pertaining to the negative conversations Mr. Dreos was having with outside parties, including potential investor representatives, relating to IGP. Soon after the distributorship agreement was finalized with Mr. and Mrs. Dreos and Mr. and Mrs. Winters, Mr. Coker and I visited with Mr. Maxwell, Mr. and Mrs. Dreos, and Mr. and Mrs. Winters to attempt to redirect the relationship between the Arizona distributors and IGP. The results of the meeting appeared to be positive. As a follow-up to this meeting, soon thereafter the distributorship agreement was amended to indicate that the distributorship was subject to revocation should the negative conversations continue. Each of the parties signed this amendment. Within days of the execution of the amendment, I informed Mr. Maxwell that the negative conversations were continuing and that the distributorship was revoked. Mr. Dreos, as well as his daughter, Chrissy Paul, reacted negatively to the revocation. Ms. Paul called me about the matter. Mr. Dreos left a message on Mr. Madsen's voice mail, which Mr. Madsen asked that I listen to, indicating to Mr. Madsen that I was not a good lawyer and that he should terminate my involvement with IGP and employ Mr. Maxwell. As part of that telephone message, Mr. Dreos indicated that he would destroy the corporation, Mr. Madsen, Mr. Coker, and if necessary, other stockholders if his demands were not met to have his distributorship reinstated.

While I no longer represent IGP, I have kept informed of its operations and fortunes by Mr. Coker and Mr. Madsen. While others have attempted to put a cloud over IGP, Mr. Madsen and

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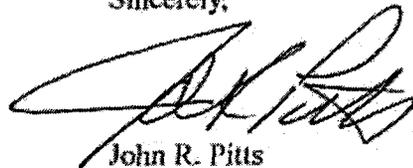
Attorneys at Law

January 8, 2004

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Mr. Coker, Mr. Coker and Mr. Madsen continue to labor to improve the product and sales. I have recently been given a demonstration of the product that clearly shows why this company is on the verge of breaking out financially. It is my hope that the hard labors of both of these gentlemen will eventually be rewarded. In addition, I hope that the negative comments by others will eventually be proved to be without merit.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Pitts", written in a cursive style.

John R. Pitts