

NEW APPLICATION
ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

In the matter of:
Brixon Group Ltd.
1616 East Main, Suite 128
Mesa, Arizona 85203
Joseph Wayne McCool a.k.a. Joe McCool and
Jane Doe McCool, husband and wife
5306 East Boise Street or 5304 East Boise Street
Mesa, Arizona 85205
Donald John Manning a.k.a. Don Manning and
Jane Doe Manning, husband and wife
8260 East Keates Avenue, #502
Mesa, Arizona 85208
Cameron Guy Campbell and Nanette Campbell,
husband and wife
2375 Terraza Salvo
Carlsbad, California 92009-6623
Respondents.

DOCKET NO. S-20402A-05-0569

NOTICE OF OPPORTUNITY FOR
HEARING REGARDING PROPOSED
ORDER TO CEASE AND DESIST,
ORDER FOR RESTITUTION, FOR
ADMINISTRATIVE PENALTIES, AND
FOR OTHER AFFIRMATIVE ACTION

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AZ CORP COMMISSION
DOCUMENT CONTROL

NOTICE: EACH RESPONDENT HAS 10 DAYS TO REQUEST A HEARING
EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that JOSEPH WAYNE MCCOOL, DONALD JOHN MANNING, CAMERON GUY CAMPBELL, and BRIXON GROUP LTD. ("RESPONDENTS") have engaged in acts, practices and transactions, which constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act").

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I.

JURISDICTION

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

II.

RESPONDENTS

2. RESPONDENT BRIXON GROUP. LTD.'S last known address is 1616 East Main, Suite 128, Mesa, Arizona 85203.

3. RESPONDENT JOSEPH WAYNE MCCOOL'S last known address is 5306 East Boise Street or 5304 East Boise Street, Mesa, Arizona 85205.

4. RESPONDENT JANE DOE MCCOOL was at all relevant times the spouse of Joseph Wayne McCool. Jane Doe McCool is a fictitious name used to describe any person married to Joseph Wayne McCool. Jane Doe McCool is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital community. Her address is unknown.

5. RESPONDENT DONALD JOHN MANNING'S last known address is 8260 East Keates Avenue, #502, Mesa, Arizona 85208.

6. RESPONDENT JANE DOE MANNING was at all relevant times the spouse of Donald John Manning. Jane Doe Manning is a fictitious name used to describe any person married to Donald John Manning. Jane Doe Manning is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital community. Her address is unknown.

7. RESPONDENT CAMERON GUY CAMPBELL, a married person, resides at 2375 Terraza Salvo, Carlsbad, California 92009-6623.

8. RESPONDENT NANETTE CAMPBELL was at all relevant times the spouse of Cameron Guy Campbell. Nanette Campbell is joined in this action under A.R.S. §44-2031(C) solely for purposes of determining the liability of the marital community. Her residential address is 2375 Terraza Salvo, Carlsbad, California 92009-6623.

1 19. RESPONDENTS failed to disclose that any part of investor funds would be used for
2 personal expenses, for office expenses and salaries, for attorney fees, and for other undesignated
3 distributions.

4 20. From on or about January, 2000, until on or about February, 2002, some Capital Private
5 Placement investors received monthly interest payments.

6 21. RESPONDENTS solicited investors to roll their 401K or IRA accounts into self-directed
7 accounts at Resource Trust Corporation.

8 22. RESPONDENTS promised investors a 5% monthly return on investment on the accounts at
9 Resource Trust Corporation and promised that the principle in the accounts would be secured by an
10 insurance policy.

11 23. RESPONDENTS withdrew the principle from the Resource Trust Corporation accounts,
12 pursuant to a power of attorney, to be invested in a Brixon Group partnership. Investors lost their
13 principle; were not insured; and did not receive any return-on-investment payments.

14 24. Upon information and belief, RESPONDENTS had over 128 investors, from Arizona and
15 other states, and approximately \$9,000,000.00 dollars invested in their Capital Private Placement
16 fund.

17 25. Upon information and belief, BRIXON GROUP LTD. is incorporated in the Caribbean
18 Turks and Caicos Islands.

19 26. At all relevant times, JOSEPH WAYNE MCCOOL held himself out to investors as an
20 officer of Brixon Group Ltd.

21 27. From on or about January, 2000, JOSEPH WAYNE MCCOOL offered and sold Brixon
22 Group Ltd.'s Capital Private Placement fund to investors.

23 28. JOSEPH WAYNE MCCOOL was convicted of Conspiracy to Commit Wire Fraud and
24 Conspiracy to Traffic in Counterfeit Goods in case number #CR00046-001, United States District
25 Court, Eastern District of Virginia in 1997.

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1 29. JOSEPH WAYNE MCCOOL was imprisoned in case number #CR00046-001 from on or
2 about August 18, 1997 to March 1, 2000.

3 30. JOSEPH WAYNE MCCOOL was on supervised probation as a result of his conviction in
4 case number #CR00046-001 from on or about March, 2000, to April, 2003.

5 31. JOSEPH WAYNE MCCOOL did not disclose to Capital Private Placement investors his
6 prior criminal history.

7 32. JOSEPH WAYNE MCCOOL represented to the U.S. Probation Office that Donald John
8 Manning, a.k.a Don Manning, was his immediate supervisor; that Don Manning was aware of his
9 criminal status; that he was employed by Brixon Group Ltd. as a salesperson at a gross income of
10 \$3000.00 per month; and that he had been employed by Brixon Group Ltd. since January, 2000.

11 33. At all relevant times, DONALD JOHN MANNING held himself out to investors as an
12 officer of Brixon Group Ltd.

13 34. From on or about January, 2000, DONALD JOHN MANNING offered and sold Brixon
14 Group Ltd.'s Capital Private Placement fund to investors.

15 35. DONALD JOHN MANNING did not disclose to Capital Private Placement investors Joseph
16 Wayne McCool's prior criminal history.

17 36. DONALD JOHN MANNING'S former address was 5304 E. Boise St. Mesa, AZ 85205-
18 8122 from on or about March 1, 2000 until May 2, 2001.

19 37. At all relevant times, CAMERON GUY CAMPBELL was licensed as an attorney in
20 California.

21 38. At all relevant times, CAMERON GUY CAMPBELL was not licensed as an attorney in
22 Arizona.

23 39. At all relevant times, CAMERON GUY CAMPBELL held himself out to investors as the
24 attorney for Brixon Group Ltd.

25 40. Each investor, who signed a Brixon Group Ltd. Capital Private Placement Agreement,
26 appointed CAMERON GUY CAMPBELL as his/her attorney-in-fact; inter alia, "To arrange,

1 *execute, instruct, manage, negotiate, and acknowledge any and all requisite and necessary*
2 *instruments to effectuate the investment objectives of the private placement agreement.”*

3 41. CAMERON GUY CAMPBELL came into Arizona to meet with Brixon Group Ltd.
4 investors and to solicit investment in the Capital Private Placement at Brixon’s 1616 Main St, Mesa,
5 Arizona office.

6 42. CAMERON GUY CAMPBELL met with Brixon Group Ltd. investors at his offices at 7825
7 Fay Ave., Suite 200, La Jolla, CA. 92037 or other locations in California to solicit investors or to
8 discuss reasons for the termination of interest payments to investors.

9 43. CAMERON GUY CAMPBELL, communicated with Capital Private Placement investors
10 concerning their investments individually and in groups through electronic mail.

11 44. At all relevant times, CAMERON GUY CAMPBELL maintained a trust account known as
12 the Campbell Attorney Client Trust Account, #9090-0138, at Northern Trust Bank in La Jolla, CA
13 exclusively for Brixon Group Ltd.

14 45. Funds from Capital Private Placement investors were deposited (wire transfer or check) into
15 the Campbell Attorney Client Trust Account at Northern Trust Bank.

16 46. Funds were disbursed from the Campbell Attorney Client Trust Account at Northern Trust
17 Bank by CAMERON GUY CAMPBELL at the direction of JOSEPH WAYNE MCCOOL or
18 DONALD JOHN MANNING.

19 47. Funds were transferred from Campbell Attorney Client Trust Account at Northern Trust
20 Bank to other United States and foreign bank accounts, to officers of Brixon Group Ltd., to
21 Cameron Guy Campbell, to investors, and to other non-investor companies and individuals for their
22 own use.

23 48. At all relevant times, CAMERON GUY CAMPBELL was paid attorney fees for his
24 services by Brixon Group Ltd.

1 49. In addition to attorney fees, CAMERON GUY CAMPBELL was paid a (%) percentage of
2 all funds of Capital Private Placement investors deposited in the Campbell Attorney Client Trust
3 Account at the Northern Trust Bank in La Jolla, CA.

4 50. CAMERON GUY CAMPBELL did not disclose to Capital Private Placement investors
5 JOSEPH WAYNE MCCOOL'S criminal history.

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7 **IV.**

8 **VIOLATION OF A.R.S. § 44-1841**

9 **(Offer or Sale of Unregistered Securities)**

10 51. From on or about January, 2000 to March, 2003, RESPONDENTS offered or sold securities
11 in the form of investment contracts within or from Arizona.

12 52. The securities referred to above were not registered pursuant to the provisions of Articles 6
13 or 7 of the Securities Act.

14 53. This conduct violates A.R.S. § 44-1841.

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16 **V.**

17 **VIOLATION OF A.R.S. § 44-1842**

18 **(Transactions by Unregistered Dealers or Salesmen)**

19 54. RESPONDENTS offered or sold securities within or from Arizona, while not registered as
20 dealers or salesmen pursuant to the provisions of Article 9 of the Securities Act.

21 55. This conduct violates A.R.S. § 44-1842.

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VI.

VIOLATION OF A.R.S. § 44-1991

(Fraud in Connection with the Offer or Sale of Securities)

1. In connection with the offer or sale of securities within or from Arizona, RESPONDENTS directly or indirectly: (i) employed a device, scheme or artifice to defraud; (ii) made untrue statements of material fact or omitted to state material facts which were necessary in order to make the statements made not misleading in light of the circumstances under which they were made; or (iii) engaged in transactions, practices or courses of business which operated or would operate as a fraud or deceit upon offerees and investors. RESPONDENTS' conduct includes, but is not limited to, the following:

a) Not investing investor funds in insurance portfolios as promised in the Capital Private Placement Agreement.

b) Using investor funds for the personal use of JOSEPH WAYNE MCCOOL, DONALD JOHN MANNING, CAMERON GUY CAMPBELL and others.

c) Using investor funds for business expenses and attorney fees without prior disclosure of the intent to do so in the Capital Private Placement Agreement.

d) Paying a percentage of investor funds deposited into the Campbell Attorney Client Trust Account to CAMERON GUY CAMPBELL without prior disclosure of the intent to do so in the Capital Private Placement Agreement.

e) Failing to disclose JOSEPH WAYNE MCCOOL'S federal conviction and incarceration from 1997 to 2000 to prospective investors.

f) Failing to disclose to prospective investors that JOSEPH WAYNE MCCOOL was on supervised probation from March, 2000, to April, 2003.

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1 g) Failing to insure the principle of each investor in the Capital Private
2 Placement Agreement or in Brixon Group partnership at Resource Trust Corporation as promised
3 and failing to provide each investor with an insurance policy.

4 2. This conduct violates A.R.S. § 44-1991.

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6 **VII.**

7 **REQUESTED RELIEF**

8 The Division requests that the Commission grant the following relief against
9 RESPONDENTS:

10 1. Order RESPONDENTS to permanently cease and desist from violating the Securities
11 Act, pursuant to A.R.S. §44-2032;

12 2. Order RESPONDENTS to take affirmative action to correct the conditions resulting
13 from their acts, practices or transactions, including a requirement to make restitution pursuant to
14 A.R.S. § 44-2032;

15 3. Order RESPONDENTS to pay the state of Arizona administrative penalties of up to
16 five thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;

17 4. Order that the marital communities of RESPONDENT HUSBANDS and
18 RESPONDENT WIVES be subject to any order of restitution, rescission, administrative penalties, or
19 other appropriate affirmative action pursuant to A.R.S. § 25-215; and

20 5. Order any other relief that the Commission deems appropriate.

21 **VIII.**

22 **HEARING OPPORTUNITY**

23 RESPONDENTS [including RESPONDENT WIVES] may request a hearing pursuant to
24 A.R.S. § 44-1972 and A.A.C. R14-4-306. **If any Respondent requests a hearing, the Respondent**
25 **must also answer this Notice.** A request for hearing must be in writing and received by the
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1 Commission within 10 business days after service of this Notice of Opportunity for Hearing. Each
2 RESPONDENT must deliver or mail the request to Docket Control, Arizona Corporation
3 Commission, 1200 W. Washington, Phoenix, Arizona 85007. A Docket Control cover sheet must
4 accompany the request. A cover sheet form and instructions may be obtained from Docket Control
5 by calling (602) 542-3477 or on the Commission's Internet web site at
6 www.cc.state.az.us/utility/forms/index.htm.

7 If a request for a hearing is timely made, the Commission shall schedule the hearing to begin
8 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the
9 parties, or ordered by the Commission. If a request for a hearing is not timely made, the Commission
10 may, without a hearing, enter an order against each RESPONDENT granting the relief requested by
11 the Division in this Notice of Opportunity for Hearing.

12 Persons with a disability may request a reasonable accommodation such as a sign language
13 interpreter, as well as request this document in an alternative format, by contacting Linda Hogan,
14 Executive Assistant to the Executive Secretary, voice phone number 602/542-3931, e-mail
15 lhogan@azcc.gov. Requests should be made as early as possible to allow time to arrange the
16 accommodation.

17 **IX.**

18 **ANSWER REQUIREMENT**

19 Pursuant to A.A.C. R14-4-305, if any RESPONDENT or RESPONDENT WIFE requests a
20 hearing, RESPONDENT or RESPONDENT WIFE must deliver or mail an Answer to this Notice
21 of Opportunity for Hearing to Docket Control, Arizona Corporation Commission, 1200 W.
22 Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of this
23 Notice of Opportunity for Hearing. A Docket Control cover sheet must accompany the Answer.
24 A cover sheet form and instructions may be obtained from Docket Control by calling (602) 542-
25 3477 or on the Commission's Internet web site at www.cc.state.az.us/utility/forms/index.htm.

