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Original

BEFORE THE ARIZONA CORPORATION COMMISSION

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CARL J. KUNASEK
Chairman
JIM IRVIN
Commissioner
WILLIAM A. MUNDELL
Commissioner

Arizona Corporation Commission

1999 SEP -9 P 1:55

AZ CORP COMMISSION
DOCUMENT CONTROL

SEP 9 1999

in the matter of

DOCKETED BY *[Signature]*

DOCKET NO. S-03312A-99-0000

Charles Shull
687 Pampas Place
Sierra Vista, Arizona 85635

REQUEST FOR A HEARING

John Ebdon
4814 Equestrian Avenue
Sierra Vista, Arizona 85635

Cochise Financial Corp.
687 Pampas Place
Sierra Vista, Arizona 85636

Respondents.

IN accordance with provisions of A.R.S.. Section 44-1972 and 44-3212 and A.A.C. R14-4-306, Responden, t Charles J. Shull requests a hearing on the allegations contained in the Complaint. As presently constituted, many of the allegations contained in the complaint are untrue, are not supported by evidence and are a violation of respondents constitutional guarantee of fairness and due process. Respondent Shull further requests that said hearing not be scheduled earlier than 60 to 90 days from date hereof, because Respondent Shull suffered a heart attack on August 28, 1999, in which the bottom part of his heard muscle died, and has a blocked artery that must be treated by some surgical procedure.

Dated this 8th day of September 1999.

Charles J. Shull
CHARLES J. SHULL, Respondent

BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK
Chairman
JIM IRVIN
Commissioner
WILLIAM A . MUNDELL
Commissioner

in the matter of)
)
Charles Shull)
687 Pampas Place)
Sierra Vista, Arizona 85635)
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John Ebdon)
4814 Equestrian Avenue)
Sierra Vista, Arizona 85635)
)
Cochise Financial Corp.)
687 Pampas Place)
Sierra Vista, Arizona 85636)
)
Respondents.)
-----)

DOCKET NO. S-03312A-99-0000

RESPONSE TO
NOTICE OF OPPORTUNITY FOR
HEARING REGARDING PROPOSED
ORDER FOR RELIEF

Respondent, Charles Shull in response to Notice of Opportunity for hearing regarding proposed order for relief in complaint, admits, denies and allege:

1. Denies that respondent, Charles J. Shull engaged in acts, practices and transactions which constitute violations of A. R. S. Section 44-1801 et Seq., the Securities Act of Arizona (the "Securities Act") Admit that cease and desist order is appropriate. Deny that Respondent, Charles J. Shull is subject to an Order of Restitution and other appropriate relief.

I.

JURISDICTION

1. Admit that the Commission has Jurisdiction.

II.

RESPONDENTS

- 2. Admit paragraph 2.
- 3. Admit that Shull was President Secretary and director of Cochise. Deny that Shull was Owner of Cochise.
- 4. Admit Paragraph 4.

5. Admit the allegations of paragraphs 5, 6 and 7.

6. Have no comment on paragraph 8.

III

FACTS

10. Deny that Respondent Shull represented that Dan Garcia, Ebdon's son-in-law, was awarded \$40 million dollars against the state of Arizona for a medical diagnosis judgment. Allege that such representations were made by Respondent Ebdon.

Deny that Respondent Shull asserted that funds were needed to pay Mr. Garcia's attorney to collect the judgment, to pay court costs, to pay a bonding company and for other miscellaneous costs and expenses. Allege the Respondent Ebdon made the foregoing representations.

Allege the Respondent , Shull believed that a judgment against the State of Arizona by Dan Garcia existed until July 2, 1999 when he was made aware that such judgment did not exist.

11. Deny the allegations of paragraph 11.

12. Admit the allegations of paragraph 12.

13. Admit that respondent Shull is not a registered securities dealer in the state of Arizona and that said promissory notes were not registered for sale in the state of Arizona. Allege that said securities were exempt or offered for sale upon available exemption from registration.

14. Deny that respondent Shull raised at least \$70,579 from at least two investors by selling securities in the form of promissory notes. Admit that Respondent Ebdon raised the foregoing amounts by selling securities in the form of promissory notes.

15. Admit the allegations of paragraph 15.

16. Not being familiar with the facts, Respondent Shull denies the allegations of paragraph 16.

17. Not being familiar with the facts, Respondent Shull denies the allegations of paragraph 17.

18. Not having knowledge of the facts , Respondent shull denies the allegations of paragraph 18.

20. Respondent Shull denies the allegations of paragraph 20.

21. Respondent Shull denies the allegations of paragraph 21.

22. Respondent Shull denies the allegations of paragraph 22.

24. Respondent Shull denies the allegations of paragraph 24 and paragraph 25.

27. Respondent Shull denies all of the allegations of paragraph 27. Although not aware of it at the time in question, Respondent, Shull now knows that Respondent Ebdon made false and fraudulent statements and had an intent to deceive and had no intent to pay the notes at the time he executed them.

Alleges that Respondent, Shull loaned Respondent Ebdon over \$27,000.00 during the same time period and that respondent Ebdon has failed to pay back even one penny to Respondent Shull. Respondent, Shull would not have loaned any money to Respondent Ebdon had he known at the time that Ebdon's representation were false and fraudulent. Respondent Shull would not be a Respondent had he known that the facts related herein were other than related by Ebdon.

28. Inasmuch as Respondent Shull did not engage in any fraudulent conduct, he accordingly denies the allegations of paragraph 28.

29. Respondent, Shull alleges the Respondent Cochise was not a party to anything involved herein and had nothing to do with any of it. That Cochise has improperly been named as a party, accordingly Cochise should not be liable for anything. Respondent Shull alleges that since Respondent Ebdon committed all of the fraud, executed all of the promissory notes, dealt directly with the investors, received all of the money that he alone should be responsible for his alleged conduct. Respondent, Shull alleges that he was defrauded by Respondent Ebdon's and accordingly should not be penalized by someone else's conduct and denies the same.

Respondent Shull is just as much a victim as the other parties in this matter.

Respondent Shull alleges that Cochise Financial Corporation should never have been a party to this action.

Respondent Shull further alleges that he has never been a party to fraudulent action in his lifetime,

That he has never been charged with any criminal conduct in almost 70 years, that he has held three commissions from the United States Armed Forces is retired from the military forces and has held a top secret security clearance from the United States Air Force. The biggest mistake I made was to trust a man called John Ebdon whom I had been doing real estate loans for ten years, but that I had been unaware that he had been engaged in this conduct for over ten years and not realize that he had been lying about everything. Respondent, Shull submits that he has already paid a heavy penalty in this case, having invested over \$27,000.00 without a return, suffered loss of income for several years, and almost lost his life through the stress in realizing that he and his friends and relatives had been duped by someone who he thought he could trust because of past associations.

VII

REQUESTED RELIEF

1. Respondent Shull has no objection to paragraph 1.
2. Respondent Shull object to making any restitution in view of the fact that he did not receive any money from any transaction did not commit any fraud, and is not the culpable party in this matter. There are reports that Respondent Ebdon collected up to 5 million dollars from investors within the past ten years. It is most likely that he has this money stashed someplace. It is appropriate that he make restitution.
3. Respondent Shull objects to the allegations of paragraph 3 in view of the fact that he did not commit any fraud, did not receive any of the proceeds of the fraud and is not the culpable party. Respondent Shull agrees that Respondent Ebdon should receive all of the foregoing penalties.

Respectfully Submitted

Dated this 8th day of September 1999.



Charles J. Shull, Respondent

**MONEY INVESTED IN
JOHN EBDON'S BOGUS CASE
BY CHARLES J. SHULL**

CHECK NUMBER OR NAME	AMOUNT	DATE
Deposit B of A/Lyda McCormick	1,100.00	10/12/96
Cashiers check/Susan Buchenholz	100.00	11/20/96
Received cash from Stuart Shull/Western Union	1,000.00	6/16/96
Received cash from Roy Scott/Western Union	2,000.00	6/16/96
Received cash from Stuart Shull/Western Union	2,000.00	11/28/96
Susan Buchenholz	900.00	1/15/97
Lyda McCormick/Meridan Conservancy	3,400.00	1/31/97
605/Richard Byrd	1,000.00	2/1/97
611/612 Mike Rutherford	2,000.00	2/28/97
614/John Green	500.00	3/1/97
Loan from Mary Happ	2,500.00	3/5/97
Paid cash to Bill Walker/Walker gave Ebdon Check	2,000.00	4/8/97
Gave cash to John Ebdon/From Kathleen loan	1,000.00	8/4/97
Executed note to John Maynard/Gave Ebdon \$1,000	5,000.00	6/16/97
Gave cash to John Ebdon/Note to Kathleen Shull	1,000.00	7/13/98
Received cash from Stuart Shull/Western Union	500.00	5/4/99
Gave check to Ebdon for	<u>1,000.00</u>	5/4/99
TOTAL	27,000.00	

DOCKET NO

5-003A2A-99-0000

8-30-99

I heard a rumor that you believed that I was a part of Ebdon's Scam. Nothing could be further from the truth.

I first heard of the so called case with Danny Garcia after Dan Kattke made a \$10,000.00 Mortgage on Adele Lusko's house. There was a \$40,000 first mortgage. I told Kattke not to make any other loans unless he got good security.

The next time I say Kattke was after he had gave Ebdon \$200,000 of his money and had his South Dakota friends loan Ebdon an additional \$200,000.00. He and Ebdon came to my house and Dan asked me to help find some additional money because according to Ebdon the case was just about over and should be finished in about 30 days. You know how that went because the case never got over because Ebdon was always trying to get some more money.

It didn't sink in that there was no case until the police raided Ebdon's and five other houses and the police convinced Dan Kattke that there was no case.

Ebdon fooled me like he did about 200 other people. I had no idea that he had been doing this for over ten years. What threw me off is that I had made a number of real estate loans for Ebdon on his office Buildings \$200,000.00 and I was aware that he had borrowed an additional \$300,000.00 on the ten stores where Baskin Robbins is located. I had been drinking coffee with him for about ten years and I couldn't comprehend that someone that I thought I knew could be doing this.

He didn't leave me unscathed. I loaned him over forty thousand dollars of my own money and probably lost about \$200,000.00 from my mortgage business because of his bogus claims. My son who just retired from the Air Force and his friend loaned Ebdon \$5,500.00.

I probably will have to go to court to testify about John and Carol and Adele Lusko. It is probable that they will get long prison terms for getting money by false pretenses (fraud), Fraudulent income tax evasion and other charges. The list of criminal counts would probably fill a book. I have talked with the IRS investigators and will be helping them in their case against those criminal people. Ebdon is a person who just does not care what happens to people as long as he can get their money. He is a person with a criminal mind who just happens to be **a criminal in disguise.**

I just wanted you to know that I am a victim like everyone else and never realized what was really going on until after the police raids.

Not only did he steal my money but he also stole four years of my life by his continuous lies and put me in financial jeopardy.

Ebdon has a lot of money stashed away someplace, it is just a question of finding it.

Thanks for listening.

Sincerely


Charles J. Shull

Dear Dan,

In 1996 You made a \$10,000.00 real estate loan secured by a second mortgage on a house owned by Adele and Emil Lusko. Your money was safe because the first mortgage was only about \$45,000 and the house was worth at least \$125,000.

After you made the loan, I warned you to not loan any more money unless it was well secured by enough collateral. I didn't hear from you for some time but I later learned that Ebdon had told you about a Court Judgment that he was working on in that you had invested about \$200,000.00 and that you had obtained an additional \$200,000 from your friends in South Dakota. He convinced you by among other things by showing you a letter purportedly signed by one Danny Garcia agreeing to pay Ebdon the sum of \$2,000,000.00 when the case was finished. All that needed to be done was to establish Garcia's competency. This took a considerable amount of money and that more was needed to complete the case, which should be done shortly.

Ebdon claimed that he had personally invested \$3,000,000 in the case. In 1991, John Ebdon had one million dollars of real estate, two office buildings on Lenzner and Fry Blvd. and 10 stores next to them. He borrowed \$200,000.00 on the office buildings and \$300,000.00 on the ten stores, and subsequently lost all of the real estate through non payment of interest due. I don't know what he did with the money as Ebdon was not one to confide in you or tell you anything except what he wanted you to hear. I did see Ebdon in a 4 wheel drive talking with another man behind his office building. They appeared to be looking at paperwork at the time. I later asked Ebdon who was the person in the vehicle with him. He responded that it was his son, John, Junior who purportedly was a building contractor like John Ebdon was at an earlier time.

It appears that Ebdon got your confidence because of his past building experience and the fact that you were involved in construction. It didn't hurt that he had offered you approximately \$3,000,000.00 for you to assist him in the case. In any event you were completely sold on the fact that there was a case. The fact that he had all of your and your friends money, probably motivated you to help Ebdon raise money. You wanted to get the money that you had been promised. If you had realized that Ebdon did not intend to pay you a penny, you would not have been so motivated.

Subsequently you and Ebdon showed up at my house seeking more money to complete the case. You told me about the case, but there was no way to check on the case because of the so called gag order. I was skeptical about the case, but the fact is that at least half a million dollars had been spent on something. It was hard to believe that someone would spend this much money unless there was good reason to do so. Unfortunately no one really knows where this money went except Ebdon and perhaps his family.

I also had to use my own money in the case to pay the alleged court costs and other fees and keep the case going because there were no investors available. If Ebdon knew that you had any money, he was determined to get all of it. He was like bee seeking honey. He buzzed around the flowers until he got it all.

On one occasion, Ebdon borrowed \$9,000.00 from a Lyda McCormick in which you signed a check. Ebdon did not pay a penny of the money back. Later you and I paid Ms. McCormick a total of \$14,000.00 to keep you from getting into trouble on the check. As far as I know Ebdon was not concerned and did not pay anyone back any money unless it was a real estate loan. And it now appears that he may have been doing this for about ten years.

Ebdon continually needed more money to fight the case. Some monies were deposited in my checking account and made available to Ebdon because he explained that he had a deadline of 4 P M on the day in question to pay court costs and other charges. There was always a rush and urgency in the matter. This was probably a ruse to motivate the investors to hurry up and pay the money. Isn't it amazing that no money is needed to pay court or other costs in the month since the police raid on Ebdon's home.

On one occasion I went by Danny Garcia's residence to check on the case. Kevin Fox answered the door and explained that Danny Garcia was sleeping. Ebdon raised holy hell with me the next morning because I had jeopardized a loan that he was getting from Fox.

Numerous demands were made on Ebdon to come up with proof of the case and the Judgment. He always responded that he would go to jail if he divulged information about the case.

Some time ago I informed Ebdon that no one wanted to invest in the case without some proof of the matter. I also informed him that if the people in the case were not paid, that he and his daughter Carol would be going to prison for a long time. The only response I got was an incredulous stare.

Last night my son called to check the progress of the case. I had to tell him that the Sierra Vista police had raided Ebdon's house and that they had determined that there was no case. He responded "You mean that you were fooled". I said everyone involved in this case was fooled. Otherwise they would not have invested a penny in the Garcia case.

I have to say one thing about John Ebdon. He could reportedly get an Academy Award for his lying and acting.

Unfortunately the best word to describe a person that uses deception to obtain money is **CRIMINAL**.

Someone furnished me with the name of an attorney named Peter J. Eckerstrom in Tucson. A friend of mine called him and was informed that he was representing the Ebdon family, that the Ebdons were penniless, that they had given all of the money to Danny Gracia, that they had never talked to the lawyer on the case, and that Danny Garcia's friend Kevin Shawn Fox may have part of the money invested in Real Estate, and that they may be able to recover part of the money and pay it back to the investors.

I called a title company in Sierra Vista and was informed that there was only one property in the name of Kevin Fox. That property is located on South Canyon Drive. It looks like Ebdon is spreading false information again. This is something that he is a master of.

Ebdon tells his lawyer that he does not know anything about the case. This certainly is at odds with the constant briefings by him and Carol to investors about the progress of the case.

If Danny Garcia did not have a Judgment and it now appears to be the fact, the case only existed in John and Carol Ebdon's mind, Ebdon has collected a considerable amount of money under false pretenses. This being the case he is faced with a massive criminal income tax fraud case, in addition to obtaining money by false pretenses.

In any event a large sum of money is probably stashed some place, and the only people who know it's whereabouts is probably John and Carol Ebdon. If this money is recouped it should be returned to the people who put up money based on John Ebdon's representations. If the Ebdon's don't want to return this ill gotten gain, perhaps they should get free room and board for a hundred years or until the money is returned.

Dan it looks like Ebdon caused you and your friends to part with almost all of your money. He wasn't satisfied with that. He enlisted our help in raising money for his greed. He made complete fools of both of us and put us in near bankruptcy. I should never have believed this guy, but when you have been doing real estate loans for him for about ten years and sharing a cup of coffee with him on many mornings, you let your guard down. It is hard to believe that someone who you think you know would lie to this extent.

It appears that John Ebdon has a lot of experience of causing people to part with their money. I heard of two insurance brokers who parted with \$10,000.00 apiece, a friend of Carol Ebdon who reportedly parted with at least \$100,000.00 and others two numerous to mention that Ebdon got to before he induced you to part with your money. This guy should not be walking the streets anymore. He is too dangerous.

This person is completely without conscience and does not care what damage he does to people or ruins peoples lives as long as he gets the money. His wife remarked to me one time "that anything worthwhile takes a long time".

Dated this 26th day of July 1999

Charles J. Hull

Continuation/Ltr Dan
Reflections

1. All money that passed through our bank account to expedite money allegedly needed to pay costs of case were paid to John Ebdon. I. e. Check was made out to John or Carol Ebdon or cashed by Dan Kattke or Charles Shull, because Ebdon was not around, and money was given to John or Carol Ebdon. No money was kept or used by Dan Kattke or Charles Shull.
2. The so called case was supposed to be completed in 30 days from the time that you put money in the case. This 30 days kept getting extended because of alleged complications that arose in the case because of his attorney , Woods or someone else.
3. Once you put money in the case, you had to continue putting money in the case, because if the case was not completed, you could not get paid.
4. The agenda of the case was controlled by John Ebdon. He would continually invent new complications in the case and reasons why he needed more money to fight the case.
5. No one was ever paid any money out of the alleged case. John and Carol Ebdon and Danny Garcia were the only people benefiting from the case in a financial way.
6. A lot of money went somewhere. You can bet that John Ebdon knows where it is. \$500,000 from his office buildings. \$400,000 from his house and all the rest of the money that he collected over the years. If there is no case (and that appears to be so at this time) , they have a lot of money stashed some place.
7. Danny Garcia may be the runner!!! If so He may have got the money and delivered it to another runner or the ultimate recipient, designated by John. He received money from Ebdon to buy his cars and he didn't make money trading cars.
8. John claims that he used to run the numbers for the Mafia in Detroit, when he was a kid. Perhaps he still has Mafia connections!! Perhaps they have the money, working it for John.
10. In any event a lot of money was collected by Ebdon in the last ten years, and it appears that he never had any intentions of paying any back to anyone. The only money that I am aware of that was ever paid back was secured by Real Estate.
11. John Ebdon was calling the shots and telling the story and changing it when it suited his convenience and was supported by Carol. They should be made to retrieve the money and pay back the people that they bilked. If they do not do so they should get free room and board in a small dark room for a long time.
12. This guy screwed everyone. All that he ever gave anyone appears to be worthless pieces of paper. He has no compassion, is heartless and does not care how he destroys peoples lives, just so he gets the money. It appears that his whole family knows about and is involved in this matter. You can call it a family affair. It appears that you cannot believe anything that this man says. Everything that he says is suspect. He is always lying and acting to make you believe what he says is true. He has fooled a lot of people and is probably laughing about it.

Dated this 26th day of July 1999

Charles Shull

COVER SHEET

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL CENTER

48

CASE/COMPANY NAME:

DOCKET NO. S-03812A-99-0000

CHARLES HULL

D/B/A or RESPONDENT:

Charles SHULL

NATURE OF ACTION OR DESCRIPTION OF DOCUMENT

Please mark the item that describes the nature of the case/filing:

01 UTILITIES - NEW APPLICATIONS

- NEW CC&N
- RATES
- INTERIM RATES
- CANCELLATION OF CC&N
- DELETION OF CC&N (TERRITORY)
- EXTENSION OF CC&N (TERRITORY)
- TARIFF - NEW (NEXT OPEN MEETING)
- REQUEST FOR ARBITRATION
(Telecommunication Act)
- FULLY OR PARTIALLY ARBITRATED
- INTERCONNECTION AGREEMENT
(Telecom. Act.)
- VOLUNTARY INTERCONNECTION
AGREEMENT (Telecom. Act)

- MAIN EXTENSION
- CONTRACT/AGREEMENTS
- COMPLAINT (Formal)
- RULE VARIANCE/WAIVER REQUEST
- SITING COMMITTEE CASE
- SMALL WATER COMPANY - SURCHARGE (Senate Bill 1252)
- SALE OF ASSETS & TRANSFER OF OWNERSHIP
- SALE OF ASSETS & CANCELLATION OF CC&N
- FUEL ADJUSTER/PGA
- MERGER
- FINANCING
- MISCELLANEOUS
Specify

AZ CORPORATION COMMISSION
DOCKET CONTROL CENTER

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02 UTILITIES - REVISIONS/AMENDMENTS TO
PENDING OR APPROVED MATTERS

- APPLICATION
- COMPANY
- DOCKET NO.

- TARIFF
- PROMOTIONAL
- DECISION NO.
- DOCKET NO.
- COMPLIANCE
- DECISION NO.
- DOCKET NO.

SECURITIES or MISCELLANEOUS FILINGS

- 04 AFFIDAVIT
- 12 EXCEPTIONS
- 18 REQUEST FOR INTERVENTION
- 48 REQUEST FOR HEARING
- 24 OPPOSITION
- 50 COMPLIANCE ITEM FOR APPROVAL
- 32 TESTIMONY
- 47 COMMENTS

- 29 STIPULATION
- 38 NOTICE OF INTENT
(Only notification of future action/no action necessary)
- 43 PETITION
- 46 NOTICE OF LIMITED APPEARANCE
- 39 OTHER
Specify

9-8-99

Date

CHARLES SHULL

Print Name of Applicant/Company/Contact person/Respondent/Atty.

702 299 5043

Phone

PLEASE SEE NOTICE ON REVERSE SIDE