



0000024170

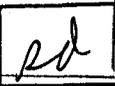
BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER  
Chairman  
JIM IRVIN  
Commissioner  
WILLIAM A. MUNDELL  
Commissioner  
JEFF HATCH-MILLER  
Commissioner  
MIKE GLEASON  
Commissioner

Arizona Corporation Commission  
Arizona Corporation Commission

DOCKETED

JAN 28 2003

DOCKETED BY 

In the matter of  
SCOTTSDALE FINANCIAL FUNDING  
GROUP, LLC  
4000 North Scottsdale Road  
Scottsdale, AZ 85251  
MARTIN & GRIFFIN, LLC  
4000 North Scottsdale Road  
Scottsdale, AZ 85251  
GREGORY B. GILL aka GREGORY P.  
GILL,  
4015 N. 78<sup>th</sup> St. #141  
Scottsdale, AZ 85251  
HAYDEN KEITH HOLLAND  
5618 E. Montecito  
Phoenix, AZ 85018-3223  
TAD L. ULRICH & ASSOCIATES, LLC  
13386 North 88<sup>th</sup> Place  
Scottsdale, AZ 85260  
TAD LYN ULRICH  
13386 North 88<sup>th</sup> Place  
Scottsdale, AZ 85260  
SENIOR ADVISORY SERVICES, LLC  
1401 Kindale Street  
Lehigh Acres, Florida 33936  
WALLACE BUTTERWORTH  
1411 East Oranewood Avenue #239  
Phoenix, AZ 85020  
RESPONDENTS.

DOCKET NO. S-03472A-02-0000

DECISION NO. 65558

**ORDER TO CEASE AND DESIST, ORDER  
OF RESTITUTION, ORDER FOR  
ADMINISTRATIVE PENALTIES AND  
CONSENT TO SAME  
BY: WALLACE BUTTERWORTH and  
SENIOR ADVISORY SERVICES, LLC**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

1 RESPONDENTS WALLACE BUTTERWORTH and SENIOR ADVISORY SERVICES,  
2 LLC ("BUTTERWORTH RESPONDENTS") elect to permanently waive any right to a hearing  
3 and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.*  
4 ("Securities Act") with respect to this Order To Cease And Desist ("Order"). BUTTERWORTH  
5 RESPONDENTS admit the jurisdiction of the Arizona Corporation Commission ("Commission");  
6 admit only for purposes of this proceeding and any other administrative proceeding before the  
7 Commission or any other administrative agency of the State of Arizona the Findings of Fact and  
8 Conclusions of Law contained in this Order; and consent to the entry of this Order by the  
9 Commission.

10 I.

11 FINDINGS OF FACT

12 1. SENIOR ADVISORY SERVICES, LLC ("SAS") is a limited liability company  
13 organized in the State of Florida on May 10, 1999. Its principal office was identified in corporate  
14 filings as 1401 Kimdale Street, Lehigh Acres, Florida 33936. WALLACE BUTTERWORTH  
15 ("BUTTERWORTH") was identified as a managing member. BUTTERWORTH applied as  
16 "owner" to use SAS as a trade name in Arizona on or about July 24, 1998. SAS's last known  
17 location in Arizona was 1411 E. Orangewood Ave. #239, Phoenix, Arizona 85020.

18 2. BUTTERWORTH is an individual whose last known address is 1411 E.  
19 Orangewood Ave. #239, Phoenix, Arizona 85020. During the pertinent time period,  
20 BUTTERWORTH was registered as a securities salesman in Arizona. On October 30, 2001,  
21 BUTTERWORTH consented to Decision No. 64184, ordering, *inter alia*, revocation of his  
22 securities salesman registration for alleged violations of the Securities Act involving the offer  
23 and sale of investments that are not the subject of this proceeding. According to the consent  
24 order, one of the grounds for BUTTERWORTH's revocation was that he violated A.R.S. § 44-  
25 1962(A)(10) as defined by A.A.C. R14-4-130(A)(17), by effecting securities transactions that were  
26 not recorded on the records of the dealer with whom he was registered at the time of the transactions

1 from August to December 1999. At all pertinent times, BUTTERWORTH was a sales agent for  
2 MARTIN & GRIFFIN, LLC ("M&G") and/or SCOTTSDALE FINANCIAL FUNDING GROUP,  
3 LLC ("SFF"). BUTTERWORTH is a licensed insurance salesman in Arizona.

### 4 III.

### 5 FACTS

6 3. Beginning in or around 1997, BUTTERWORTH RESPONDENTS solicited  
7 investors in two investment programs in which investors were told that they would receive profits  
8 from the management efforts of others: The "Credit Investors, LLC Non-Performing or Consumer  
9 Debt Program" and the "M&G Factoring or Accounts Receivable Management Program."  
10 Approximately 32 investors invested approximately \$4,300,397 in the Credit Investors, LLC  
11 program, of which BUTTERWORTH RESPONDENTS solicited at least \$617,855 from 10  
12 investors, mostly Arizona residents. Approximately 58 investors invested approximately \$6,186,560  
13 in M&G program, of which BUTTERWORTH RESPONDENTS solicited at least \$310,902 from 7  
14 investors, mostly Arizona investors. BUTTERWORTH asserts that he himself invested \$122,000 in  
15 Credit Investors LLCs and \$50,000 in M&G.

16 4. BUTTERWORTH was solicited to sell Credit Investors, LLC and M&G  
17 investments by GREGORY B. GILL ("GILL"), who represented himself as the managing member  
18 of M&G and a purported principal, owner, officer, director, or shareholder of Credit Investors, LLCs  
19 and of SFF.

20 5. GILL is an individual whose last known address is 4015 N. 78<sup>th</sup> St. #141,  
21 Scottsdale, Arizona 85251. On July 20, 1988, a federal grand jury indicted GILL and another co-  
22 founder of a company in Newport Beach, California called First Capital Corporation, alleging  
23 various instances of mail and wire fraud. A jury convicted GILL on one count of conspiracy and  
24 two counts of wire fraud relating to charges of preparing a phony financial statement and guaranty  
25 used to defraud investors. GILL was sentenced to five years imprisonment, five years probation,  
26 and an order to pay \$89,300 in restitution. GILL appealed the conviction, and the judgment was

1 affirmed by the United States Court of Appeals for the Seventh Circuit in Opinion No. 89-1372,  
2 *United States of America v. Gregory B. Gill*, decided on August 3, 1990. BUTTERWOTH asserts  
3 that he was not aware of GILL's criminal history until approximately December 2001.

4 6. BUTTERWORTH RESPONDENTS sold investments in these programs to private  
5 investors who first met BUTTERWORTH as a result of his advertised investment seminars,  
6 primarily targeted to retired persons and senior citizens, within or from Arizona.

7 7. Since around 1998, BUTTERWORTH RESPONDENTS placed ads in the Arizona  
8 Republic newspaper offering "free information workshops" for seniors; BUTTERWORTH  
9 RESPONDENTS held an average of one to two workshops per month in churches, clubs and  
10 various retirement communities in Arizona, including Sun City, Sun Lakes, Coyote Lakes, and  
11 Mesa. After obtaining leads from these publicly advertised workshops, BUTTERWORTH  
12 RESPONDENTS scheduled meetings with individual investors in the investors' homes, and offered  
13 them insurance products and annuities, and "alternative investments" including the Credit Investors  
14 and M&G programs.

15 8. BUTTERWORTH RESPONDENTS distributed written materials, provided by  
16 GILL, to investors representing that "SFF is a finance company that specializes in analyzing and  
17 acquiring select investment alternatives for the discriminating investor demanding better than  
18 average returns without taking undue risk." SFF promised to provide investors with alternatives to  
19 the traditional market place, with returns that were competitive with stocks and bonds, and that  
20 would allow them to diversify their portfolio so that they were not dependent on the volatility that  
21 usually accompanies the traditional market place. Investors were assured that only quality  
22 investments would be made available for their benefit, and that SFF was committed to provide them  
23 profitable investment alternatives, minimize risk, and provide high growth yield.

24 9. Some offerees and investors in the Credit Investors and M&G investment programs  
25 were unsophisticated and inexperienced in investments.  
26

1           10.     Some investors were given only promotional materials and receipts or IRA custodial  
2 applications prior to their investments.

3                   *Credit Investors "Purchase of Non-Performing and Consumer Debt Program"*

4           11.     Beginning around December 1997, BUTTERWORTH RESPONDENTS solicited  
5 passive investments in membership interests in a series of limited liability companies called "Credit  
6 Investors, LLCs." BUTTERWORTH RESPONDENTS distributed marketing materials, provided  
7 by GILL, to investors describing this investment program as a "Purchase of Non-Performing and  
8 Consumer Debt," with management services to be provided by SFF.

9           12.     Investor contracts for the Credit Investors program included an "Operating  
10 Agreement" whereby the investor is to become a member of a limited liability company, and a  
11 "Member Representation Agreement." The Operating Agreement represents that the nature of the  
12 business and of the purposes to be conducted and promoted by the Company shall be to engage the  
13 acquisition, collection and disposition of non-performing receivables. Salesmen describe the  
14 investment as involving "non-collected consumer credit card-type paper."

15           13.     BUTTERWORTH RESPONDENTS represented to investors in written promotional  
16 materials provided by GILL that their investments in the "Purchase of Non-Performing and  
17 Consumer Debt" program involve certain risks but that SFF has taken steps to reduce the risks to  
18 investors. SFF represented that those steps include a strategic partnership between SFF and  
19 Intervention & Recovery Specialist Corp. (IRSC), a collections company that purportedly engages  
20 in the management and collection of consumer and commercial paper for profit. SFF represented  
21 that IRSC has been successfully collecting on non-performing commercial and consumer debt for  
22 over 38 years. SFF further represented that "because IRSC scrutinizes the debt first hand, we know  
23 exactly what we are purchasing, thereby minimizing the risk to our investors." BUTTERWORTH  
24 RESPONDENTS did not disclose the address or telephone number for IRSC or the identity of any  
25 of its principals, or its financial condition. IRSC made no filing with the Arizona Corporation  
26 Commission for authorization to operate in Arizona as a domestic or foreign corporation.

1           14.     Credit Investors, LLCs made no filings with the Arizona Corporation Commission  
2 for authorization to operate in Arizona as limited liability companies.

3           15.     Distributions have not been paid to most investors since around October 2001.

4                     *"Factoring and Accounts Receivable Management Program"*

5           16.     Beginning around June 1998, BUTTERWORTH RESPONDENTS solicited passive  
6 investments in another program involving factored receivables allegedly purchased from a Phoenix-  
7 based company, American Business Funding Group, Inc. ("ABF"). BUTTERWORTH  
8 RESPONDENTS distributed marketing materials, provided by GILL, which represented that ABF's  
9 professional credit management team with over 20 years of experience would "perform all credit,  
10 accounting and other technical and servicing functions," and that ABF proposed to expand its  
11 business "by selling commercial accounts receivable to various independent third-party buyers. For  
12 this servicing and marketing function, ABF will receive a fee comprised of a portion of the gross  
13 fees earned by the buyer." Marketing materials referred to this program as "Factoring and Accounts  
14 Receivable Management" (the "M&G factoring program"). M&G was to purchase the accounts  
15 receivable, and the investors were to share in the profits of those investments.

16           17.     The "Commercial Factoring" investment program was promoted as a "business  
17 opportunity" in which a "participant" "can project returns of 10%+ per annum – in a fully secured  
18 AND INSURED environment" and "Returns with safety – a promise from Scottsdale Financial  
19 Funding Group, LLC."

20           18.     BUTTERWORTH RESPONDENTS told some investors that ABF and third parties  
21 manage and monitor the investment and do everything to service the investors; that SFF and M&G  
22 and their principals have a procuring agreement with ABF and perhaps other suppliers of factored  
23 paper, under which SFF and/or M&G own the receivables and that investors will share the profits  
24 from administration of the factored paper; that investors can get a distribution quarterly or reinvest  
25 the dividends, accrued quarterly, for a one-year, two-year, or three-year term; that at the end of the  
26

1 investment term, investors will get a return of their investment capital plus interest if any has  
2 accrued, or they have an opportunity to reinvest if they choose.

3 19. BUTTERWORTH RESPONDENTS gave investors promotional materials provided  
4 by GILL that described the commercial factoring program as a "Factoring and Accounts Receivable  
5 Management" program. Investor contracts included an "Accounts Receivable Purchase Agreement"  
6 and a "Purchaser Representation Agreement."

7 20. The Purchaser Representation Agreement represents that M&G is in the business of  
8 acquiring the receivables from "Clients," and describes a sharing of interests in the receivables as  
9 follows: M&G "agrees to sell and assign to Purchaser all of its rights, title, and interest in and to  
10 each Receivable or pro rata portion thereof that Purchaser agrees to purchase. M&G shall not be  
11 obligated to sell any specific Receivables to Purchaser and nothing provided herein shall be  
12 construed to obligate M&G to provide any minimum or maximum amount of Receivables for sale to  
13 Purchaser."

14 21. The Purchaser Representation Agreement represents that the profits to be obtained  
15 by the investor are dependent on the efforts and expertise of third parties: "Since one of the most  
16 critical aspects of the Factoring business is proper due diligence with respect to the Clients, the  
17 Account Debtors, and monitoring of payments, the role of the servicers of these activities will be  
18 important in determining whether Purchasers receive a return of, or any return on, their investment.  
19 ... [T]hird parties will provide these services."

20 22. The Purchaser Representation Agreement provides that profits to investors  
21 ("Purchasers") will be paid from fees paid to M&G and other third parties: "Clients will receive a  
22 discounted purchase price for Receivables they sell directly or indirectly to M&G. Upon payment  
23 of the Receivables by the Account Debtor, the Client will receive its remaining funds. Until such  
24 repayment, these Clients will pay monthly fees to M&G and the servicers of the Receivables,  
25 Purchasers will receive a portion of those fees. ... This compensation may vary depending upon the  
26 amount invested by Purchasers and the terms of their investment."

1 23. Investors were given no disclosure documents relating to the financial condition of  
2 SFF or M&G, or their principals.

3 24. Investors were provided no background or financial information concerning any of  
4 the third parties or principals of these third parties who will purportedly provide the services that  
5 would produce a profit for investors.

6 25. Investors were provided no background or financial information concerning any  
7 companies whose receivables SFF and/or M&G were allegedly buying or selling.

8 26. The contracts included statements that the investors are all "accredited," as that term  
9 is defined under securities laws, although some investors were not accredited.

10 27. BUTTERWORTH RESPONDENTS gave investors promotional materials provided  
11 by GILL that represented that SFF receivables, in most cases, are insured to their full-face amount  
12 by insurance provided by nationally-known insurance companies and that debtors are financially  
13 sound. However, contrary to the representations contained in the promotional materials, the  
14 Purchaser Representation Agreements state: "Certain of the Receivables purchased from M&G are  
15 or will be insured to a limited extent by certain insurance policies. However, not all of the  
16 Receivables will be covered by insurance, and thus no Purchaser should acquire Receivables in  
17 reliance on insurance."

18 28. Investors were given no specific information concerning the alleged insurance.

19 29. Investors were given no background or financial information concerning the debtors  
20 who were allegedly obligated to pay the receivables.

21 30. BUTTERWORTH RESPONDENTS gave investors promotional materials provided  
22 by GILL that represented that "You are secured by an assignment of our security to you plus we  
23 pass title to the purchased invoices to your entity. SFF manages the entire process on your behalf  
24 ...." However, contrary to these representations, there is no provision in the investor contracts for  
25 assigning security or passing title to purchased invoices to the investor, or for providing any security  
26 for the investments.

1           31. Investors' funds were paid to M&G. Although the records of ABF reflect some  
2 investment by M&G, there is no record on the books of ABF reflecting any investment by or on  
3 behalf of any of M&G's investors.

4           32. On February 24, 2000, ABF filed a petition in the United States Bankruptcy Court  
5 for the District of Arizona, for protection under Chapter 11 of the United States Bankruptcy Code.

6           33. Sometime prior to December 1999, according to ABF's bankruptcy filings, ABF  
7 allegedly discovered that its controlling principal, Angelo Tullo, had been engaging in fraudulent  
8 activities including forging signatures to create phony receivables and companies; destroying  
9 documents and altering bank statements, client statements, buyer accounts, and other records; and  
10 misappropriating ABF investor funds "to support his lavish lifestyle and to further his ponzi  
11 scheme." As a result of the alleged fraudulent activities of former management, ABF estimated that  
12 investors lost about \$8 million.

13           34. After ABF filed for bankruptcy protection, BUTTERWORTH RESPONDENTS  
14 continued to offer and sell the M&G factoring program to investors without disclosing any of the  
15 background or financial information about ABF, or its bankruptcy.

16           35. Individual private investors solicited by BUTTERWORTH RESPONDENTS,  
17 whose funds were used to invest in ABF, were not identified as creditors in the ABF bankruptcy.

18           36. After February 2000, ABF was reorganized under new management and continued  
19 operations as New Horizon Capital, Inc. ("New Horizon"). New Horizon solicited no new private  
20 investors.

21           37. Although BUTTERWORTH RESPONDENTS continued to solicit new investors  
22 and new funds after ABF's bankruptcy, SFF and M&G invested no new funds in New Horizon and  
23 purchased no receivable paper from New Horizon or ABF since February 2000.

24           38. Distributions have not been paid to most investors since around October 2001.

25           39. In connection with the offer or sale of securities within or from Arizona,  
26 BUTTERWORTH RESPONDENTS directly or indirectly: (i) employed a device, scheme or artifice

1 to defraud; (ii) made untrue statements of material fact or omitted to state material facts which were  
2 necessary in order to make the statements made not misleading in light of the circumstances under  
3 which they were made; and/or (iii) engaged in transactions, practices or courses of business which  
4 operated or would operate as a fraud or deceit upon offerees and investors. BUTTERWORTH  
5 RESPONDENTS' conduct includes, but is not limited to, the following:

- 6 a) Failing to disclose the nature of the investment;
- 7 b) Failing to fully disclose the risks;
- 8 c) Failing to provide investors with disclosure statements, prospectuses or  
9 financial statements including but not limited to past operations, balance sheets,  
10 statements of income, retained earnings, cash flows and uses of proceeds that  
11 would reflect the financial position of these entities;
- 12 d) Failing to disclose financial and background information about third  
13 parties that are supposed to provide management services and technical expertise  
14 necessary to produce profits for the investors;
- 15 e) Failing to disclose the identities, the principals, or the financial condition  
16 of the "clients" from whom the receivables were purchased or the debtors that are  
17 obligated to pay the receivables;
- 18 f) Failing to disclose that IRSC, the company responsible for providing  
19 management services and producing a profit for investors in the Credit Investors,  
20 LLCs, is not authorized to conduct business as a domestic or foreign corporation in  
21 Arizona.
- 22 g) Failing to disclose, after February 24, 2000, that ABF filed a petition for  
23 bankruptcy protection under Chapter 11 of the United States Bankruptcy Code;
- 24 h) Failing to disclose, after February 2000, the alleged fraudulent conduct of the  
25 former controlling principal of ABF that resulted in the alleged loss of approximately  
26 \$8 million of investor funds;



III.

ORDER

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

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that BUTTERWORTH RESPONDENTS shall pay restitution to investors shown on the records of the Commission in the amount of \$820,757 plus interest at the rate of 10% per annum from the date of the investment, pursuant to A.A.C. R14-4-308(C), subject to any legal set-offs by any other Respondents and verified by the Director of Securities. Payment shall be made by cashier's check or money order payable to the "State of Arizona" to be placed in an interest-bearing account maintained and controlled by the Arizona Attorney General. The Arizona Attorney General shall disburse the funds on a pro rata basis to investors. Any funds that the Attorney General is unable to disburse shall revert to the state of Arizona.

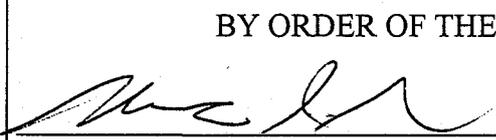
IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that BUTTERWORTH RESPONDENTS shall, jointly and severally, pay an administrative penalty in the amount of

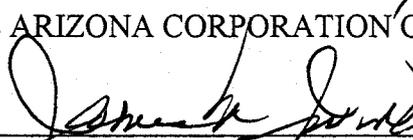
...  
...  
...  
...  
...  
...  
...

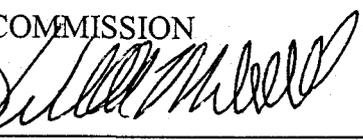
1 \$25,000. Payment shall be made in full by cashier's check or money order on the date of this  
2 Order, payable to the "State of Arizona." Any amount outstanding shall accrue interest at the rate  
3 of 10% per annum from the date of this Order until paid in full.

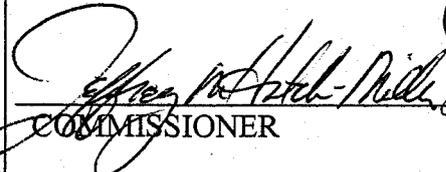
4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

6   
CHAIRMAN

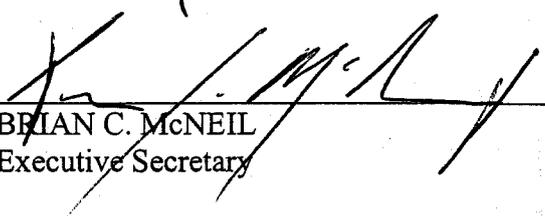
6   
COMMISSIONER

6   
COMMISSIONER

8   
9 COMMISSIONER

8   
9 COMMISSIONER

10 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,  
11 Executive Secretary of the Arizona Corporation  
12 Commission, have hereunto set my hand and caused the  
13 official seal of the Commission to be affixed at the  
14 Capitol, in the City of Phoenix, this 28<sup>th</sup> day of  
January, 2003.

15   
16 BRIAN C. McNEIL  
17 Executive Secretary

18 \_\_\_\_\_  
19 DISSENT

20 \_\_\_\_\_  
21 DISSENT

22 This document is available in alternative formats by contacting Shelly M. Hood, Executive Assistant to the  
23 Executive Secretary, voice phone number 602-542-3931, E-mail [shood@cc.state.az.us](mailto:shood@cc.state.az.us).  
24 (PTJ)  
25  
26

**CONSENT TO ENTRY OF ORDER**

1  
2 1. WALLACE BUTTERWORTH and SENIOR ADVISORY SERVICES, INC.  
3 (collectively "BUTTERWORTH RESPONDENTS"), admit the jurisdiction of the Commission  
4 over the subject matter of this proceeding. BUTTERWORTH RESPONDENTS acknowledge that  
5 they have been fully advised of their right to a hearing to present evidence and call witnesses and  
6 BUTTERWORTH RESPONDENTS knowingly and voluntarily waive any and all rights to a  
7 hearing before the Commission and all other rights otherwise available under Article 11 of the  
8 Securities Act and Title 14 of the Arizona Administrative Code. BUTTERWORTH  
9 RESPONDENTS acknowledge that this Order to Cease and Desist, Order of Restitution, Order for  
10 Administrative Penalties and Consent to Same ("Order") constitutes a valid final order of the  
11 Commission.

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

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

17 4. BUTTERWORTH RESPONDENTS acknowledge that they have been represented by  
18 counsel in this matter, they have reviewed this Order with their attorney and understand all terms it  
19 contains.

20 5. BUTTERWORTH RESPONDENTS admit only for purposes of this proceeding and  
21 any other administrative proceeding before the Commission or any other administrative agency of  
22 the State of Arizona the Findings of Fact and Conclusions of Law contained in this Order.

23 6. By consenting to the entry of this Order, BUTTERWORTH RESPONDENTS agree not  
24 to take any action or to make, or permit to be made, any public statement denying, directly or  
25 indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that  
26 this Order is without factual basis. BUTTERWORTH RESPONDENTS will undertake steps

1 necessary to assure that all of his agents and employees understand and comply with this  
2 agreement.

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

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

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

13 10. BUTTERWORTH RESPONDENTS agree that they will not apply to the state of  
14 Arizona for registration as a securities dealer or salesman or for licensure as an investment adviser  
15 or investment adviser representative at any time in the future.

16 11. BUTTERWORTH RESPONDENTS agree that they will not exercise any control over  
17 any entity that offers or sells securities or provides investment advisory services, within or from  
18 Arizona.

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

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

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

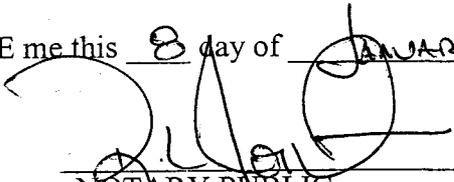
1 hearing in this matter and cooperating with the state of Arizona in any related investigation or any  
2 other matters arising from the activities described in this Order.

3 15. BUTTERWORTH RESPONDENTS consent to the entry of this Order and agree to be  
4 fully bound by its terms and conditions. If BUTTERWORTH RESPONDENTS breach any  
5 provision of this Order, the Commission may vacate this Order and restore this case to its active  
6 docket.

7 16. WALLACE BUTTERWORTH represents that he is authorized by SENIOR  
8 ADVISORY SERVICES, LLC to enter into this Order for and on its behalf.

9  
10   
11 WALLACE BUTTERWORTH

12 SUBSCRIBED AND SWORN TO BEFORE me this 8 day of JANUARY, 2003.

13   
14 NOTARY PUBLIC

15  Notary Public State of Arizona  
Pinal County  
R. L. Jordan  
Expires November 03, 2008

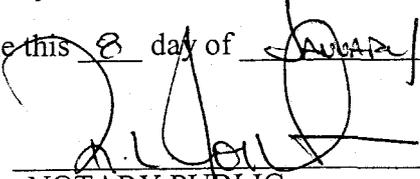
16 My Commission Expires:

17 11/03/06

18 SENIOR ADVISORY SERVICES, LLC

19   
20 By WALLACE BUTTERWORTH

21 SUBSCRIBED AND SWORN TO BEFORE me this 8 day of JANUARY, 2003.

22   
23 NOTARY PUBLIC

24  Notary Public State of Arizona  
Pinal County  
R. L. Jordan  
Expires November 03, 2008

25 My Commission Expires:

26 11/03/06