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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

AUG 24 2004

COMMISSIONERS

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

DOCKETED BY

NR

In the matter of

FOUNTAIN CAPITAL MANAGEMENT, LLC  
c/o DAVID A. FAZIO  
3616 West Cortez  
Phoenix, Arizona 85029

INTEGROWTH FINANCIAL GROUP  
C/O ROGER ALVIN SANDE  
CDC # V06974  
P.O. Box 2210  
Susanville, California 96130

RICHARD A. FANDRICH  
11424 North 25th Avenue  
Phoenix, Arizona 85029

DAVID A. and DEBORAH FAZIO  
3616 West Cortez  
Phoenix, Arizona 85029

DONALD and HELEN ABERNATHY  
2323 North Central Avenue, #803  
Phoenix, Arizona, 85004

STEPHEN A. and JANE DOE HILTBRAND  
2156 E. Estrella Circle  
Mesa, Arizona 85202

ROGER ALVIN SANDE  
CDC # V06974  
P.O. Box 2210  
Susanville, California 96130

Respondents.

DOCKET NO. S-03505A-04-0000

DECISION NO. 67218

ORDER TO CEASE AND DESIST,  
ORDER OF RESTITUTION, ORDER  
FOR ADMINISTRATIVE PENALTIES  
AGAINST RESPONDENTS DONALD  
AND HELEN ABERNATHY

On May 7, 2004, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order

1 To Cease and Desist, Order for Restitution, for Administrative Penalties and for Other Affirmative  
2 Relief ("Notice") with respect to Respondents DONALD AND HELEN ABERNATHY ("the  
3 ABERNATHYS"). The Division served the Notice on the ABERNATHYS via certified mail, return  
4 receipt requested on July 6, 2004. The Notice specified that the ABERNATHYS would be afforded  
5 an opportunity for an administrative hearing regarding this matter upon filing a written request with  
6 Docket Control of the Commission within ten days of receipt of the Notice. The ABERNATHYS  
7 failed to request a hearing within the required time.

8  
9 **I.**

10 **FINDINGS OF FACT**

11 1. DONALD ABERNATHY ("ABERNATHY"), a married man, was served at  
12 3237A East Sunshine St., #122, Springfield, Missouri 65804.

13 2. HELEN ABERNATHY was at all relevant times the spouse of RESPONDENT  
14 DONALD ABDERNATHY. She was served at 2323 N. Central Av., #803, Phoenix, Arizona  
15 85004. HELEN ABERNATHY is joined in this action under A.R.S. § 44-2031(C) solely for  
16 purposes of determining the liability of the marital community.

17 3. At all times relevant, ABERNATHY was a resident of the state of Arizona. He was  
18 not registered with the Division as a broker or a securities salesman.

19 4. In 1999, RESPONDENTS INTEGROWTH FINANCIAL GROUP  
20 ("INTEGROWTH") and ROGER ALVIN SANDE ("SANDE") recruited RESPONDENTS  
21 RICHARD A. FANDRICH ("FANDRICH"), ABERNATHY, DAVID A. FAZIO ("FAZIO") and  
22 STEPHEN A. HILTBRAND ("HILTBRAND") (collectively "the INDIVIDUAL  
23 RESPONDENTS") to start a branch office of INTEGROWTH in Phoenix. SANDE told the  
24 INDIVIDUAL RESPONDENTS that INTEGROWTH was his company. The purpose of the  
25 company was to sell viatical and other investment opportunities to members of the public in  
26 Arizona. SANDE told the INDIVIDUAL RESPONDENTS that INTEGROWTH marketed

1 viatical policies. SANDE agreed with the INDIVIDUAL RESPONDENTS that INTEGROWTH  
2 would pay all expenses incurred in the sale of the viaticals and would pay the INDIVIDUAL  
3 RESPONDENTS a 7% commission on each viatical policy they sold.

4 5. In June 1999, the INDIVIDUAL RESPONDENTS formed FOUNTAIN CAPITAL  
5 MANAGEMENT, LLC ("FCM"), and continued their operations under its name. The  
6 INDIVIDUAL RESPONDENTS and FCM (collectively the "FCM RESPONDENTS") continued  
7 to sell viatical policies, just as they had with INTEGROWTH. INTEGROWTH and SANDE  
8 continued to receive an override commission on all products sold by the FCM RESPONDENTS.

9 6. The FCM RESPONDENTS agreed that they would share all commissions among  
10 themselves, without regard to which of them made the actual sale.

11 7. Both INTEGROWTH and FCM ran advertisements in Phoenix newspapers,  
12 offering investments with returns as high as 40%. Once investors called, INTEGROWTH,  
13 SANDE and the FCM RESPONDENTS (collectively "RESPONDENTS") attempted to sell them  
14 the investments.

### 15 The Viatical Policies

16 8. From at least January 1999 through at least June 2000, RESPONDENTS offered and  
17 sold securities in the form of viatical settlement contracts and investment contracts to Arizona  
18 investors. A viatical settlement contract involves the purchase of an interest in the proceeds from a  
19 life insurance policy of a terminally ill individual. Various viatical companies purchase the  
20 policies at a discount and re-sell the benefits to investors at less than the full face value. When the  
21 policy matures, that is when the insured dies, the investor receives the full face value as return of  
22 investment plus profit.

24 9. All viatical policies sold by RESPONDENTS were on behalf of Future First  
25 Financial Group ("Future First") of Pointe Verda Beach, Florida. RESPONDENTS told investors  
26 that the only risk involved with the purchase of viatical policies was the risk that the insured would

1 die at a later date, thereby reducing the expected return. They informed investors that returns could  
2 be as high as 100%, with the investment being safe and guaranteed.

3 10. Investors did not receive medical information on the insured whose policy they  
4 purchased. Rather, they received a short summary from a medical doctor, simply describing the  
5 life expectancy of the insured. RESPONDENTS never checked and thus did not inform investors  
6 that the doctor who wrote the medical summary was a Florida cosmetic doctor. Investors were  
7 told that Future First viatical policies were 100% correct in their medical assessments with no  
8 insured living past their expected date of death.

9 11. Investors were also informed that they would never have to pay any fees or other  
10 payments after they purchased the viatical policy.

11 12. On or about February 4, 2000, Future First and its vice-president were indicted by  
12 the state of Florida for 81 counts of grand theft and one count of organized fraud in connection  
13 with the marketing of fraudulently obtained policies valued at \$6,900,000. After Future First  
14 defaulted on its management responsibilities with respect to the viatical policies, investors were left  
15 with the choice of making additional payments to keep the policies in effect or allowing policies to  
16 lapse due to nonpayment of premiums. Some Future First viatical policies were found not to have  
17 actual underlying insurance policies.

18 19 13. RESPONDENTS failed to provide full disclosure regarding the investment  
20 including risk, disclosure statements, prospectuses, financial statements or RESPONDENTS' own  
21 lack of due diligence in investigating the investment. RESPONDENTS failed to provide certain  
22 material information to investors about Future First, including but not limited to past operations,  
23 balance sheets, statements of income, retained earnings, and cash flows that would reflect the  
24 financial position of these entities. RESPONDENTS distributed literature that misrepresented the  
25 investment as a "no risk" opportunity. RESPONDENTS failed to provide investors with certain  
26

1 material information about the use of investor proceeds, such as the cost to purchase the policy, the  
2 fees and commissions payable to them, medical advisors, or any other participants in the program.

3 14. From January 1999 through at least June 2000, RESPONDENTS offered and sold  
4 securities in the form of viatical settlement contracts and investment contracts to at least 34  
5 Arizona investors, who invested a total of at least \$1,110,482.

6 **The Alpha Pay Telephone Contracts**

7 15. Alpha Telcom, Inc. ("Alpha") was an Oregon corporation located at 2751 Highland  
8 Avenue, Grants Pass, Oregon 97526.

9 16. American Telecommunications Company, Inc. ("ATC") was a Nevada corporation  
10 formed as a wholly owned subsidiary of Alpha on or about September 17, 1998. Originally named  
11 ATC, Inc., the name was changed to American Telecommunications Company, Inc., sometime in  
12 the first half of 2000. Its address was the same as Alpha's, but was later changed to 620 S.W. 4<sup>th</sup>  
13 Street, Grants Pass, Oregon 97526, then to 2900 Vine Street, Suite J, Grants Pass, Oregon 97526,  
14 and then to 942 S.W. 6<sup>th</sup> Street, Suite G, Grants Pass, Oregon 97526.

15 17. Paul S. Rubera ("Rubera") was the president and control person of Alpha, and the  
16 control person of ATC.

17 18. ATC was organized by Rubera and operated in conjunction with and as an alter ego  
18 of Alpha. The two companies were controlled by Rubera and his associates.

19 19. Alpha and ATC, and their affiliates, sold pay telephones with telephone service  
20 agreements pursuant to which the investor would share in the profits of the pay telephone.  
21 Investors would enter into two agreements, a purchase agreement, and a service agreement with  
22 Alpha to manage the phone. The two agreements were presented and promoted simultaneously.  
23 The telephones were presented to potential investors with four options in the way of service  
24 contracts, each varying in the amount of service provided. The four options varied from Level 1,  
25  
26

1 which included a minimum of service, to Level 4, which provided full service to the purchaser,  
2 including choosing a site and installing the telephone, collecting all revenue from the telephone's  
3 operation, repairing the telephone when necessary, and even repurchasing or buying back the  
4 telephone at the investor's option. Under Level 4, Alpha would split the net proceeds with the  
5 investor on a 70/30 basis, with Alpha retaining 70% and the investor receiving 30%. The price of  
6 the pay telephones was the same regardless of the service option chosen, \$5,000.00 per telephone.  
7 Although investors were given a choice of using a company other than Alpha to manage the phone,  
8 no known Arizona investor picked a company other than Alpha to manage their phones. A "typical  
9 return" on each pay telephone was touted as 14% per year. In practice, all purchasers received  
10 \$58.34 per month per pay telephone purchased, which amounted to exactly 14% per annum.  
11

12 20. ATC's primary role was marketing the contracts. Alpha's main focus was on  
13 obtaining phone sites and installing, servicing, and managing the phones.

14 21. ATC was presented to the public as the sales organization for Alpha. In early 1999,  
15 ATC engaged Strategic Partnership Alliance, L.L.C., a Nevada limited liability company, and/or  
16 SPA Marketing, L.L.C., a Nevada limited liability corporation, (collectively "SPA") as its  
17 independent marketing and sales firm(s). SPA thereafter was responsible for hiring, training, and  
18 supervising sales agents who were selling the telephone contracts. After SPA came on board, ATC  
19 remained as the processing center for the contracts, while Alpha continued to perform the service  
20 and maintenance of the phones.  
21

22 22. The FCM RESPONDENTS, directly or indirectly, entered into agreements with  
23 Alpha, ATC, and/or SPA, pursuant to which the FCM RESPONDENTS sold investment contracts  
24 involving Alpha pay telephones (the "Alpha investment contracts") within or from the state of  
25 Arizona. All Alpha investment contracts the FCM RESPONDENTS sold were Level 4 contracts.  
26

1           23.    The FCM RESPONDENTS told prospective investors their investments were  
2 insured. The insurers' name varied. Mentioned most often was the Northern and Western  
3 Insurance Company of Grand Turk, Turks and Caicos Islands, British West Indies ("N&W"). Also  
4 mentioned were Lloyd's of London and four other insurance companies listed as re-insurers.  
5 N&W was a captive insurance company wholly owned by Paul S. Rubera, the President and  
6 control person of Alpha, and Robert S. Harrison of Richmond, Texas. N&W is not authorized to  
7 write insurance in Arizona. On information and belief, N&W was not authorized to write  
8 insurance in any state in which the Alpha pay telephones were located. In a letter dated August 15,  
9 2001, Harrison stated: "There is not now, nor was there ever any insurance coverage for Alpha  
10 Telcom, Inc."

11  
12           24.    The FCM RESPONDENTS presented Alpha to prospective customers as a stable,  
13 profitable, and innovative company that had been in business since 1985. Alpha was said to be  
14 selling and providing a "turn-key" operation.

15           25.    On information and belief, sales agents were paid commissions from 12% to 19%  
16 per telephone sold.

17           26.    Alpha has a long regulatory history in which state securities regulators have found that  
18 these purchases of pay telephones and accompanying service contracts were unregistered securities in  
19 the form of investment contracts that were sold by unregistered persons and/or entities, and ordered  
20 Alpha and those working with it to cease and desist. The FCM RESPONDENTS did not reveal these  
21 orders to the investors with whom they dealt. The orders that the FCM RESPONDENTS could have  
22 revealed include:  
23

24           a. February 2, 1999, Cease and Desist Order issued by Pennsylvania Securities  
25 Commission in *In the Matter of Alpha Telcom, Inc., et al.*, No. 9812-06.  
26

1 b. November 17, 1999, Cease and Desist Order issued by North Carolina Secretary  
of State in *In the Matter of the North Carolina Securities Division v. ATC, Inc., Paul*  
2 *Rubera, et al.*, No. 99-038-CC.

3 c. June 30, 1999, Temporary Order of Prohibition issued by Illinois Secretary of  
State in *In the Matter of Alpha Telecom, Inc.*, No. 9900201.

4 d. January 14, 2000, Consent Order of Prohibition issued by Illinois Secretary of  
State in *In the Matter of Alpha Telecom, Inc.*, No. 9900201, Alpha agreeing to offer  
5 rescission to all Illinois purchasers.

6 e. November 24, 1999, Cease and Desist Order issued by Wisconsin Department  
of Financial Institutions in *In the Matter of Alpha Telecom, Inc. and Paul S. Rubera, et al.*,  
7 No. S-99225(EX).

8 f. March 7, 2000, Temporary Cease and Desist Ordered issued by Rhode Island  
Department of Business Regulation in *In the Matter of Alpha Telecom, Inc. and ATC, Inc.*

9 g. July 18, 2000, Florida Department of Banking and Finance filed administrative  
10 action against Alpha and others, seeking a Cease and Desist Order.

11 h. October 24, 2000, Desist and Refrain Order issued by California Department of  
Corporations.

12 37. The United States Securities and Exchange Commission sued Alpha and its  
13 affiliates in *SEC v. Alpha Telecom, Inc., et al.*, No. CV 01-1283 PA. The court entered a temporary  
14 restraining order on August 27, 2001 and a preliminary injunction on September 6, 2001. The SEC  
15 alleged that Alpha and its affiliates engaged in a Ponzi-like scheme that never generated enough  
16 income to pay expenses, and that the money paid to existing investors always came from sales to  
17 new investors. A court-appointed receiver subsequently took over the remaining operations of  
18 Alpha. Alpha consented on October 19, 2001 to entry of the Final Judgment of Permanent  
19 Injunction against it, but did not admit the allegations of the Complaint.

20 38. Alpha's monthly payments to investors ceased prior to August, 2001.

21 39. The FCM RESPONDENTS sold Alpha investment contracts involving telephones to  
22 at least 9 individuals or entities within or from the state of Arizona from September 2000 through July,  
23 2001, for a total sales amount of at least \$250,000.

**Chemical Trust Investment Contract**

1  
2       40.     Beginning 1999, RESPONDENTS began offering the Chemical Trust investment.  
3 Investors were told that Chemical Trust was a "Members Only Investment Trust" located in West  
4 Palm Beach, Florida. Agents, such as RESPONDENTS, were instructed to market the investment  
5 to investors at a minimum of \$10,000 per contract for 12 months or more. RESPONDENTS were  
6 given authority to offer as much as 25% interest for each investment. Of that 25%,  
7 RESPONDENTS were able to choose how much to offer to investors as interest and how much they  
8 would keep for their commissions for selling the investment.

9  
10       41.     Investors were told that the investments are guaranteed two ways. First, the  
11 investments are guaranteed by Chemical Trust which allegedly held \$450,000,000 in assets.  
12 Second, the investments were guaranteed by a surety payment bond totaling "in excess of \$6  
13 billion dollars" that was provided "for 100% of their principal amount invested" at no cost to the  
14 investor. The surety payment bond was allegedly provided by U. S. Guarantee Corporation  
15 located in Phoenix, Arizona. In fact, U. S. Guarantee Corporation is not licensed in Arizona as a  
16 surety insurer. USGC allegedly had assets of \$2,415,142,120, which backed up the bond  
17 guaranteeing the investment. Those funds turned out not to exist.

18       42.     RESPONDENTS informed investors that Chemical Trust had been in business for  
19 14 years. Chemical Trust allegedly made profits by purchasing U.S. Treasury notes and  
20 distressed property at discount, selling for an immediate profit.

21  
22       43.     On January 7, 2000, the SEC filed a complaint against Chemical Trust, USGC,  
23 and others alleging that the money invested with them was misappropriated and sent to offshore  
24 bank accounts. It also alleged that Chemical Trust represented to investors that their funds would  
25 be used to purchase U.S. Treasury notes and distressed properties, and the investment was 100  
26 percent guaranteed through the security bond with U.S. Guarantee. According to the SEC's

1 complaint, Chemical had not purchased any U.S. Treasury notes or distressed properties, and  
2 investor funds were not secured. The complaint alleges that, in a classic Ponzi scheme fashion,  
3 Chemical Trust used new investor funds to pay interest to existing investors, in a Ponzi scheme.  
4 Subsequently, a preliminary injunction and final judgment was issued against the defendants and  
5 a receiver appointed to attempt to collect assets.

6 44. On June 30, 2000, the ACC entered an Order against Chemical Trust and others,  
7 finding that they violated the Arizona Securities Act. *See In re Alliance Trust, at al.*, DOCKET  
8 NO. S-03363A-99-0000.

9 45. RESPONDENTS sold at least \$856,042 of investments in Chemical Trust to at  
10 least 20 investors.

#### 11 The ATM Program

12 46. The FCM RESPONDENTS sold investments in automatic teller machines  
13 (“ATMs”) to the public through Integrated Cash Systems (“ICS”). Pursuant to the service  
14 contracts promoted with the ATMs, the service companies would manage the equipment for the  
15 purpose of generating a profit for investors. The offering documents for the investments stated that  
16 the ATMs were allegedly placed with retail merchants in order to enable electronic purchase  
17 transactions at the customers’ points of delivery. The services offered include locating and  
18 installing the equipment with retail merchants, handling or processing the transactions, monitoring  
19 and maintaining the equipment, insuring the equipment, and issuing monthly profit distribution  
20 checks to the investors or “business owners.”  
21

22 47. Although the offering documents for the ATMs describe options for different levels  
23 of managing the equipment, in practice, all investors selected the full-service option, which offered  
24 a revenue-sharing feature and a buy-back provision from the recommended service company. Under  
25 the full-service option, investors had no responsibilities with respect to the operation of their  
26

1 equipment beyond signing the service contracts, no financial obligations apart from the initial  
2 payment to purchase the units, no continuing financial obligation in the operation of their  
3 equipment, and no liability for any expenses or costs related to the operation of the equipment. At  
4 least one of the services offered to investors, i.e., transaction handling, requires special expertise.  
5 That function involves processing transactions, and is the key to generating a profit for investors.

6           48.     The FCM RESPONDENTS sold the ATMs to investors who had no experience in or  
7 knowledge of the cash terminal business, who never intended to take possession of, or to manage, the  
8 equipment, and who did not even know where their equipment was located.

9  
10           49.     According to written materials and oral statements made to investors, investors in  
11 the ATM programs are supposed to receive a) minimum monthly revenue equivalent to 12% of  
12 their original investment generated from the operation of their equipment; b) a share of the monthly  
13 net profit on each machine in excess of the base monthly payment; c) a full return of their  
14 investment at the end of the five-year term because they have a right to sell the equipment back to  
15 the service company for the original amount of the investment, or renew the investment; and d) if  
16 the monthly revenue from the operation of the machine falls below the base payment, the right to  
17 request that the service company repurchase the equipment for the original sales price or relocate  
18 the equipment to another location with the potential for a higher profit from sharing in increased  
19 revenue.  
20

21           50.     Despite these representations, ICS defaulted on payments and failed to repurchase  
22 the investors' ATM machines as requested. The FCM RESPONDENTS sold at ATM investments  
23 to at least four investors who invested at least \$88,000.  
24  
25  
26

**The Other Securities Orders**

1  
2 51. In 1996, the Missouri Commissioner of Securities issued an order against  
3 ABERNATHY for violation of its securities laws.

4 52. On September 28, 1999, the Iowa Securities Bureau issued an order against  
5 INTEGROWTH and ABERNATHY for violation of its securities laws for their sale of the  
6 Chemical Trust products.

7 53. On August 24, 1999, the North Dakota Commissioner of Securities issued an order  
8 against INTEGROWTH and HILTBRAND for violations of its securities laws.

9 54. On October 29, 2001, SANDE was arrested on 38 felony counts of theft and  
10 unlicensed sales of viaticals, allegedly defrauding investors of over \$2.7 million. On November 19,  
11 2003, SANDE was sentenced to seven years and four months in prison, in addition to paying  
12 \$1,453,929.56 in restitution.  
13

14 55. On November 11, 2003, the Wisconsin Department issued an order for fraud in the  
15 sale of securities against FCM, ABERNATHY, FAZIO and FANDRICH.

16 56. RESPONDENTS did not inform any investors of any of the Orders against them,  
17 nor of any of the Orders against the companies whose investments they sold.  
18

19 **II.**

20 **CONCLUSIONS OF LAW**

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

23 2. ABERNATHY offered or sold securities within or from Arizona, within the meaning of  
24 A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

25 3. ABERNATHY violated A.R.S. § 44-1841 by offering or selling securities that were  
26 neither registered nor exempt from registration.

1 4. ABERNATHY violated A.R.S. § 44-1842 by offering or selling securities while neither  
2 registered as dealers or salesmen nor exempt from registration.

3 5. ABERNATHY violated A.R.S. § 44-1991 by offering or selling securities within or  
4 from Arizona by (a) employing a device, scheme or artifice to defraud, (b) making untrue  
5 statements or misleading omissions of material facts, and (c) engaging in transactions, practices or  
6 courses of business which operate or would operate as a fraud or deceit.

7 6. ABERNATHY directly or indirectly controlled FCM within the meaning of A.R.S. § 44-  
8 1999. Therefore, he is liable to the same extent as FCM for its violations of A.R.S. § 44-1991.

9 7. ABERNATHY's conduct is grounds for a cease and desist order pursuant to A.R.S. §  
10 44-2032.

11 8. ABERNATHY's conduct is grounds for an order of restitution pursuant to A.R.S. § 44-  
12 2032.

13 9. ABERNATHY's conduct is grounds for administrative penalties under A.R.S. § 44-  
14 2036.

15 **III.**

16 **ORDER**

17 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, the Commission  
18 finds that the following relief is appropriate, in the public interest, and necessary for the protection  
19 of investors:

20 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that ABERNATHY, his agents,  
21 employees, successors and assigns, permanently cease and desist from violating the Securities Act.

22 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that ABERNATHY and  
23 HELEN ABERNATHY shall, jointly and severally, pay restitution to investors shown on the  
24 records of the Commission in the amount of \$2,304,524, plus interest at the rate of 10% per annum  
25 from the date of each investment until paid in full. ABERNATHY and HELEN ABERNATHY s  
26 shall be entitled to setoffs for restitution paid to investors and verified by the Director of Securities.

1 Payment shall be made by cashier's check or money order payable to the "State of Arizona" to be  
2 placed in an interest-bearing account maintained and controlled by the Arizona Attorney General.  
3 The Arizona Attorney General shall disburse the funds on a pro rata basis to investors. If all  
4 investors are paid in full, any excess funds shall revert to the state of Arizona. If ABERNATHY  
5 and HELEN ABERNATHY do not comply with this order of restitution, any outstanding balance  
6 shall be in default and shall be immediately due and payable without notice or demand.

7 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that ABERNATHY and  
8 HELEN ABERNATHY shall, jointly and severally, pay an administrative penalty in the amount of  
9 \$25,000, payable to the "State of Arizona." Payment shall be made in full by cashier's check or  
10 money order on the date of this Order. If ABERNATHY and HELEN ABERNATHY do not

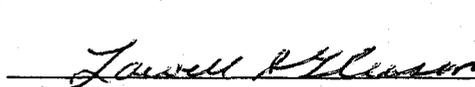
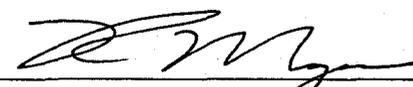
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1 comply with this order for administrative penalties, any outstanding balance may be deemed in  
2 default and shall be immediately due and payable without notice or demand.

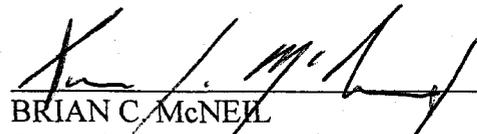
3 IT IS FURTHER ORDERED that this Order shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

5  
6     
7 CHAIRMAN COMMISSIONER COMMISSIONER

8  
9    
10 COMMISSIONER COMMISSIONER

11 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,  
12 Executive Secretary of the Arizona Corporation  
13 Commission, have hereunto set my hand and caused the  
14 official seal of the Commission to be affixed at the  
15 Capitol, in the City of Phoenix, this 24<sup>th</sup> day of  
16 August, 2004

17  
18   
19 BRIAN C. McNEIL  
20 Executive Secretary

21  
22 \_\_\_\_\_  
23 DISSENT

24  
25 \_\_\_\_\_  
26 DISSENT

27 This document is available in alternative formats by contacting Yvonne L. McFarlin, Executive  
28 Assistant to the Executive Secretary, voice phone number 602-542-3931, E-mail  
29 [ymcfarlin@cc.state.az.us](mailto:ymcfarlin@cc.state.az.us).

30 (md)