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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

JUN 2 0 2008

DOCKETED BY

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In the matter of

TREND MANAGEMENT GROUP, INC., a) Nevada corporation,

**COMMISSIONERS** 

MIKE GLEASON, Chairman WILLIAM A. MUNDELL

JEFF HATCH-MILLER

KRISTIN K. MAYES

**GARY PIERCE** 

SCOTT RENNY BOGUE, SR. and ARLENE JANE BOGUE, husband and wife,

RYAN JAMES HERNDON and LORI DARLENE HERNDON (a.k.a. LORI J. HERNDON a.k.a. LORI JORDAN), husband and wife,

TREND CAPITAL, LLC, an Arizona limited liability company,

LINDA BRYANT JORDAN (a.k.a. LINDA VAN VRANKEN a.k.a. LINDA JORDAN-VAN VRANKEN), a married person, individually and doing business as THE TREND GROUP, INC.,

RUSSELL LANGDON VAN VRANKEN, husband of LINDA BRYANT JORDAN,

EASY STREET FINANCIAL GROUP, INC., an Arizona corporation,

CHRISTOPHER ELLIS MARX and JANE DOE MARX, husband and wife,

SCOT ALAN OGLESBY and LORI ANN OGLESBY, husband and wife,

Respondents.

DOCKET NO. S-020476A-06-0557

DECISION NO. 70391

ORDER TO CEASE AND DESIST, ORDER OF RESTITUTION, ORDER FOR ADMINISTRATIVE PENALTIES, AND CONSENT TO SAME BY:

LORI DARLENE JORDAN (a.k.a. LORI HERNDON)

Respondent LORI DARLENE JORDAN (a.k.a. LORI HERNDON) ("Respondent") elects to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 et seq. ("Securities Act") with respect to this Order To Cease and Desist, Order of Restitution, Order for Administrative Penalties, and Consent to Same by: Lori Darlene Jordan (a.k.a. Lori Herndon) ("Order"). Respondent admits the jurisdiction of the Arizona Corporation Commission ("Commission"); neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order; and consents to the entry of this Order by the Commission.

I.

## FINDINGS OF FACT

- 1. Respondent was at all relevant times the spouse of Respondent RYAN JAMES HERNDON ("HERNDON"). Respondent was joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital community.
- 2. At all relevant times, HERNDON was acting for the benefit and in furtherance of the marital community.
- 3. On April 29, 2008, the Commission entered the Order to Cease and Desist, Order of Restitution, Order for Administrative Penalties, and Consent to Same by: Ryan James Herndon, Decision No. 70321 (the "HERNDON ORDER").
- 4. In the HERNDON ORDER, the Commission ordered HERNDON to pay restitution and administrative penalties as a result of his conduct in violating A.R.S.  $\S$  44-1841,  $\S$  44-1842, and  $\S$  44-1991.

II.

### CONCLUSIONS OF LAW

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

- 2. HERNDON offered or sold securities within or from Arizona within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).
- 3. HERNDON violated A.R.S. §44-1841 by offering or selling securities that were neither registered nor exempt from registration.
- 4. HERNDON violated A.R.S. §44-1842 by offering or selling securities while neither registered as a dealer or salesman nor exempt from registration.
- 5. HERNDON violated A.R.S. § 44-1991 by (a) employing a device, scheme, or artifice to defraud, (b) making untrue statements or misleading omissions of material facts, and (c) engaging in transactions, practices, or courses of business that operate or would operate as a fraud or deceit.
- 6. HERNDON'S conduct is grounds for an order of restitution pursuant to A.R.S. § 44-2032.
- 7. HERNDON'S conduct is grounds for administrative penalties under A.R.S. §44-2036.
  - 8. HERNDON'S conduct binds the marital community pursuant to A.R.S. § 25-214.

### III.

### **ORDER**

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondent's consent to the entry of this Order, attached and incorporated by reference, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED that Respondent comply with the attached Consent to Entry of Order.

IT IS FURTHER ORDERED that the marital community is, jointly and severally with HERNDON liable for the payment of restitution as required by the HERNDON ORDER. Nothing contained in this Order shall obligate Respondent to use or make payments from her sole and separate earnings or property that would not otherwise by law be available to satisfy the restitution

required by the HERNDON ORDER. Any amount outstanding shall accrue interest at the rate of 10% per annum from the date of this Order until paid in full. Any restitution paid under this provision shall be paid directly to Receiver Peter S. Davis, appointed in Case No. CV2006-16822, Superior Court of Arizona – Maricopa County.

IT IS FURTHER ORDERED that the marital community is, jointly and severally with HERNDON liable for the payment of the administrative penalty required by the HERNDON ORDER. Nothing contained in this Order shall obligate Respondent to use or make payments from her sole and separate earnings or property that would not otherwise by law be available to satisfy the administrative penalty required by the HERNDON ORDER. Payment shall be made to the "State of Arizona." Any amount outstanding shall accrue interest at the rate of 10% per annum from the date of this Order until paid in full. The payment obligation for this administrative penalty is subordinate to any restitution obligation ordered herein and shall become immediately due and payable only after restitution payments have been paid in full or upon default with respect to the restitution obligation.

For purposes of this Order, a bankruptcy filing by Respondent shall be an act of default. If Respondent does not comply with this Order, any outstanding balance of restitution and penalties may be deemed in default and shall be immediately due and payable.

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

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IT IS FURTHER ORDERED that this Order shall become effective immediately. 1 BY ORDER OF THE ARIZONA CORPORATION COMMISSION 2 3 4 COMMISSIONER **CHAIRMAN** 5 MISSIONER COMMISSIONER 8 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, 9 Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the 10 official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this Oth day of 11 who 12 13 14 Executive Director 15 16 17 DISSENT 18 19 20 DISSENT 21 22 This document is available in alternative formats by contacting Linda Hogan, ADA Coordinator, 23 voice phone number 602-542-3931, e-mail lhogan@azcc.gov. 24 25 (ASL) 26

# CONSENT TO ENTRY OF ORDER

- 1. Respondent admits the jurisdiction of the Commission over the subject matter of this proceeding. Respondent acknowledges that she has been fully advised of her right to a hearing (and to present evidence and call witnesses therein) and she 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. Respondent acknowledges that this Order constitutes a valid, final order of the Commission.
- 2. Respondent knowingly and voluntarily waives any right 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. Respondent 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. Respondent acknowledges that she has been represented by an attorney in this matter, that she has reviewed this Order with her attorney Greg R. Davis of Davis Limited, and that she understands all of the terms it contains.
- 5. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order. Respondent agrees that she shall not contest the validity of the Findings of Fact and Conclusions of Law contained in this Order in any present or future administrative proceeding before the Commission or any other state agency concerning the denial or issuance of any license or registration required by the state to engage in the practice of any business or profession.
- 6. By consenting to the entry of this Order, Respondent 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. Respondent will undertake steps necessary to assure that all of her agents and employees understand and comply with this agreement.

- 7. While this Order settles this administrative matter between Respondent and the Commission, Respondent understands that this Order does not preclude the Commission from instituting other administrative or civil proceedings based on violations that are not addressed by this Order.
- 8. Respondent understands that this Order does not preclude the Commission from referring this matter to any governmental agency for administrative, civil, or criminal proceedings that may be related to the matters addressed by this Order.
- 9. Respondent understands that this Order does not preclude any other agency or officer of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal proceedings that may be related to matters addressed by this Order.
- 10. Respondent acknowledges that HERNDON entered into a criminal Plea Agreement with the State of Arizona in Case No. CR2008-006148-001DT, Superior Court of Arizona Maricopa County based on facts and conduct arising from matters addressed by the HERNDON ORDER.
- 11. Respondent acknowledges that any restitution or penalties imposed by this Order are obligations of both HERNDON and the marital community.
- 12. Respondent consents to the entry of this Order and agrees to be fully bound by its terms and conditions.
- 13. Respondent acknowledges and understands that, if she fails to comply with the provisions of the Order and this consent, the Commission may bring further legal proceedings against the marital community, including application to the superior court for an order of contempt.
- 14. Respondent understands that default shall render the marital community liable to the Commission for its costs of collection and interest at the maximum legal rate.
- 15. Respondent agrees and understands that, if she fails to make any payment as required in the Order, any outstanding balance shall be in default and shall be immediately due and

100	1. 사용하다 및 트립리트를 보게 하고 있었다. 그 사용하는 문학과 보다 하는 사용하는 모든 사용하는 사용하는 사용하는 사용하는 사용하는 사용하는 사용하는 사용하는
1	payable without notice or demand. Respondent agrees and understands that acceptance of any
2	partial or late payment by the Commission is not a waiver of default by the Commission.
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4	LORI DARLENE JOROAN (e.k.a. LORI
5	LORI DARLENE JOR <b>OAN (a.k.</b> a. LORI HERNDON)
6	가 있었다. 그는 사람들이 가는 것이 되는 것을 하는 것을 것이다. 같은 것이 되어 있었다. 한 경기를 하는 것이 되는 것이 되었다. 그런 것이 되는 것이 되는 것이 되는 것이 되는 것이 되었다. 것이 없는 것이 없는 것이 없는 것이 없는 것이 없다. 것이 없는 것
7	STATE OF ARIZONA )
8	) ss County of Maricopa )
9 10	SUBSCRIBED AND SWORN TO BEFORE me this 2 day of June, 2008.
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11 12	NOTARY PUBLIC
13	My commission expires:
14	OFFICIAL SEAL" Laurie A. Lunsford Notary Public-Arizona
15	Notary Public-Arizona Maricopa County My Commission Expires 7/19/2011
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