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(3/21/02)

OPEN MEETINGS ITEM



ORIGINAL

BRIAN C. McNEIL
EXECUTIVE SECRETARY

MARK SENDROW
DIRECTOR

COMMISSIONER

MARC SPITZER
COMMISSIONER

ARIZONA CORPORATION COMMISSION

SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007-2996
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: accsec@ccsd.cc.state.az.us

MEMORANDUM

TO: Chairman William A. Mundell
Commissioner Jim Irvin
Commissioner Marc Spitzer

FROM: Mark Sendrow *MS*
Director of Securities

DATE: March 7, 2002

RE: Creative Financial Funding, L.L.C., American Money Power, Inc. dba Money Power, Federal Capital, L.L.C., Corporate Fiducial Services, Inc., Paul J. Meka, Larry Dunning and Robert K. Rehm, S-03469A-01-0000

CC: Brian C. McNeil, Executive Secretary

Arizona Corporation Commission
DOCKETED

MAR 13 2002

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AZ CORP COMMISSION
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The Division filed a Temporary Cease and Desist Order and Notice of Opportunity For Hearing on October 5, 2001, against Creative Financial Funding, L.L.C. ("Creative"), American Money Power, Inc. dba Money Power ("Money Power"), Federal Capital, L.L.C. ("Federal"), Corporate Fiducial Services, Inc. ("Corporate"), Paul J. Meka ("Meka"), Larry Dunning ("Dunning") (collectively known as "Creative Respondents"), Robert K. Rehm ("Rehm"), U.S. Federal Financial Corporation, Tom Gaffney and Derreck Manteau for violations of the Securities Act of Arizona. Creative Respondents were served by personal service on October 9, 2001. On October 25, 2001, Creative, Money Power, Federal, Corporate, Meka, Dunning and Rehm filed a request for hearing.

The Creative Respondents offered and sold interests in Illinois land trusts to investors. Investors provided funds to lend to individuals or entities that had real property collateral that they owned free and clear. The borrower would transfer the ownership rights to a trust. The trustee, Corporate, would take the place of the borrower on the title of the property. Corporate would handle receipt of the payments from the borrower and make payments to the lenders, the investors. The investments were secured through a beneficial ownership interest. Meka was a salesman but not an officer or director of Creative, Money Power, Federal or Corporate.

From September of 1999 through 2001, Creative, Money Power, Federal, Corporate and Dunning raised over \$12.94 million from the investors. Of the approximately \$12.94 million raised, \$1.217 million was raised from investors in Money Power and Federal.

Creative, Money Power, Federal, Corporate, and Dunning represented to offerees, through written documentation, that only accredited investors were able to invest in the programs. Respondents sold to accredited and non-accredited investors.

Creative, Money Power, Federal, Corporate, and Dunning misrepresented to offerees, through written documents, that Creative is a mortgage banker by using the mortgage banking prefix with its mortgage broker license number. In addition, at least one document represented that Creative was a mortgage broker however would receive mortgage banking fees. The mortgage broker license number is not interchangeable with a mortgage banking license. Creative only has a mortgage broker license. A mortgage broker is prohibited from handling third party funding.

Creative, Money Power, Federal, Corporate, Meka and Dunning admit the findings of fact and the conclusions of law in the attached Order to Cease and Desist, Order of Restitution, Order for Administrative Penalties and Consent to Same ("Order"). The Consent orders Creative, Money Power, Federal, Corporate, Meka and Dunning to cease and desist from future violations of the Securities Act of Arizona. Creative, Money Power, Federal and Corporate will jointly and severally pay an administrative penalty in the amount of \$25,000. Meka will pay an administrative penalty in the amount of \$5,000. Dunning will pay an administrative penalty in the amount of \$10,000.

As of the date of this Order, all investors are receiving their monthly payments. The investors will continue to receive their monthly payments as set forth in their notes. Deeds of Trust on the property have all been placed in the various investors' names to protect the investors' investments. If the monthly payments are not made, the entire outstanding amount will be converted to restitution and due immediately.

Creative, Money Power, Federal, Corporate and Dunning are required to make quarterly reports to the Division regarding the status of payments to investors. The reports are to detail the amount of the payments made to the investors and the amount of the remaining payments owed to the investors.

Dunning agreed not to apply for registration for the later of five years or such time when all investors and penalties are paid in full.

The Division is withdrawing the Temporary Cease and Desist Order filed on October 5, 2001, as to Respondent Rehm.

The Division believes that this Order is in the best interests of the state of Arizona and recommends that the Commission accept the proposed Consent.

The remaining Respondents, U.S. Federal Financial Corporation , Tom Gaffney and Derreck Manteau, consented to an Order and the Order was approved by the Commission on November 8, 2001, Decision No. 64205.

Originator: Wendy Coy

AG: Moira McCarthy

BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
Chairman
JIM IRVIN
Commissioner
MARC SPITZER
Commissioner

Mark
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initial?

In the matter of

CREATIVE FINANCIAL FUNDING, L.L.C.
125 S. 52nd Street
Tempe, AZ 85281

AMERICAN MONEY POWER, INC.
dba MONEY POWER
125 S. 52nd Street
Tempe, AZ 85281

FEDERAL CAPITAL, L.L.C.
6870 E. Horned Owl Trail
Cave Creek, AZ 85331

CORPORATE FIDUCIAL SERVICES, INC.
6120 N. 16th Street
Phoenix, AZ 85016

U.S. FEDERAL FINANCIAL CORPORATION
125 S. 52nd Street, Suite 100
Tempe, AZ 85281

PAUL J. MEKA
10038 North 58th Place
Scottsdale, AZ 85253

LARRY DUNNING
5635 E. Lincoln Dr. #23
Paradise Valley, AZ 85253

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

TOM GAFFNEY
125 S. 52nd Street, Suite 100
Tempe, AZ 85281

DOCKET NO. S-03469A-01-0000

DECISION NO. _____

**ORDER TO CEASE AND DESIST,
ORDER OF RESTITUTION, ORDER
FOR ADMINISTRATIVE PENALTIES,
AND CONSENT TO SAME
BY: CREATIVE FINANCIAL
FUNDING, L.L.C., AMERICAN
MONEY POWER, INC. dba MONEY
POWER, FEDERAL CAPITAL, L.L.C.,
CORPORATE FIDUCIAL SERVICES,
INC., PAUL J. MEKA and LARRY
DUNNING**

1 DERRECK MANTEAU)
125 S. 52nd Street, Suite 100)
2 Tempe, AZ 85281)

Respondents.)

3
4 CREATIVE FINANCIAL FUNDING, L.L.C. ("CREATIVE"), AMERICAN
5 MONEY POWER, INC. dba MONEY POWER ("MONEY POWER"), FEDERAL CAPITAL,
6 L.L.C. ("FEDERAL"), CORPORATE FIDUCIAL SERVICES, INC. ("CORPORATE"), PAUL J.
7 MEKA ("MEKA") and LARRY DUNNING ("DUNNING") (collectively referred to as
8 "RESPONDENTS") elect to permanently waive their right to a hearing and appeal under Articles
9 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801, *et seq.* ("Securities Act") with
10 respect to this Order To Cease And Desist, Order Of Restitution, Order For Administrative
11 Penalties and Consent To Same ("Order"). RESPONDENTS admit the jurisdiction of the Arizona
12 Corporation Commission ("Commission"); admit only for purposes of this proceeding the Findings
13 of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by
14 the Commission.

15 I.

16 FINDINGS OF FACT

17 1. CREATIVE, MONEY POWER, FEDERAL, CORPORATE, MEKA and
18 DUNNING offered and sold interests in Illinois land trusts to investors. Investors provided funds
19 to lend to individuals or entities that had real property collateral that they owned free and clear.
20 The borrower would transfer the ownership rights to a trust and would become a first beneficiary
21 of the trust. The trustee, CORPORATE, would take the place of the borrower on the title of the
22 property. CORPORATE would handle receipt of the payments from the borrower and make
23 payments to the lenders, the investors. The investments were secured through a beneficial
24 ownership interest.

1 2. There were two types of programs. Through one program, the investor held a
2 second beneficial interest in property. These investors had the opportunity to select the property.
3 In the second program, the investors invested through MONEY POWER or FEDERAL and
4 would hold a note collateralized by MONEY POWER and/or FEDERAL's second beneficial
5 interest in the property. These investor's funds were pooled.

6 3. From September of 1999 through 2001, CREATIVE, MONEY POWER,
7 FEDERAL, CORPORATE and DUNNING raised over \$12.94 million from the two types of
8 investors. Of the approximately \$12.94 million raised, \$1.217 million was raised from investors
9 in MONEY POWER and FEDERAL. The issues arose through the MONEY POWER and
10 FEDERAL advertisements beginning in August of 2001 as set forth below.

11 4. As of the date of this Order, all investors were receiving their monthly payments.

12 5. Beginning in about August of 2001 through approximately October of 2001,
13 CREATIVE, MONEY POWER, FEDERAL, CORPORATE, and DUNNING solicited investors
14 by placing advertisements in *Arizona Senior World* and the *Arizona Republic* seeking investors.
15 CREATIVE, MONEY POWER, FEDERAL, CORPORATE, and DUNNING placed several
16 types of advertisements. Some advertisements stated that "no investor has lost principle [sic] or
17 interest" in the programs and that investors would earn 24% annually. Other advertisements stated
18 "learn how to become a millionaire guaranteed."

19 6. The Securities Division of the Arizona Corporation Commission ("Division")
20 responded, in an undercover capacity, to a number of the different advertisements. The Division's
21 Investigator was told the investments were in notes secured by deeds of trust. Investor funds would
22 be loaned to businesses secured by deeds of trust on business real estate. The loans were made to
23 small-to-medium sized businesses. RESPONDENTS offered different return options to investors on
24 a two-year note the return is 15%, the return for a three-year note is 20% and to receive the 24%
25 return, the note would be for five years.

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1 7. The investor did nothing but place money in the program and collect a check each
2 month. The first check is received 30 days after the initial investment.

3 8. RESPONDENTS also held seminars to obtain investors. The Division sent
4 undercover investigators to attend several of the seminars. The information provided at the seminars
5 stated the investment was in "promissory notes which are secured by first or second position deeds
6 of trust or mortgages on real property located primarily in the state of Arizona." The funds are
7 pooled from several investors and a set rate of return is guaranteed. All the funds are backed by real
8 estate.

9 9. If the borrowers defaulted, the investors would exercise their power of direction in
10 the trust and, twenty days from the date of default, if not cured, could direct CORPORATE to
11 foreclose on the property. The holders of the second beneficial interests would then own the
12 property. The investor has no management role. The investor just invests and collects monthly
13 payments.

14 10. The investor does not have a choice of properties to invest in; rather, the investors
15 are buying into a pool. A promissory note is issued once an investor invested in the program.

16 11. CREATIVE, MONEY POWER, FEDERAL, CORPORATE, and DUNNING
17 represented to offerees, through written documentation, that only accredited investors were able
18 to invest in the programs. RESPONDENTS sold to accredited and non-accredited investors.

19 12. CREATIVE, MONEY POWER, FEDERAL, CORPORATE, and DUNNING
20 represented to offerees, through some of the written documentation, that the investor would make
21 decisions on the promissory note investment such as selecting the property to be funded and
22 collecting the monthly payments. However, in the oral presentation and the prospectus, the
23 CREATIVE, MONEY POWER, FEDERAL, CORPORATE, MEKA and DUNNING represented
24 that the CREATIVE, MONEY POWER, FEDERAL, CORPORATE, and DUNNING will handle
25 all aspects of the investment opportunity.

26

1 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that CREATIVE, MONEY
2 POWER, FEDERAL, CORPORATE, and DUNNING shall submit a quarterly report, starting the
3 end of the first quarter after the date of this Order, to the Division detailing the payments made to
4 the investors and the status of its contractual obligations.

5 IT IS FURTHER ORDERED, if at any time, the payments to investors are not made as
6 required by this Order, the entire amount of restitution shall be immediately due and payable.

7 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that RESPONDENTS shall
8 each pay an administrative penalty. CREATIVE, MONEY POWER, FEDERAL and
9 CORPORATE, jointly and severally, shall pay an administrative penalty in the amount of in the
10 amount of \$25,000, payable to the "State of Arizona." DUNNING shall pay an administrative
11 penalty in the amount of \$10,000. MEKA shall pay an administrative penalty in the amount of

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1 \$5,000. Payments shall be made in full by cashier's check or money order on the date of this
2 Order.

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

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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CHAIRMAN

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
Executive Secretary 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
_____, 2002.

BRIAN C. McNEIL
Executive Secretary

DISSENT

This document is available in alternative formats by contacting Shelly M. Hood, Executive
Assistant to the Executive Secretary, voice phone number 602-542-3931, E-mail
shood@cc.state.az.us.

(wc)

CONSENT TO ENTRY OF ORDER

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1. CREATIVE FINANCIAL FUNDING, L.L.C. admits the jurisdiction of the Commission over the subject matter of this proceeding. CREATIVE FINANCIAL FUNDING, L.L.C. acknowledges that it has been fully advised of its right to a hearing to present evidence and call witnesses and CREATIVE FINANCIAL FUNDING, L.L.C. knowingly and voluntarily waives any and all rights to a hearing before the Commission and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. CREATIVE FINANCIAL FUNDING, L.L.C. acknowledges that this Order To Cease And Desist, Order Of Restitution, Order For Administrative Penalties and Consent To Same ("Order") constitutes a valid final order of the Commission.

2. CREATIVE FINANCIAL FUNDING, L.L.C. knowingly and voluntarily waives any right it may have under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of this Order.

3. CREATIVE FINANCIAL FUNDING, L.L.C. acknowledges and agrees that this Order is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.

4. CREATIVE FINANCIAL FUNDING, L.L.C. acknowledges that it has been represented by counsel in this matter, it has reviewed this Order with its attorney and understands all terms it contains.

5. CREATIVE FINANCIAL FUNDING, L.L.C. admits for purposes of this proceeding only the Findings of Fact and Conclusions of Law contained in this Order.

6. By consenting to the entry of this Order, CREATIVE FINANCIAL FUNDING, L.L.C. agrees not to take any action or to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual basis. CREATIVE FINANCIAL FUNDING,

1 L.L.C. will undertake steps necessary to assure that all of its agents and employees understand and
2 comply with this agreement.

3 7. While this Order settles this administrative matter between CREATIVE
4 FINANCIAL FUNDING, L.L.C. and the Commission, CREATIVE FINANCIAL FUNDING,
5 L.L.C. understands that this Order does not preclude the Commission from instituting other
6 administrative proceedings based on violations that are not addressed by this Order.

7 8. CREATIVE FINANCIAL FUNDING, L.L.C. understands that this Order does not
8 preclude the Commission from referring this matter to any governmental agency for
9 administrative, civil, or criminal proceedings that may be related to the matters addressed by this
10 Order.

11 9. CREATIVE FINANCIAL FUNDING, L.L.C. understands that this Order does not
12 preclude any other agency or officer of the state of Arizona or its subdivisions from instituting
13 administrative, civil or criminal proceedings that may be related to matters addressed by this
14 Order.

15 10. CREATIVE FINANCIAL FUNDING, L.L.C. agrees that it will not apply to the
16 state of Arizona for registration as a securities dealer or for licensure as an investment adviser until
17 such time as all restitution and penalties under this Order are paid in full.

18 11. CREATIVE FINANCIAL FUNDING, L.L.C. agrees that it will not exercise any
19 control over any entity that offers or sells securities or provides investment advisory services,
20 within or from Arizona unless CREATIVE FINANCIAL FUNDING, L.L.C. is registered or it
21 meets an exemption from registration.

22 12. CREATIVE FINANCIAL FUNDING, L.L.C. agrees that until restitution and
23 penalties are paid in full, CREATIVE FINANCIAL FUNDING, L.L.C. will notify the Director of
24 the Division within 30 days of any change in address or any change in CREATIVE FINANCIAL
25 FUNDING, L.L.C.'s ability to pay amounts due under this Order.

26 ...

1 13. CREATIVE FINANCIAL FUNDING, L.L.C. shall submit a quarterly report,
2 starting the first quarter after the date of this Order, to the Division detailing the payments made to
3 the investors and the status of its contractual obligations.

4 14. CREATIVE FINANCIAL FUNDING, L.L.C. attests that all funding transactions
5 were arms length transactions, they were independent, and neither CREATIVE FINANCIAL
6 FUNDING, L.L.C., nor its owners, management or affiliates has any ownership interest in any
7 entities that borrowed funds from investors.

8 15. CREATIVE FINANCIAL FUNDING, L.L.C. understands that default shall render
9 it liable to the Commission for its costs of collection and interest at the maximum legal rate.

10 16. CREATIVE FINANCIAL FUNDING, L.L.C. consents to the entry of this Order
11 and agrees to be fully bound by its terms and conditions.

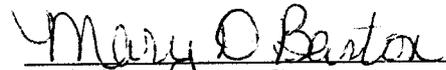
12 17. ROBERT K. REHM is properly authorized to sign on behalf of CREATIVE
13 FINANCIAL FUNDING, L.L.C.

14
15 CREATIVE FINANCIAL FUNDING, L.L.C.

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17 

18 By: ROBERT K. REHM
19 Its: Managing Member

20 SUBSCRIBED AND SWORN TO BEFORE me this 5 day of March, 2002.

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23 NOTARY PUBLIC

24 My Commission Expires:
25 09/30/2005



CONSENT TO ENTRY OF ORDER

1
2 1. AMERICAN MONEY POWER, INC. dba MONEY POWER admits the
3 jurisdiction of the Commission over the subject matter of this proceeding. AMERICAN MONEY
4 POWER, INC. dba MONEY POWER acknowledges that it has been fully advised of its right to a
5 hearing to present evidence and call witnesses and AMERICAN MONEY POWER, INC. dba
6 MONEY POWER knowingly and voluntarily waives any and all rights to a hearing before the
7 Commission and all other rights otherwise available under Article 11 of the Securities Act and
8 Title 14 of the Arizona Administrative Code. AMERICAN MONEY POWER, INC. dba MONEY
9 POWER acknowledges 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. AMERICAN MONEY POWER, INC. dba MONEY POWER knowingly and
13 voluntarily waives any right it may have under Article 12 of the Securities Act to judicial review
14 by any court by way of suit, appeal, or extraordinary relief resulting from the entry of this Order.

15 3. AMERICAN MONEY POWER, INC. dba MONEY POWER acknowledges and
16 agrees that this Order is entered into freely and voluntarily and that no promise was made or
17 coercion used to induce such entry.

18 4. AMERICAN MONEY POWER, INC. dba MONEY POWER acknowledges that it
19 has been represented by counsel in this matter, it has reviewed this Order with its attorney and
20 understands all terms it contains.

21 5. AMERICAN MONEY POWER, INC. dba MONEY POWER admits for purposes
22 of this proceeding only the Findings of Fact and Conclusions of Law contained in this Order.

23 6. By consenting to the entry of this Order, AMERICAN MONEY POWER, INC. dba
24 MONEY POWER agrees not to take any action or to make, or permit to be made, any public
25 statement denying, directly or indirectly, any Finding of Fact or Conclusion of Law in this Order
26 or creating the impression that this Order is without factual basis. AMERICAN MONEY

1 POWER, INC. dba MONEY POWER will undertake steps necessary to assure that all of its agents
2 and employees understand and comply with this agreement.

3 7. While this Order settles this administrative matter between AMERICAN MONEY
4 POWER, INC. dba MONEY POWER and the Commission, AMERICAN MONEY POWER,
5 INC. dba MONEY POWER understands that this Order does not preclude the Commission from
6 instituting other administrative proceedings based on violations that are not addressed by this
7 Order.

8 8. AMERICAN MONEY POWER, INC. dba MONEY POWER understands that this
9 Order does not preclude the Commission from referring this matter to any governmental agency
10 for administrative, civil, or criminal proceedings that may be related to the matters addressed by
11 this Order.

12 9. AMERICAN MONEY POWER, INC. dba MONEY POWER understands that this
13 Order does not preclude any other agency or officer of the state of Arizona or its subdivisions from
14 instituting administrative, civil or criminal proceedings that may be related to matters addressed by
15 this Order.

16 10. AMERICAN MONEY POWER, INC. dba MONEY POWER agrees that it will not
17 apply to the state of Arizona for registration as a securities dealer or for licensure as an investment
18 adviser until such time as all restitution and penalties under this Order are paid in full.

19 11. AMERICAN MONEY POWER, INC. dba MONEY POWER agrees that it will not
20 exercise any control over any entity that offers or sells securities or provides investment advisory
21 services, within or from Arizona unless AMERICAN MONEY POWER, INC. dba MONEY
22 POWER is registered or it meets an exemption from registration.

23 12. AMERICAN MONEY POWER, INC. dba MONEY POWER agrees that until
24 restitution and penalties are paid in full, AMERICAN MONEY POWER, INC. dba MONEY
25 POWER will notify the Director of the Division within 30 days of any change in its address or any
26 change in AMERICAN MONEY POWER, INC. dba MONEY POWER's ability to pay amounts

1 due under this Order.

2 13. AMERICAN MONEY POWER, INC. DBA MONEY POWER L.L.C. shall submit
3 a quarterly report, starting the first quarter after the date of this Order, to the Division detailing the
4 payments made to the investors and the status of its contractual obligations.

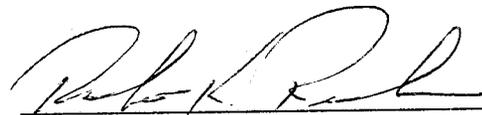
5 14. AMERICAN MONEY POWER, INC. DBA MONEY POWER L.L.C. attests that
6 all funding transactions were arms length transactions, they were independent, and neither
7 AMERICAN MONEY POWER, INC. DBA MONEY POWER L.L.C., nor its owners,
8 management or affiliates has any ownership interest in any entities that borrowed funds from
9 investors.

10 15. AMERICAN MONEY POWER, INC. dba MONEY POWER understands that
11 default shall render it liable to the Commission for its costs of collection and interest at the
12 maximum legal rate.

13 16. AMERICAN MONEY POWER, INC. dba MONEY POWER consents to the entry
14 of this Order and agrees to be fully bound by its terms and conditions.

15 17. ROBERT K. REHM is properly authorized to sign on behalf of AMERICAN
16 MONEY POWER, INC. dba MONEY POWER.

17 AMERICAN MONEY POWER, INC. dba
18 MONEY POWER

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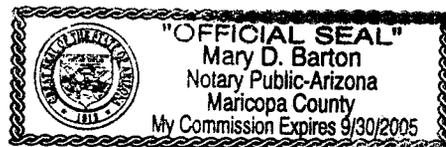
20 By: ROBERT K. REHM

21
22 SUBSCRIBED AND SWORN TO BEFORE me this 5 day of March, 2002.

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24 
25 NOTARY PUBLIC

26 My Commission Expires:

09/30/2005



CONSENT TO ENTRY OF ORDER

1
2 1. FEDERAL CAPITAL, L.L.C., admits the jurisdiction of the Commission over the
3 subject matter of this proceeding. FEDERAL CAPITAL, L.L.C. acknowledges that it has been
4 fully advised of its right to a hearing to present evidence and call witnesses and FEDERAL
5 CAPITAL, L.L.C. knowingly and voluntarily waives any and all rights to a hearing before the
6 Commission and all other rights otherwise available under Article 11 of the Securities Act and
7 Title 14 of the Arizona Administrative Code. FEDERAL CAPITAL, L.L.C. acknowledges that
8 this Order To Cease And Desist, Order Of Restitution, Order For Administrative Penalties and
9 Consent To Same ("Order") constitutes a valid final order of the Commission.

10 2. FEDERAL CAPITAL, L.L.C. knowingly and voluntarily waives any right its may
11 have under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal,
12 or extraordinary relief resulting from the entry of this Order.

13 3. FEDERAL CAPITAL, L.L.C. acknowledges and agrees that this Order is entered
14 into freely and voluntarily and that no promise was made or coercion used to induce such entry.

15 4. FEDERAL CAPITAL, L.L.C. acknowledges that it has been represented by counsel
16 in this matter, it has reviewed this Order with its attorney and understands all terms it contains.

17 5. FEDERAL CAPITAL, L.L.C. admits for purposes of this proceeding only the
18 Findings of Fact and Conclusions of Law contained in this Order.

19 6. By consenting to the entry of this Order, FEDERAL CAPITAL, L.L.C. agrees not
20 to take any action or to make, or permit to be made, any public statement denying, directly or
21 indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that
22 this Order is without factual basis. FEDERAL CAPITAL, L.L.C. will undertake steps necessary to
23 assure that all of its agents and employees understand and comply with this agreement.

24 7. While this Order settles this administrative matter between FEDERAL CAPITAL,
25 L.L.C. and the Commission, FEDERAL CAPITAL, L.L.C. understands that this Order does not
26

1 preclude the Commission from instituting other administrative proceedings based on violations
2 that are not addressed by this Order.

3 8. FEDERAL CAPITAL, L.L.C. understands that this Order does not preclude the
4 Commission from referring this matter to any governmental agency for administrative, civil, or
5 criminal proceedings that may be related to the matters addressed by this Order.

6 9. FEDERAL CAPITAL, L.L.C. understands that this Order does not preclude any
7 other agency or officer of the state of Arizona or its subdivisions from instituting administrative,
8 civil or criminal proceedings that may be related to matters addressed by this Order.

9 10. FEDERAL CAPITAL, L.L.C. agrees that its will not apply to the state of Arizona
10 for registration as a securities dealer or for licensure as an investment adviser until such time as all
11 restitution and penalties under this Order are paid in full.

12 11. FEDERAL CAPITAL, L.L.C. agrees that it will not exercise any control over any
13 entity that offers or sells securities or provides investment advisory services, within or from
14 Arizona unless FEDERAL CAPITAL, L.L.C. is registered or it meets an exemption from
15 registration.

16 12. FEDERAL CAPITAL, L.L.C. agrees that until restitution and penalties are paid in
17 full, FEDERAL CAPITAL, L.L.C. will notify the Director of the Division within 30 days of any
18 change in address or any change in FEDERAL CAPITAL, L.L.C.'s ability to pay amounts due
19 under this Order.

20 13. FEDERAL CAPITAL, L.L.C. shall submit a quarterly report, starting the first
21 quarter after the date of this Order, to the Division detailing the payments made to the investors
22 and the status of its contractual obligations.

23 14. FEDERAL CAPITAL, L.L.C. attests that all funding transactions were arms length
24 transactions, they were independent, and neither FEDERAL CAPITAL, L.L.C., nor its owners,
25 management or affiliates has any ownership interest in any entities that borrowed funds from
26 investors.

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15. FEDERAL CAPITAL, L.L.C. understands that default shall render it liable to the Commission for its costs of collection and interest at the maximum legal rate.

16. FEDERAL CAPITAL, L.L.C. consents to the entry of this Order and agrees to be fully bound by its terms and conditions.

17. LARRY DUNNING is properly authorized to sign on behalf of FEDERAL CAPITAL, L.L.C.

FEDERAL CAPITAL, L.L.C.,
Western Gulf Capital
Larry W. Dunning
By: LARRY DUNNING, President

SUBSCRIBED AND SWORN TO BEFORE me this 5 day of March, 2002.

Mary D. Barton
NOTARY PUBLIC

My Commission Expires:

09/30/2005



CONSENT TO ENTRY OF ORDER

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2 1. CORPORATE FIDUCIAL SERVICES, INC., admits the jurisdiction of the
3 Commission over the subject matter of this proceeding. CORPORATE FIDUCIAL SERVICES,
4 INC. acknowledges that it has been fully advised of its right to a hearing to present evidence and
5 call witnesses and CORPORATE FIDUCIAL SERVICES, INC. knowingly and voluntarily waives
6 any and all rights to a hearing before the Commission and all other rights otherwise available
7 under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code.
8 CORPORATE FIDUCIAL SERVICES, INC. acknowledges that this Order To Cease And Desist,
9 Order Of Restitution, Order For Administrative Penalties and Consent To Same ("Order")
10 constitutes a valid final order of the Commission.

11 2. CORPORATE FIDUCIAL SERVICES, INC. knowingly and voluntarily waives
12 any right it may have under Article 12 of the Securities Act to judicial review by any court by way
13 of suit, appeal, or extraordinary relief resulting from the entry of this Order.

14 3. CORPORATE FIDUCIAL SERVICES, INC. acknowledges and agrees that this
15 Order is entered into freely and voluntarily and that no promise was made or coercion used to
16 induce such entry.

17 4. CORPORATE FIDUCIAL SERVICES, INC. acknowledges that it has been
18 represented by counsel in this matter, it has reviewed this Order with its attorney and understands
19 all terms it contains.

20 5. CORPORATE FIDUCIAL SERVICES, INC. admits for purposes of this
21 proceeding only the Findings of Fact and Conclusions of Law contained in this Order.

22 6. By consenting to the entry of this Order, CORPORATE FIDUCIAL SERVICES,
23 INC. agrees not to take any action or to make, or permit to be made, any public statement denying,
24 directly or indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the
25 impression that this Order is without factual basis. CORPORATE FIDUCIAL SERVICES, INC.
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1 will undertake steps necessary to assure that all of its agents and employees understand and
2 comply with this agreement.

3 7. While this Order settles this administrative matter between CORPORATE
4 FIDUCIAL SERVICES, INC. and the Commission, CORPORATE FIDUCIAL SERVICES, INC.
5 understands that this Order does not preclude the Commission from instituting other administrative
6 proceedings based on violations that are not addressed by this Order.

7 8. CORPORATE FIDUCIAL SERVICES, INC. understands that this Order does not
8 preclude the Commission from referring this matter to any governmental agency for
9 administrative, civil, or criminal proceedings that may be related to the matters addressed by this
10 Order.

11 9. CORPORATE FIDUCIAL SERVICES, INC. understands that this Order does not
12 preclude any other agency or officer of the state of Arizona or its subdivisions from instituting
13 administrative, civil or criminal proceedings that may be related to matters addressed by this
14 Order.

15 10. CORPORATE FIDUCIAL SERVICES, INC. agrees that it will not apply to the
16 state of Arizona for registration as a securities dealer or for licensure as an investment adviser until
17 such time as all restitution and penalties under this Order are paid in full.

18 11. CORPORATE FIDUCIAL SERVICES, INC. agrees that it will not exercise any
19 control over any entity that offers or sells securities or provides investment advisory services,
20 within or from Arizona unless CORPORATE FIDUCIAL SERVICES, INC. is registered or it
21 meets an exemption from registration.

22 12. CORPORATE FIDUCIAL SERVICES, INC. agrees that until restitution and
23 penalties are paid in full, CORPORATE FIDUCIAL SERVICES, INC. will notify the Director of
24 the Division within 30 days of any change in address or any change in CORPORATE FIDUCIAL
25 SERVICES, INC.'s ability to pay amounts due under this Order.

26 13. CORPORATE FIDUCIAL SERVICES, INC. L.L.C. shall submit a quarterly

1 report, starting the first quarter after the date of this order, to the Division detailing the payments
2 made to the investors and the status of its contractual obligations.

3 14. CORPORATE FIDUCIAL SERVICES, INC. L.L.C. attests that all funding
4 transactions were arms length transactions, they were independent, and neither CORPORATE
5 FIDUCIAL SERVICES, INC. L.L.C, nor its owners, management or affiliates has any. ownership
6 interest in any entities that borrowed funds from investors.

7 15. CORPORATE FIDUCIAL SERVICES, INC. understands that default shall render
8 it liable to the Commission for its costs of collection and interest at the maximum legal rate.

9 16. consents to the entry of this Order and agrees to be fully bound by its terms and
10 conditions.

11 17. LARRY DUNNING is properly authorized to sign on behalf of CORPORATE
12 FIDUCIAL SERVICES, INC.

CORPORATE FIDUCIAL SERVICES, INC.

Larry Dunning
By: LARRY DUNNING
Its: president

17 SUBSCRIBED AND SWORN TO BEFORE me this 5 day of March, 2002.

Mary D. Barton
NOTARY PUBLIC

21 My Commission Expires:

22 09/30/2005



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CONSENT TO ENTRY OF ORDER

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1. PAUL J. MEKA, an individual, admits the jurisdiction of the Commission over the subject matter of this proceeding. PAUL J. MEKA acknowledges that he has been fully advised of his right to a hearing to present evidence and call witnesses and PAUL J. MEKA knowingly and voluntarily waives any and all rights to a hearing before the Commission and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. PAUL J. MEKA acknowledges that this Order To Cease And Desist, Order Of Restitution, Order For Administrative Penalties and Consent To Same ("Order") constitutes a valid final order of the Commission.

2. PAUL J. MEKA knowingly and voluntarily waives any right he may have under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of this Order.

3. PAUL J. MEKA acknowledges and agrees that this Order is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.

4. PAUL J. MEKA acknowledges that he has been represented by counsel in this matter, he has reviewed this Order with his attorney and understands all terms it contains.

5. PAUL J. MEKA admits for purposes of this proceeding only the Findings of Fact and Conclusions of Law contained in this Order.

6. By consenting to the entry of this Order, PAUL J. MEKA agrees not to take any action or to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual basis. PAUL J. MEKA will undertake steps necessary to assure that all of his agents and employees understand and comply with this agreement.

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1 7. While this Order settles this administrative matter between PAUL J. MEKA and the
2 Commission, PAUL J. MEKA understands that this Order does not preclude the Commission from
3 instituting other administrative proceedings based on violations that are not addressed by this
4 Order.

5 8. PAUL J. MEKA understands that this Order does not preclude the Commission
6 from referring this matter to any governmental agency for administrative, civil, or criminal
7 proceedings that may be related to the matters addressed by this Order.

8 9. PAUL J. MEKA understands that this Order does not preclude any other agency or
9 officer of the state of Arizona or its subdivisions from instituting administrative, civil or criminal
10 proceedings that may be related to matters addressed by this Order.

11 10. PAUL J. MEKA agrees that he will not exercise any control over any entity that
12 offers or sells securities or provides investment advisory services, within or from Arizona, unless
13 he is registered or he meets an exemption from registration.

14 11. PAUL J. MEKA agrees that until penalties are paid in full, PAUL J. MEKA will
15 notify the Director of the Division within 30 days of any change in home address or any change in
16 PAUL J. MEKA's ability to pay amounts due under this Order.

17 12. PAUL J. MEKA attests that all funding transactions were arms length transactions,
18 they were independent and PAUL J. MEKA has no management or ownership interest in any
19 entities that borrowed funds from investors.

20 13. PAUL J. MEKA understands that default shall render him liable to the Commission
21 for its costs of collection and interest at the maximum legal rate.

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CONSENT TO ENTRY OF ORDER

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2 1. LARRY DUNNING, an individual, admits the jurisdiction of the Commission over
3 the subject matter of this proceeding. LARRY DUNNING acknowledges that he has been fully
4 advised of his right to a hearing to present evidence and call witnesses and LARRY DUNNING
5 knowingly and voluntarily waives any and all rights to a hearing before the Commission and all
6 other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona
7 Administrative Code. LARRY DUNNING acknowledges that this Order To Cease And Desist,
8 Order Of Restitution, Order For Administrative Penalties and Consent To Same ("Order")
9 constitutes a valid final order of the Commission.

10 2. LARRY DUNNING knowingly and voluntarily waives any right he may have
11 under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or
12 extraordinary relief resulting from the entry of this Order.

13 3. LARRY DUNNING acknowledges and agrees that this Order is entered into freely
14 and voluntarily and that no promise was made or coercion used to induce such entry.

15 4. LARRY DUNNING acknowledges that he has been represented by counsel in this
16 matter, he has reviewed this Order with his attorney and understands all terms it contains.

17 5. LARRY DUNNING admits for purposes of this proceeding only the Findings of
18 Fact and Conclusions of Law contained in this Order.

19 6. By consenting to the entry of this Order, LARRY DUNNING agrees not to take any
20 action or to make, or permit to be made, any public statement denying, directly or indirectly, any
21 Finding of Fact or Conclusion of Law in this Order or creating the impression that this Order is
22 without factual basis. LARRY DUNNING will undertake steps necessary to assure that all of his
23 agents and employees understand and comply with this agreement.

24 7. While this Order settles this administrative matter between LARRY DUNNING
25 and the Commission, LARRY DUNNING understands that this Order does not preclude the
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1 Commission from instituting other administrative proceedings based on violations that are not
2 addressed by this Order.

3 8. LARRY DUNNING understands that this Order does not preclude the Commission
4 from referring this matter to any governmental agency for administrative, civil, or criminal
5 proceedings that may be related to the matters addressed by this Order.

6 9. LARRY DUNNING understands that this Order does not preclude any other agency
7 or officer of the state of Arizona or its subdivisions from instituting administrative, civil or
8 criminal proceedings that may be related to matters addressed by this Order.

9 10. LARRY DUNNING agrees that he will not apply to the state of Arizona for
10 registration as a securities dealer or salesman or for licensure as an investment adviser or
11 investment adviser representative until the latter of five years from the date of the Order or until
12 such time as all restitution and penalties under this Order are paid in full.

13 11. LARRY DUNNING agrees that he will not exercise any control over any entity that
14 offers or sells securities or provides investment advisory services, within or from Arizona unless
15 registered or meets an exemption from registration.

16 12. LARRY DUNNING agrees that until restitution and penalties are paid in full,
17 LARRY DUNNING will notify the Director of the Securities Division within 30 days of any
18 change in home address or any change in LARRY DUNNING's ability to pay amounts due under
19 this Order.

20 13. LARRY DUNNING shall submit a quarterly report, starting the first quarter after
21 the date of this Order, to the Division detailing the payments made to the investors and the status
22 of his contractual obligations.

23 14. LARRY DUNNING attests that all funding transactions were arms length
24 transactions, they were independent, and LARRY DUNNING has no management or ownership
25 interest in any entities that borrowed funds from investors.

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1 15. LARRY DUNNING understands that default shall render him liable to the
2 Commission for its costs of collection and interest at the maximum legal rate.

3 16. LARRY DUNNING consents to the entry of this Order and agrees to be fully
4 bound by its terms and conditions.

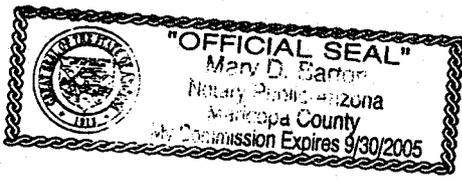
5 Larry W. Dunning
LARRY DUNNING

6 SUBSCRIBED AND SWORN TO BEFORE me this 5 day of March, 2002.

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8 Mary D. Barton
9 NOTARY PUBLIC

10 My Commission Expires:

11 09/30/2005



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