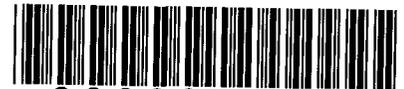


COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

BRIAN C. McNEIL
EXECUTIVE DIRECTOR

5/25/06
ORIGINAL



0000053127

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Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

615

ARIZONA CORPORATION COMMISSION

MEMORANDUM

TO: Jeff Hatch-Miller, Chairman
William A. Mundell
Marc Spitzer
Mike Gleason
Kristin K. Mayes

FROM: Matthew J. Neubert *mjn*
Director of Securities

DATE: May 12, 2006

RE: Settlement with Robert Rehm a Defendant in the American National Mortgage Partners, L.L.C. matter, CV2003-005724

CC: Brian C. McNeil, Executive Director

RECEIVED
2006 MAY 12 P 3:30
AZ CORP COMMISSION
DOCUMENT CONTROL

S-03491A-020000

The Commission filed a civil matter against American National Mortgage Partners, L.L.C. et al. ("ANMP") including Robert Rehm on March 25, 2003 in Maricopa County Superior Court. The Commission sought and obtained a Receiver to take control of the companies and assets.

Robert Rehm was a member of various entities within ANMP and its predecessor company, Creative Financial Funding, L.L.C. (Docket No. S-03469A-01-0000). Rehm was also named in the ANMP Temporary Cease and Desist Order filed on September 5, 2002.

Rehm has agreed to the proposed settlement with the Commission attached to this memorandum. Rehm agrees to a permanent injunction from violating the Arizona Securities Act. He also has agreed to waive all rights to the return of his investments and other claims he may have in the bankruptcies filed in the ANMP matter. Rehm will pay a civil penalty of \$10,000 reduced to \$5,000 upon production of documentation to the satisfaction of the Commission showing that Rehm has completely released all his claims to restitution or other relief in the cases of *In re American National Mortgage Partners, LLC*, United States Bankruptcy Court Cause no. 2-03-03803-PHX-SSC and *In re ANMP 74th Street, LLC* United States Bankruptcy Court Cause no. 2-03-3799-PHX-GBN.

This settlement would resolve the matter between the Commission and Defendant Robert Rehm, including the stayed administrative matter filed on September 5, 2002, Docket No. S-03491A-02-0000.

(Originator: Wendy Coy)

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 JEFF HATCH-MILLER, Chairman
4 WILLIAM A. MUNDELL
5 MARC SPITZER
6 MIKE GLEASON
7 KRISTIN K. MAYES

8 In the matter of:

9 ROBERT K. REHM
10 6870 E. Horned Owl Trail
11 Cave Creek, AZ 85331

12 Respondents.

) Docket No. S-03491A-02-0000

) **SETTLEMENT AGREEMENT AND**
) **ORDER RE: SAME BY: ROBERT K.**
) **REHM**

13 **I. SETTLEMENT AGREEMENT.**

14 1. Plaintiff, the Arizona Corporation Commission (“Commission”), and Defendant
15 Robert K. Rehm (“Rehm”), parties in the case of *Arizona Corporation Commission v. American*
16 *National Mortgage Partners L.L.C. et al.*, Maricopa County Superior Court No. CV2003-005724
17 (the “lawsuit”), desire to resolve the portion of the lawsuit involving them and thus enter into this
18 Settlement Agreement (“Agreement”).

19 2. In settlement of the lawsuit, Rehm elects to permanently waive their right to a trial
20 of the lawsuit. Rehm admits the jurisdiction of the Superior Court over the subject matter of this
21 lawsuit.

22 3. Rehm consents to the entry of the Proposed Judgment attached as Exhibit B to this
23 Agreement.

24 4. Rehm neither admits nor denies the factual and legal allegations asserted by the
25 Commission. Rehm acknowledges that this Agreement and the Judgment are based on the
26 allegations by the Commission that Robert K. Rehm violated A.R.S. §§ 44-1991(3) and 44-2032
by directly or indirectly, engaging in any transaction, practice or course of business which operates or
would operate as a fraud or deceit.

1 5. Rehm, pursuant to A.R.S. § 44-2032, agrees that he shall permanently be enjoined
2 from violating the Securities Act.

3 6. Pursuant to A.R.S. § 44-2037, Rehm agrees to pay a civil penalty of \$10,000. The
4 civil penalty will be reduced to \$5,000 upon production of documentation to the satisfaction of the
5 Commission showing that Rehm has completely released all his claims to restitution or other relief
6 in the cases of *In re American National Mortgage Partners, LLC*, United States Bankruptcy Court
7 Cause no. 2-03-03803-PHX-SSC and *In re ANMP 74th Street, LLC* United States Bankruptcy
8 Court Cause no. 2-03-3799-PHX-GBN.

9 7. Rehm acknowledges that he has been fully advised of his right to a trial to present
10 evidence and call witnesses and Rehm knowingly and voluntarily waive any and all rights to a trial
11 of this matter.

12 8. Rehm knowingly and voluntarily waives any right he may have under to judicial
13 review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of
14 Exhibit B, the proposed judgment.

15 9. Rehm acknowledges and agrees that this Agreement is entered into freely and
16 voluntarily and that no promise was made or coercion used to induce such entry.

17 10. Rehm acknowledges that he has been represented by counsel in this matter, he has
18 reviewed this Agreement with his attorney and understand all terms it contains.

19 11. By consenting to the entry of the Judgment, Rehm agrees to refrain from taking any
20 action or to making, or permitting to be made, any public statement denying, directly or indirectly,
21 or calculated to create the impression that the legal conclusions contained in Paragraph 4 of the
22 Agreement are without merit.

23 12. While this Order settles the lawsuit between Rehm and the Commission, Rehm
24 understand that this Order does not preclude the Commission from instituting other administrative
25 or civil proceedings based on violations that are not addressed by the lawsuit.

26

1 13. Rehm understands that this Agreement does not preclude the Commission from
2 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
3 that may be related to the matters addressed by the lawsuit.

4 14. Rehm understands that this Agreement does not preclude any other agency or
5 officer of any governmental agency or its subdivisions from instituting administrative, civil or
6 criminal proceedings that may be related to matters addressed by this Agreement or the lawsuit.

7 15. Rehm agrees that he will not exercise any control over any entity that offers or sells
8 securities or provides investment advisory services, within or from Arizona.

9 16. Rehm understands that default shall render him liable to the Commission for its
10 costs of collection and interest at the legal rate determined by law.

11 17. Rehm agrees that he will continue to cooperate with the Securities Division
12 including, but not limited to, providing truthful, complete and accurate testimony at any hearing or
13 trial in this matter and cooperating with any governmental agency in any related investigation or
14 any other matters arising from the activities described in the lawsuit.

15 18. Rehm agrees not to challenge the imposition or continuation of the Receivership.

16 19. Each party shall bear its own attorneys' fees and costs.

17 20. Rehm acknowledges that this Agreement is not binding until approved by the
18 Commission at a noticed Open Meeting.

19 21. The Commission and Rehm agree that upon approval of this Agreement, their
20 counsel shall as soon as practicable execute and cause to be filed the attached Stipulation to Entry
21 of Judgment (Exhibit A to this Agreement) and Judgment (Exhibit B to this Agreement).

22 ...

23 ...

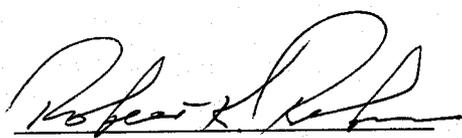
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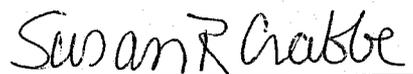
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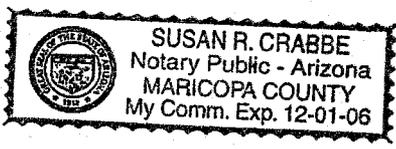
22. This Agreement resolves the lawsuit brought by the Commission against Rehm. It does not resolve the portion of the lawsuit pertaining to any other named Defendant.


Robert K. Rehm

SUBSCRIBED AND SWORN TO BEFORE me this 12 day of May, 2006.


NOTARY PUBLIC

My Commission Expires:



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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2006.

BRIAN C. McNEIL
Executive Director

DISSENT

This document is available in alternative formats by contacting Linda Hogan, Executive Assistant to the Executive Director, voice phone number 602-542-3931, E-mail lhogan@azcc.gov.

(wc)

Exhibit A

ARIZONA CORPORATION COMMISSION

Wendy Coy, #013195
1300 West Washington, 3rd Floor
Phoenix, Arizona 85007
Attorney for Plaintiff
Telephone: (602) 542-0633
Fax: (602) 594-7418

STATE OF ARIZONA

MARICOPA COUNTY SUPERIOR COURT

ARIZONA CORPORATION COMMISSION)	No. CV2003 005724
)	
Plaintiff)	STIPULATION FOR ENTRY OF
)	JUDGMENT
v.)	
)	RE: ROBERT K. REHM
AMERICAN NATIONAL MORTGAGE)	
PARTNERS, L.L.C., et al.)	(Assigned to the Honorable Timothy J. Ryan)
)	
Defendants.)	

Plaintiff, the Arizona Corporation Commission and Defendant Robert K. Rehm, hereby stipulate to entry of the attached Judgment.

Dated this _____ day of May, 2006.

ARIZONA CORPORATION COMMISSION

By _____
Wendy Coy
Attorney for the Arizona Corporation
Commission

Dated this _____ day of May, 2006.

JAMES KNELLER

By _____
James Kneller, Esq.
Attorney for Robert K. Rehm

1 Copies of the foregoing hand delivered
this ____ of _____, 2006

2
3 Maricopa County Superior Court
4 Honorable Timothy J. Ryan
5 201 W. Jefferson ECB-614
6 Phoenix, Arizona 85003-2205

7 Copies of the foregoing mailed
8 this ____ of _____, 2006:

9 James P. Kneller, Esq.
7509 E. First St.
10 Scottsdale, Arizona 85251
11 Attorney for Defendants Rehm and Rutledge

Mark Chester, Esq.
Chester & Shein, P.C.
8777 North Gainey Center Drive, Suite 191
Scottsdale, Arizona 85258
Attorney for Defendant Kesler

12 Larry Wilk, Esq.
13 Jaburg & Wilk
14 3200 N. Central Ave. Suite 2000
15 Phoenix, Arizona 85012-2440
16 Attorney for Receiver

Donald M. Peters, Esq.
Miller LaSota & Peters PLC
722 E. Osborn, Suite 100
Phoenix, Arizona 85014
Attorney for Defendant Paul and Carol Meka

17 Michael J. LaVelle
18 Matthew K. LaVelle
19 LaVelle & LaVelle, PLC
20 2525 East Camelback Road, Suite 888
21 Phoenix, AZ 85016
22 Attorney for Defendants Sheila Dunning and
23 Debus, Kazan & Westerhausen

Dustin T. Dudley, Esq.
Israel & Gerity, PLLC
3300 N. Central Avenue Suite 2000
Phoenix, AZ 85012

24 Michael Salcido, Esq.
25 Renaud, Cook & Drury, P.A.
26 40 N. Central, Suite 1600
Phoenix, Arizona 85004
Attorneys for Frank and Gail Caspare

Phil and Tricia Vigarino
41916 N 45TH GLN
Phoenix, AZ 85086-1455

Larry and Sheila Dunning
2914 S. Ocean Blvd.
Highland Beach, FL 33487

Eric Strasser
2851 Bedford Lane #176
Chino Hills, CA 91709

Exhibit B

1 **ARIZONA CORPORATION COMMISSION**
2 Wendy Coy, #013195
3 1300 West Washington, 3rd Floor
4 Phoenix, Arizona 85007
5 Attorney for Plaintiff
6 Telephone: (602) 542-0633
7 Fax: (602) 594-7418

8 **STATE OF ARIZONA**
9 **MARICOPA COUNTY SUPERIOR COURT**

10 ARIZONA CORPORATION COMMISSION) No. CV2003 005724
11 Plaintiff)
12 v.) **JUDGMENT**
13 AMERICAN NATIONAL MORTGAGE) **RE: ROBERT K. REHM**
14 PARTNERS, L.L.C., et al.) (Assigned to the Honorable Timothy J. Ryan)
15 Defendants.)

16 Upon stipulation of Plaintiff, the Arizona Corporation Commission (“Commission”) and
17 Defendant Robert K. Rehm and good cause appearing:

18 IT IS HEREBY ORDERED pursuant to A.R.S. § 44-2032 Robert K. Rehm shall be
19 permanently enjoined from violations of the Arizona Securities Act, A.R.S. § 44-1801 *et seq.*

20 IT IS FURTHER ORDERED that pursuant to A.R.S. § 44-2037, Rehm agrees to pay a
21 civil penalty of \$10,000. The civil penalty will be reduced to \$5,000 upon production of
22 documentation to the satisfaction of the Commission showing that Rehm has completely released
23 all his claims to restitution or other relief in the cases of *In re American National Mortgage*
24 *Partners, LLC*, United States Bankruptcy Court Cause no. 2-03-03803-PHX-SSC and *In re*
25 *ANMP 74th Street, LLC* United States Bankruptcy Court Cause no. 2-03-3799-PHX-GBN.

26 IT IS FURTHER ORDERED that the Commission and Rehm shall bear his own
attorneys’ fees and costs.

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IT IS FURTHER ORDRED that interest shall accrue on all monies due and owing at the legal rate of ten percent per annum from date of entry of this Judgment until fully paid.

IT IS FURTHER ORDERED that there is no just reason for delay and this judgment shall be entered immediately.

ORDERED this ____ day of May, 2006.

Honorable Timothy J. Ryan
Judge of the Superior Court