

OPEN MEETING ITEM

10/1/08



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

BRAN C. McNEL
EXECUTIVE DIRECTOR



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2008 SEP 23 P 2:21

ARIZONA CORPORATION COMMISSION

AZ CORP COMMISSION
DOCKET CONTROL

MEMORANDUM

ORIGINAL

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

Arizona Corporation Commission
DOCKETED

SEP 23 2008

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

DOCKETED BY *mjn*

DATE: September 17, 2008

RE: Default Order Against Pacific Coast Holding Company and Hall of Fame
Partners, LLC, Docket No. S-20609A-08-0398

CC: Brian C. McNeil, Executive Director

Please find attached a proposed default Order to Cease and Desist, For Restitution and For Administrative Penalty against Respondents Pacific Coast Holding Company ("PCH") and Hall of Fame Partners, LLC ("FAME"). Respondents PCH and FAME have not appeared in or defended this matter.

The Order finds that from March 2006 to December 2007, Respondents PCH and FAME sold \$500,000.00 in securities to investors residing in Arizona and three other states. The Order also finds that Respondents PCH and FAME violated A.R.S. §§ 44-1841 and 44-1842 for selling unregistered securities while not being registered as a dealer or salesman, or exempt from registration, and the anti-fraud provision of the Securities Act, A.R.S. § 44-1991.

The investor funds were deposited into accounts held by PCH but none of the funds were returned to investors. The Order requires the Respondents to pay \$500,000.00 in restitution and a \$150,000.00 administrative penalty.

The Division recommends this Order is appropriate, in the public interest, and necessary for the protection of investors.

Originator: Aikaterine Vervilos

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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-20609A-08-0398

STANLEY LANE BOBLETT (CRD)
#2209980)(a/k/a Lane Boblett) and ANTONIA) DECISION NO. _____
BOBLETT (a/k/a Toni Boblett and/or Antonia)

Loera-Marks), husband and wife,)

PACIFIC COAST HOLDING COMPANY, a) **ORDER TO CEASE AND DESIST, FOR**
Delaware Corporation; and) **RESTITUTION AND FOR**
HALL OF FAME PARTNERS, LLC, a) **ADMINISTRATIVE PENALTY RE:**
Delaware Limited Liability Company,) **PACIFIC COAST HOLDING COMPANY**
AND **HALL OF FAME PARTNERS, LLC**

Respondents.)

On August 1, 2008, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, for Administrative Penalties and for other Affirmative Action ("Notice") in the matter against Respondents Stanley Lane Boblett (a/k/a Lane Boblett), Antonia Boblett (a/k/a Toni Boblett and/or Antonia Loera-Marks), Pacific Coast Holding Company, and Hall of Fame Partners, LLC.

Antonia Boblett (a/k/a Toni Boblett and/or Antonia Loera-Marks) was served on August 5, 2008. On August 12, 2008, the Division filed a Notice of Dismissal of Antonia Boblett (a/k/a Toni Boblett and/or Antonia Loera-Marks) Without Prejudice.

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1 Pacific Coast Holding Company and Hall of Fame Partners, LLC were personally served on
2 August 13, 2008. The Notice specified that Pacific Coast Holding Company and Hall of Fame
3 Partners had ten days to request a hearing and 30 days to file an answer. Neither requested a
4 hearing or filed an answer within the required time.

5 Stanley Lane Boblett (a/k/a Lane Boblett) is not subject to this Order.

6 **I.**

7 **FINDINGS OF FACT**

8 1. Stanley Lane Boblett (a/k/a Lane Boblett)(“Boblett”) is an individual who at all
9 times relevant offered and sold securities within or from Arizona.

10 2. Pacific Coast Holding Company (“PCH”) is a company incorporated in Delaware.

11 3. Boblett is a director of PCH.

12 4. Hall of Fame Partners, LLC (“FAME”) is a Delaware Limited Liability Company.

13 5. Boblett is a “Director” (sic) of FAME.

14 6. Boblett (CRD#2209980) has not been a registered salesmen since November 2000 and
15 has not been a registered dealer. At all times relevant, PCH and FAME were not registered with the
16 Commission as dealers or salesmen.

17 7. Beginning on or about March 2006 to at least December 2007, PCH and FAME
18 offered and/or sold unregistered securities in the form of investment contracts, shares of stock and
19 promissory notes to at least six investors, including at least one Arizona investor. PCH and FAME
20 raised at least \$500,000 from investors.

21 8. The underlying nature of the investment contracts varied and included investments
22 in companies that produced a product known as a “Kickstand”, beverages, and digitized film
23 (collectively referred to as the “Investments.”).

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1 **A. KICKSTAND**

2 9. Boblett offer ed at least one investor an investment contract that Boblett called
3 shares of stock in a company that made a "Kickstand." Boblett represented to at least one investor
4 that the "Kickstand" was a device designed to hold a guitar.

5 10. Boblett promised at least one investor a rate of return of 150% on this investment.

6 11. Boblett instructed at least one investor to make the funds payable to "Pacific Coast
7 Holdings/Venture Fund." PCH received the investor funds in a bank account opened and
8 controlled by Boblett.

9 12. The investors provided the investment funds but otherwise had no involvement in
10 the investment.

11 13. Boblett failed to provide the investor with any disclosures prior to investing.

12 **B. BEVERAGE COMPANY**

13 14. Boblett offered shares of stock in a beverage company by offering different
14 investors different types of securities with different terms.

15 15. Boblett offered at least one investor the opportunity to purchase shares of stock in
16 the beverage company. Boblett provided to at least one investor a business plan for the beverage
17 company. Boblett represented to at least one investor that he was an investment banker raising
18 funds for the beverage company.

19 16. Boblett offered shares of stock in a beverage company to at least one investor by
20 promising to return the original investment funds, plus the investor would be able to keep the
21 shares of stock. Boblett induced this investment by telling the investor that a shareholder needed to
22 liquidate the holdings in the beverage company. The investor received neither the return of the
23 funds nor the shares of stock.

24 17. Boblett offered to at least one investor a promised return of 25% within 30 to 60
25 days if the investor would allow Boblett to borrow funds in order for Boblett to purchase shares of
26 stock in the beverage company at a reduced price. Boblett failed to return the funds as promised.

1 18. Boblett offered to at least one investor an opportunity to become part of an
2 investment group wherein Boblett would pool funds from those in the investment group to
3 purchase shares of stock in a beverage company. Boblett failed to purchase the shares of stock in
4 the beverage company.

5 19. Boblett offered at least one investor a promissory note in exchange for funds so
6 Boblett could invest in the beverage company by purchasing shares of stock. The promissory note
7 was for a term of one month at an interest rate of 8%. Boblett failed to return the funds as
8 promised.

9 20. Boblett instructed the investors to make the funds payable to "Pacific Coast
10 Holdings/SIP," "SIP/PCH," "Pacific Coast Holding/Sudden Impact Partners," and "Pacific Coast
11 Holding Company." PCH received the investor funds in bank accounts opened and controlled by
12 Boblett.

13 **C. FAME**

14 21. Boblett, on behalf of FAME, offered at least one investor an investment contract
15 that he called shares of stock in FAME even though FAME is a limited liability corporation.

16 22. Boblett offered at least one investor the opportunity to invest in FAME by
17 representing that FAME was affiliated with the beverage company and that FAME investors would
18 have more voting power in the beverage company if they invested with FAME. Additionally,
19 Boblett represented to at least one investor that the purchase price of FAME had doubled; however,
20 Boblett offered investors an opportunity to purchase the shares of stock at the pre-doubling price
21 thereby offering an instant 100% return on investment.

22 23. FAME failed to disclose that FAME is a limited liability company controlled by
23 Boblett and that FAME could not issue shares of stock.

24 24. FAME misrepresented that FAME was associated with the beverage company when
25 there was no affiliation.
26

1 25. Boblett instructed the investors to make the funds payable to "Pacific Coast Holding
2 Company." PCH received the investor funds in bank accounts opened and controlled by Boblett.

3 26. The investors provided the investment funds but otherwise had no involvement in
4 the investment.

5 **D. DIGITAL IMAGING INVESTMENT**

6 27. Boblett offer ed at least one investor an investment contract that Boblett called
7 shares of stock in a limited liability company that digitized film.

8 28. To induce the investment, Boblett represented this company developed a
9 revolutionary machine that would increase the speed at which film is digitized. The use of this
10 revolutionary machine would translate into increased profits for the company and an increased
11 value for each share of stock. Additionally, Boblett showed at least one investor a video of the
12 revolutionary machine.

13 29. Boblett instructed the investors to make the funds payable to "Pacific Coast
14 Holdings." PCH received the investor funds in bank accounts opened and controlled by Boblett.

15 30. The investors provided the investment funds but otherwise had no involvement in
16 the investment.

17 **E. GENERAL ALLEGATIONS**

18 31. A majority of the investors received unsigned subscription agreements (hereinafter
19 "investor documents") in exchange for their investment funds indicating that they were purchasing
20 shares of stock.

21 32. Boblett failed to invest the investor funds as promised to the investors. The investors
22 neither received stock certificates nor are listed as shareholders in the companies.

23 33. PCH and FAME expended investor funds for Boblett's personal expenses without
24 authorization from investors. PCH and FAME failed to disclose to potential investors that investor
25 funds will be expended for personal use.

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- 1 e) FAME misrepresented that FAME was associated with the beverage
- 2 company;
- 3 f) FAME misrepresented to investors that FAME could issue stock; and
- 4 g) PCH and FAME misrepresented to investors that they would make
- 5 substantial profits by investing in the alleged Investments.

6 37. PCH's and FAME's conduct is grounds for a cease and desist order pursuant to
7 A.R.S. § 44-2032.

8 38. PCH's and FAME's conduct is grounds for an order of restitution pursuant to
9 A.R.S. § 44-2032.

10 39. PCH's and FAME's conduct is grounds for administrative penalties under A.R.S. §
11 44-2036.

12 **III.**

13 **ORDER**

14 THEREFORE, on the basis of the Findings of Fact and Conclusions of Law, the
15 Commission finds that the following relief is appropriate, in the public interest, and necessary for the
16 protection of investors:

17 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that PCH and FAME, and any of PCH's
18 or FAME's agents, employees, successors and assigns, permanently cease and desist from
19 violating the Securities Act.

20 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that PCH and FAME shall,
21 jointly and severally with any other respondents in any other order entered in Docket No. S-
22 20609A-08-0398, pay restitution to investors shown on the records of the Commission in the
23 amount of \$500,000. Payment shall be made in full on the date of this Order. Any amount
24 outstanding shall accrue interest at the rate of 10% per annum from the date of this Order until paid
25 in full. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing
26 account controlled by the Commission. The Commission shall disburse the funds on a pro-rata

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

6 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036 that PCH and FAME shall,
7 jointly and severally with any other respondents in any other order entered in Docket No. S-
8 20609A-08-0398, pay an administrative penalty in the amount of \$150,000. Payment shall be
9 made to the "State of Arizona." Any amount outstanding shall accrue interest at the rate of 10%
10 per annum from the date of this Order until paid in full. The payment obligations for these
11 administrative penalties shall be subordinate to any restitution obligations ordered herein and shall
12 become immediately due and payable only after restitution payments have been paid in full or
13 upon PCH's and FAME's default with respect to PCH's and FAME's restitution obligations.

14 For purposes of this Order, a bankruptcy filing by PCH or FAME shall be an act of default.
15 If PCH or FAME does not comply with this Order, any outstanding balance may be deemed in
16 default and shall be immediately due and payable.

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IT IS FURTHER ORDERED, that if PCH or FAME fails to comply with this order, the Commission may bring further legal proceedings against PCH or FAME, 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.
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