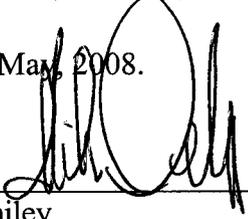


1 Based on the Division's investigation, Respondents sold \$1,036,396.46 worth of
2 unregistered securities in the form of investment contracts and/or notes to at least 15 sets of
3 investors residing in Arizona and several other states. (See Tab 2, Affidavit of Special
4 Investigator Robert Eckert, ¶¶1-4). Considering known repayments, the investors are currently
5 owed restitution in the amount of \$719,290.13. Pursuant to A.R.S. § 44-2032, the Division seeks
6 restitution from the Respondents in the amount of \$719,290.13 for their violations of A.R.S. §§ 44-
7 1841, 44-1842, and 44-1991.

8 Pursuant to A.R.S. § 44-2036, the Division seeks an administrative penalty in the amount
9 of \$150,000.00 for Respondents' violations of A.R.S. §§44-1841, 44-1842, and 44-1991.

10 **RESPECTFULLY SUBMITTED** this 29th day of May, 2008.

11 
12 _____
13 Mike Dailey
14 Enforcement Attorney
15 Securities Division
16 1300 West Washington, Third Floor
17 Phoenix, Arizona 85007

18 **ORIGINAL AND THIRTEEN (13) COPIES**
19 of the foregoing filed this 29th day of
20 May, 2008 with:

21 Docket Control
22 Arizona Corporation Commission
23 1200 West Washington
24 Phoenix, Arizona 85007

25 Copy of the foregoing hand-delivered this 29th day
26 of May, 2008 to:

Mr. Marc Stern
Administrative Law Judge
Arizona Corporation Commission
Hearing Division
1200 West Washington
Phoenix, Arizona 85007

1 Copy of the foregoing mailed
2 certified/return receipt requested
3 this ~~27th~~ day of May, 2008 to:

4 Kuypow Inc.
5 3560 Challenger Dr #108
6 Lake Havasu City, AZ 86406
7 *Respondent*

8 Morris Clyde Kuykendall
9 Judy E. Powers
10 3177 Oro Grande Place
11 Lake Havasu City, Arizona 86406
12 *Respondents*

13 H. Paul Honsinger, Esq.
14 The Law Offices of H. Paul Honsinger, P.C.
15 1979 McCulloch Blvd., Suite 105
16 Lake Havasu City, Arizona 86403
17 *Courtesy Copy*

18 By: Veronica Sandoval

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TAB "1"

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

In the matter of)	DOCKET NO. S-20581A-08-0108
KUYPOW, INC., an Arizona corporation)	
(d/b/a "MO'S PROPERTIES & INVESTMENT GROUP"),)	DECISION NO. _____
MORRIS CLYDE KUYKENDALL (a/k/a)	
"MO"), and)	ORDER TO CEASE AND DESIST, FOR
JUDY E. POWERS,)	RESTITUTION AND FOR
Respondents.)	ADMINISTRATIVE PENALTY

On February 28, 2008, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Temporary Order to Cease and Desist and Notice of Opportunity for Hearing ("TC&D") against Respondents Kuypow, Inc., Morris Clyde Kuykendall and his spouse Judy E. Powers.

The TC&D was personally served on Respondents on March 4, 2008. To date, Respondents have not filed either a request for hearing or an answer to the TC&D within the required time limits.

I.

FINDINGS OF FACT

1. KUYPOW, INC. (a/k/a "MO'S PROPERTIES & INVESTMENT GROUP") (hereafter, "KUYPOW") is an Arizona company with a principal place of business located in Lake Havasu City, Arizona.

1 2. MORRIS CLYDE KUYKENDALL (a/k/a "MO") (hereafter, "KUYKENDALL")
2 is an individual residing in Lake Havasu City, Arizona. KUYKENDALL is the co-owner,
3 president and chief executive officer of KUYPOW.

4 3. JUDY E. POWERS ("POWERS") is an individual residing in Lake Havasu City,
5 Arizona. POWERS is the co-owner, secretary, treasurer and a director of KUYPOW. In these
6 capacities, POWERS promoted, controlled and bore responsibility for KUYPOW's business and
7 financial affairs, and its investor solicitation activities.

8 4. KUYKENDALL and POWERS are husband and wife. At all times relevant,
9 KUYKENDALL and POWERS acted for their own benefit and for the benefit or in furtherance of
10 their marital community.

11 5. Respondents KUYPOW, KUYKENDALL and POWERS are referred to collectively
12 as "RESPONDENTS" as the context requires.

13 6. From February 2006 to at least March 11, 2008, RESPONDENTS publicly
14 offered and sold unregistered securities in the form of investment contracts and/or notes (the,
15 "Investments") within and from Arizona, in part, by advertising on an Internet website known as
16 Craig's List/Phoenix ("Craig's List"). RESPONDENTS sold a total of \$1,036,396.46 of the
17 investments to at least 15 investors residing in Arizona and several other states.

18 7. On January 13, 2008, RESPONDENTS posted an advertisement for investors on
19 Craig's List as follows:

20 \$2,500- \$5,000- 10,000-25,000-35,000-\$50,000 [-\$]100,000
21 10% 12% 14% 15% 16% 17% 18%
22 3 months - 6 months - 8 months - 12 months - 18 months - 24- months
23 You choice! here is how it works!
24 1st Pick out the amount you want to invest!
25 2nd Pick out the time you want to leave it in (months)
26 3rd Email us the information and we will calculate the interest and terms.

MO'S Investment Group...has been investing in the local area since 2004, and we
have over 28 investors that make great monthly interest payments from us!
All are loans that we receive are secured with real estate, equipment, vehicles.

1 Email us and we (sic) [will] be glad to send you (sic)...monthly investment
2 opportunities...“Thank god for our investors...Thanks MO

3 8. RESPONDENTS posted similar advertisement for investors on Craig’s List on
4 January 17 that stated:

5 MO’s Investment Group are (sic) [looking] for a few good investors who want to
6 make 12% to 18% on their money. Interest paid monthly! 6 month or 1 year your
7 choice! Call for more info.....

8 9. The principal Investment amounts and purported profit percentages offered by
9 RESPONDENTS varied. For instance, RESPONDENTS provided standard form Investment
10 solicitation materials to one potential Arizona investor that stated they were seeking investors to
11 invest in various, generically titled “Opportunities,” in part, as follows: (a) a \$5,000 investment
12 with an annual return of 13% for 6 months, or \$325.02 in profit; (b) a \$50,000 investment with an
13 annual return of 17% for 12 months, or \$8,500.08 in profit; (c) a \$75,000 investment with an
14 annual return of 17% for 12 months, or \$13,500.00 in profit; or (d) a \$100,000 investment with an
15 annual return of 18% for 12 months, or \$18,000 in profit.

16 10. RESPONDENTS’ solicitation materials did not state exactly how an investor’s
17 money would be invested by the RESPONDENTS in order to generate the promised profits. The
18 materials also did not contain a description of RESPONDENTS’ investment vehicle(s) or business
19 operation(s). KUYKENDALL represented to at least one potential Arizona investor that
20 RESPONDENTS’ business was “versatile.”

21 11. KUYKENDALL represented to at least one potential Arizona investor that all of the
22 investments were secured by real estate and businesses.

23 12. According to RESPONDENTS’ solicitation materials, an Investment could be
24 consummated by completing a standard form promissory note, and by making the principal
25 investment payment via check, credit card or cash.
26

1 Commission cannot disburse because an investor refuses to accept such payment shall be disbursed
2 on a pro-rata basis to the remaining investors shown on the records of the Commission. Any funds
3 that the Commission determines it is unable to or cannot feasibly disburse shall be transferred to
4 the general fund of the state of Arizona.

5 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036 that RESPONDENTS shall,
6 jointly and severally, pay an administrative penalty in the amount of \$150,000. Payment shall be
7 made to the "State of Arizona." Any amount outstanding shall accrue interest at the rate of 10%
8 per annum from the date of this Order until paid in full. The payment obligations for these
9 administrative penalties shall be subordinate to any restitution obligations ordered herein and shall
10 become immediately due and payable only after restitution payments have been paid in full or
11 upon Respondents' default with respect to Respondents' restitution obligations.

12 For purposes of this Order, a bankruptcy filing by any of the RESPONDENTS shall be an
13 act of default. If any RESPONDENT does not comply with this Order, any outstanding balance
14 may be deemed in default and shall be immediately due and payable.

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IT IS FURTHER ORDERED, that if any RESPONDENT fails to comply with this order, the Commission may bring further legal proceedings against that RESPONDENT, including application to the superior court for an order of contempt.

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 _____, 2008.

BRIAN C. McNEIL
Executive Director

DISSENT

DISSENT

This document is available in alternative formats by contacting Linda Hogan, ADA Coordinator, voice phone number 602-542-3931, e-mail lhogan@azcc.gov.
(JMD)

TAB “2”

STATE OF ARIZONA

County of Maricopa

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DOCKET NO. S-20581A-08-0108

AFFIDAVIT OF ROBERT ECKERT

I, Robert Eckert, being duly sworn, say as follows:

1. I am a Special Investigator with the Securities Division ("Division") of the Arizona Corporation Commission and am over the age of eighteen (18).

2. As part of my duties for the Division, I was assigned to investigate Respondents Kuypow, Inc. (d/b/a "Mo's Properties & Investment Group"), Morris Clyde Kuykendall (a/k/a "Mo") and his spouse Judy E. Powers.

3. I understand that this affidavit may be used in a court of law, and it is based on my own personal knowledge, information and belief as of the date of this affidavit.

4. As part of my duties as the Special Investigator assigned to this matter, I reviewed documents demonstrating that Respondents raised \$1,036,396.46 by selling unregistered investments in the form of notes and/or investment contracts within or from Arizona. Taking into consideration known repayments, Respondents' investors are owed approximately \$719,290.13 as of May 28, 2008.



(Signature)

5/29/08

(Date)

SUBSCRIBED AND SWORN TO BEFORE me this 29th day of May, 2008.



NOTARY PUBLIC

My Commission Expires:

