

ORIGINAL NEW APPLICATION



0000061364

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

2006 OCT -3 P 4: 44

DOCKETED

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
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BARRY WONG

AZ CORP COMMISSION
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OCT 03 2006

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NW

In the matter of:

Docket No. S- S-20482A-06-0631

EDWARD A. PURVIS and MAUREEN H. PURVIS, husband and wife
2131 W. Shannon
Chandler, Arizona 85224

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

GREGG L. WOLFE and ALLISON A. WOLFE, husband and wife
2092 W. Dublin Lane
Chandler, Arizona 85224

NAKAMI CHI GROUP MINISTRIES INTERNATIONAL, (a/k/a NCGMI), a Nevada corporation sole
4400 N. Scottsdale Road, Suite 9-231
Scottsdale, Arizona 85251

JAMES W. KEATON, Jr. and JENNIFER KEATON, husband and wife
11398 E. Whitehorn Drive, Apt. D
Scottsdale, Arizona 85255

ACI HOLDINGS, INC., a Nevada corporation
17650 N. 25th Avenue
Phoenix, Arizona 85023

Respondents.

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 RESPONDENTS Edward A. Purvis and Maureen H. Purvis, husband

1 and wife, Gregg L. Wolfe and Allison A. Wolfe, husband and wife, James W. Keaton, Jr. and
2 Jennifer Keaton, husband and wife, ACI HOLDINGS, INC., a Nevada corporation, and NAKAMI
3 CHI GROUP MINISTRIES INTERNATIONAL (a/k/a/ NCGMI), a Nevada corporation sole, have
4 engaged in acts, practices and transactions, which constitute violations of the Securities Act of
5 Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act").

6 **I.**

7 **JURISDICTION**

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

10 **II.**

11 **RESPONDENTS**

12 2. Edward A. Purvis ("PURVIS") is a married person whose last known residence is
13 2131 W. Shannon, Chandler, Arizona 85224.

14 3. Maureen H. Purvis ("M. PURVIS") was at all relevant times the spouse of PURVIS.
15 M. PURVIS is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining
16 the liability of the marital community.

17 4. At all relevant times, PURVIS and M. PURVIS were acting for their own benefit
18 and for the benefit or in furtherance of the marital community.

19 5. Gregg L. Wolfe ("WOLFE") is a married person whose last known residence is
20 2092 W. Dublin Lane, Chandler, Arizona 85224.

21 6. Allison A. Wolfe ("A.WOLFE") was at all relevant times the spouse of WOLFE. A.
22 WOLFE is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the
23 liability of the marital community.

24 7. At all relevant times, WOLFE and A. WOLFE were acting for their own benefit and
25 for the benefit or in furtherance of the marital community.

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1 8. James W. Keaton, Jr. ("KEATON") is a married person whose last known residence
2 is 11398 E. Whitehorn Drive, Apartment D, Scottsdale, Arizona 85225.

3 9. Jennifer Keaton ("J. KEATON") was at all relevant times the spouse of KEATON. J.
4 KEATON is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the
5 liability of the marital community.

6 10. At all relevant times, KEATON and J. KEATON were acting for their own benefit
7 and for the benefit or in furtherance of the marital community.

8 11. At all relevant times, PURVIS and WOLFE have transacted business under the name
9 Nakami Chi Group Ministries International ("NCGMI") which is a corporation sole registered with
10 the Nevada Secretary of State and whose last known address is 4400 N. Scottsdale Road, Suite 9-
11 231, Scottsdale, Arizona 85251. Pursuant to a records search, NCGMI is not registered with the
12 Arizona Corporation Commission, Corporations Division to conduct business within or from
13 Arizona.

14 12. Pursuant to a records search of the Nevada Secretary of State, WOLFE is the
15 "subscriber" for NCGMI. Upon information and belief, a subscriber is similar to an officer of a
16 corporation.

17 13. ACI Holdings, Inc. ("ACI HOLDINGS") is a corporation which was registered with
18 the Nevada Secretary of State on August 21, 2003 and whose last known address is 17650 N. 25th
19 Avenue, Phoenix, Arizona 85023. Pursuant to a records search, ACI HOLDINGS is not registered
20 with the Arizona Corporation Commission, Corporations Division to conduct business within or
21 from Arizona.

22 14. Pursuant to a search of the Nevada Secretary of State records, KEATON is the
23 President, Treasurer and Director of ACI HOLDINGS. PURVIS served as a Director of ACI
24 HOLDINGS until 2005.

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1 investment into the IRA account. PURVIS and WOLFE instructed investors to list PURVIS as the
2 designated representative for the account which gave PURVIS the authority to invest the funds in
3 the account on behalf of the investor.

4 41. In at least one instance, PURVIS and KEATON told an investor that their
5 investment in ACI HOLDINGS was to be secured by a then defunct entity.

6 **IV.**

7 **VIOLATION OF A.R.S. § 44-1841**

8 **(Offer and Sale of Unregistered Securities)**

9 42. From in or about January 2002, PURVIS and WOLFE offered or sold securities in
10 the form of investment contracts and company stock, within or from Arizona.

11 43. From in or about August 2003, ACI HOLDINGS offered or sold securities in the
12 form of company stock, within or from Arizona.

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

15 45. This conduct violates A.R.S. § 44-1841.

16 **V.**

17 **VIOLATION OF A.R.S. § 44-1842**

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

19 46. From in or about January 2002, WOLFE and PURVIS offered or sold securities
20 within or from Arizona, while not registered as dealers or salesmen pursuant to the provisions of
21 Article 9 of the Securities Act.

22 47. From in or about August 2003, ACI HOLDINGS offered or sold securities within or
23 from Arizona, while not registered a dealer pursuant to the provisions of Article 9 of the Securities
24 Act.

25 48. 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)

49. 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) PURVIS represented to offerees and investors that he owned ACI HOLDINGS when, in fact, PURVIS served as a director for the company for only a limited time;
- b) PURVIS and WOLFE represented to offerees and investors that ACI HOLDINGS would become a publicly traded company when, in fact, steps had not been taken for the company's stock to be publicly traded;
- c) PURVIS and WOLFE represented to offerees and investors that stock in ACI HOLDINGS would increase four or five times its original purchase price; however, upon information and belief, the value of the stock has actually decreased;
- d) PURVIS and KEATON represented to an offeree and investor that their investment was secured and guaranteed by an entity which, at the time of the representation was dissolved and had no assets;
- e) PURVIS and WOLFE represented to investors that they would receive investment returns from the personal assets of PURVIS and WOLFE when, in fact, investors are repaid from sources other than the personal assets of PURVIS and WOLFE.

50. This conduct violates A.R.S. § 44-1991.

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VII.

REQUESTED RELIEF

The Division will request that the Commission grant the following relief against

RESPONDENTS:

1. Order RESPONDENTS to permanently cease and desist from violating the Securities Act, pursuant to A.R.S. § 44-2032;
2. Order RESPONDENTS to take affirmative action to correct the conditions resulting from their acts, practices or transactions, including a requirement to make restitution pursuant to A.R.S. § 44-2032;
3. Order RESPONDENTS to pay the state of Arizona administrative penalties of up to five thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;
4. Order that the marital communities of PURVIS and M. PURVIS, WOLFE and A. WOLFE, and KEATON and J. KEATON be subject to any order of restitution, rescission, administrative penalties, or other appropriate affirmative action pursuant to A.R.S. § 25-215; and
5. Order any other relief that the Commission deems appropriate.

VIII.

HEARING OPPORTUNITY

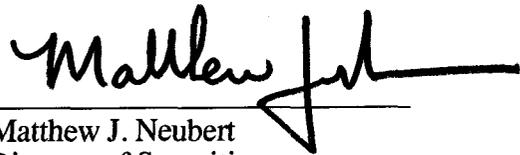
RESPONDENTS, including RESPONDENT SPOUSES, may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. Rule 14-4-306. If any RESPONDENT or RESPONDENT SPOUSE requests a hearing, the respondent must also answer this Notice. A request for hearing must be in writing and received by the Commission within 10 business days after service of this Notice of Opportunity for Hearing. Each RESPONDENT must deliver or mail the request for hearing to Docket Control, Arizona Corporation Commission, 1200 West Washington, Phoenix, Arizona 85007. A Docket Control cover sheet must also be filed with the request for hearing. A cover sheet form and instructions may be obtained from Docket Control at (602) 542-3477 or on the Commission's Internet web site at www.cc.state.az.us/utility/forms/index.htm.

1 attorney. A statement of a lack of sufficient knowledge or information shall be considered a denial
2 of an allegation. An allegation not denied shall be considered admitted.

3 When a RESPONDENT or RESPONDENT SPOUSE intends in good faith to deny only a
4 part or a qualification of an allegation, the RESPONDENT or RESPONDENT SPOUSE shall
5 specify that part or qualification of the allegation and shall admit the remainder. The
6 RESPONDENT or RESPONDENT SPOUSE waives any affirmative defense not raised in the
7 answer.

8 The officer presiding over the hearing may grant relief from the requirement to file an
9 Answer for good cause shown.

10 BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 3rd day of October,
11 2006.



Matthew J. Neubert
Director of Securities

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