ORIGINAL

OPEN MEETING ITEM
4/14/09

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COMMISSIONERS
KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

MICHAEL P. KEARNS
INTERIM EXECUTIVE DIRECTOR

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ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission
DOCKETED
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DOCKETED BY

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AZ CORP COMMISSION
DOCKET CONTROL

TO: Kristin K. Mayes, Chairman
Gary Pierce
Paul Newman
Sandra D. Kennedy
Bob Stump

FROM: Matthew J. Neubert
Director of Securities

DATE: March 25, 2009

RE: Proposed Order By David W. Cole, Siiri Cole, Highline Estates, LLC, Mutual Financial Services, LLC, and Dream Craft, LLC, Docket No. S-20656A-09-0074

CC: Michael P. Kearns, Interim Executive Director

Please find attached a proposed Order to Cease and Desist, For Restitution and For Administrative Penalty and Consent to Same by David W. Cole, Siiri Cole, Highline Estates, LLC, Mutual Financial Services, LLC, and Dream Craft, LLC (collectively referred to as "Respondents"). Siiri Cole is named as a part of this action to determine the liability of the marital community. Respondents Oglesby and Ward are not a part of this Order.

The Order contains findings that from June 2006 until February 2008, $688,761.53 was offered and sold in notes to 18 investors, the majority of which reside in Arizona, in order to invest in a development project called Highline Estates. The terms of the notes included an interest rate of 9.5% for each of two years with interest paid monthly and recordation of deeds of trust within six months of the investment to secure payment of the notes. The investors were not told about Cole's limited development experience, that the project was not fully funded, or whether or not any future homes were pre-sold. Additionally, the deeds of trust were not filed within six months as promised.

Respondents neither admit nor deny the findings of fact and conclusions of law. The Respondents have agreed to cease and desist from violating the Arizona Securities Act, to pay restitution in the amount of $651,570.36, and to pay an administrative fine in the amount of $50,000.00.

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

Originator: Aikaterine Vervilos

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

In the matter of: DAVID W. COLE and SIIRI COLE, husband and wife HIGHLINE ESTATES, LLC, an Arizona limited liability company MUTUAL FINANCIAL SERVICES, LLC (d/b/a MFS Real Estate Division and MFS Investments), an Arizona limited liability company DREAM CRAFT, LLC, an Arizona limited liability company SCOT A. OGLESBY (d/b/a Arizona Asset Management) and LORI ANN OGLESBY, husband and wife RANDY K. WARD (CRD# 4137944) (d/b/a Arizona Asset Management) and SHARON WARD, husband and wife Respondents.	DOCKET NO. S-20656A-09-0074 **ORDER TO CEASE AND DESIST, ORDER FOR RESTITUTION, FOR ADMINISTRATIVE PENALTIES AND CONSENT TO SAME BY:** **DAVID W. COLE** **SIIRI COLE** **HIGHLINE ESTATES, LLC** **MUTUAL FINANCIAL SERVICES, LLC** **DREAM CRAFT, LLC** DECISION NO. _____

Respondents DAVID W. COLE ("COLE"), SIIRI COLE ("Respondent Spouse"), HIGHLINE ESTATES, LLC, an Arizona limited liability company, ("HIGHLINE"), MUTUAL FINANCIAL SERVICES, LLC (d/b/a MFS Real Estate Division and MFS Investments), an Arizona limited liability company, ("MFS"), and DREAM CRAFT, LLC, an Arizona limited liability company, ("DREAM CRAFT") elect 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 for Restitution, and Order for Administrative Penalties ("Order"). Respondents COLE, Respondent Spouse, HIGHLINE, MFS and DREAM CRAFT admit the jurisdiction of the Arizona Corporation Commission ("Commission"); neither

admit nor deny the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

I.

FINDINGS OF FACT

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

2. DAVID W. COLE ("COLE") is an individual who at all relevant times resides in Arizona.

3. SIIRI COLE was at all relevant times the spouse of COLE. SIIRI COLE is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital community. At all times relevant, COLE was acting for his own benefit, and for the benefit or in furtherance of the marital community.

4. HIGHLINE ESTATES, LLC ("HIGHLINE") is an Arizona limited liability company organized on or about May 9, 2005. According to Commission records, COLE was HIGHLINE's sole manager from May 9, 2005 until July 2, 2006. Mutual Financial Services, LLC (d/b/a MFS Real Estate and MFS Investments) ("MFS") became HIGHLINE's sole manager from July 3, 2006 until the present.

5. MFS is an Arizona limited liability company organized on or about January 18, 2000. According to Commission records, MFS is solely managed by Dream Craft Homes, LLC ("DREAM CRAFT").

6. DREAM CRAFT is an Arizona limited liability company organized on or about July 3, 2006. According to Commission records, COLE and others are members of DREAM CRAFT.

7. Scot A. Oglesby (d/b/a Arizona Asset Management) ("Oglesby") is an individual who at all relevant times resides in Arizona.

8. Randy K. Ward (CRD# 4137944) (d/b/a Arizona Asset Management) ("Ward") is an individual who at all relevant times resides in Arizona. Ward has not been a registered salesman since December 2005.

9. COLE, HIGHLINE, MFS, and DREAM CRAFT may be collectively referred to as "Respondents."

10. SIIRI COLE may be referred to as "Respondent Spouse."

11. Beginning in or around June 2006 until in or around February 2008, HIGHLINE, MFS, COLE, Oglesby, and Ward offered and sold in Arizona at least $688,761.53 in securities in the form of notes (hereinafter "Investments") to at least 18 investors, the majority of which reside in Arizona.

12. Beginning in or around 2004, COLE formed a relationship with Oglesby as both COLE and Oglesby had offices in the same building. At the time Oglesby was a salesperson with a company called Easy Street Financial Group, Inc. ("Easy Street"). Oglesby told COLE he could raise money for COLE's real estate projects.

13. Beginning in or around 2006, COLE sought to raise capital in order to fund HIGHLINE. HIGHLINE was to build single family housing units on four undeveloped parcels of land, subdivided into 65 lots, in Phoenix (hereinafter "HIGHLINE Project")

14. COLE was in charge of the HIGHLINE Project, but COLE had limited experience in real estate development.

15. Beginning in or around 2006, COLE approached Oglesby to sell the Investments as a product to investors. Investor funds were pooled to fund the construction of the infrastructure of the land and the construction of the houses.

16. COLE met with Oglesby and Ward, who worked with Oglesby at Arizona Asset Management, to discuss raising funds for the HIGHLINE Project. After at least a few meetings with COLE, Oglesby and Ward agreed to locate investors to raise money by offering and selling the Investments.

17. In May and June 2006, Oglesby and Ward signed employment applications with MFS. MFS, through COLE, signed employment agreements with Oglesby and Ward. Oglesby and Ward were compensated by MFS for selling the Investments. According to COLE, Oglesby and Ward were paid a six percent commission on the amount raised.

18. COLE, on behalf of HIGHLINE and MFS, hired Oglesby and Ward without conducting a background check or asking about any prior securities violations. Oglesby, Easy Street and another were subject to a Nevada Secretary of State Cease and Desist Order on November 24, 2004 regarding Nevada securities violations for selling unregistered securities in the form of certificates of deposits. Ward, Easy Street and others were subject to a California Department of Corporations Desist and Refrain Order on April 3, 2003 regarding California securities violations for selling unregistered securities in the form of certificates of deposit. Oglesby and Ward did not disclose these orders to the investors.

19. COLE developed and provided the HIGHLINE Investment documents to Oglesby and Ward. The Investment documents named HIGHLINE as the borrower. According to the Investment documents, the Investment provided for a 24-month term at 9.5% interest per year with interest paid monthly. The Investment listed as security a corporate guarantee and deed of trust. The Investment included terms that the deed of trust would be filed no later than six months from the date of the agreement. It also stated that the investor's deed would be subordinate to any other deed of trust as HIGHLINE so designates without obtaining permission from the investor. COLE, on behalf of HIGHLINE, signed the Investments.

20. The investors in HIGHLINE were elderly and unsophisticated. At least one investor prematurely cashed in an annuity and was charged an early withdrawal penalty to invest in HIGHLINE. Another investor cashed in an annuity and sold a farm to raise money for the investment.

21. Oglesby and Ward told investors that the HIGHLINE investment paid 9.5% interest each year for a two-year period, which was higher than the rates the investors would get in a CD or an annuity. Oglesby and Ward told investors HIGHLINE would pay investors a monthly interest payment.

22. Oglesby and Ward had the investors sign the Investment documents but did not give them a copy.

23. Oglesby and Ward did not ask the investors about their financial condition and their ability to withstand the loss.

24. Oglesby and Ward told investors that the Investment was safe because it was secured by real estate. However, HIGHLINE, Oglesby and Ward failed to disclose to investors whether their deeds of trust would be first deeds of trust or be filed after another deed of trust, failed to disclose that the property was already encumbered by a mortgage, and failed to disclose the subordination paragraph which allowed HIGHLINE to place investors ahead of other investors at HIGHLINE's discretion.

25. Oglesby met with at least one investor that had previously invested with Oglesby while Oglesby was with Easy Street. Oglesby told the investor about HIGHLINE. One investor met with COLE to further discuss the Investment. COLE showed the investor a real estate magazine showing the types of houses that would be built. The investor cashed out their annuity and sold a farm to invest in HIGHLINE.

26. HIGHLINE, Oglesby and Ward failed to provide any detail regarding financial information of the development to the investors. At least one investor received a "current projected land value" of the HIGHLINE project. The projected land equity, after development and land acquisition costs, was $3,150,000. The investors did not receive any financial information on HIGHLINE.

27. The Investment documents listed either Oglesby or Ward as the MFS Representative. COLE, on behalf of HIGHLINE, signed the Investment documents received by the investors.

28. Oglesby and Ward delivered the investor checks and the Investment documents signed by the investors to COLE.

29. After investing, some of the investors received a letter from COLE, as President of MFS, on MFS letterhead welcoming them to the private lending program, which was the HIGHLINE Investment. COLE enclosed a lenders' certificate showing HIGHLINE as the borrower of funds and provided to the investors a copy of the Investment documents they signed.

COLE signed as the HIGHLINE representative. In at least one instance, one lenders' certificate indicated that MFS was offering the Investment. In at least another instance, the lenders' certificate indicated MFS was brokering the Investment. At least one investor received a loan receipt from MFS, with Oglesby signing as the representative.

30. HIGHLINE, MFS, COLE, Oglesby, and Ward failed to disclose risks of investment, including, but not limited to: that HIGHLINE was a new company with limited resources, that COLE had limited experience in real estate development, that the HIGHLINE project was not fully funded, whether or not HIGHLINE had pre-sold homes, that the investors did not have first deeds of trust on the property, the economic risks relating to the ability of HIGHLINE to repay the investors, and that the investors could lose all or part of their investment.

31. During the time Oglesby was selling the Investments, the Commission took action against Oglesby, Easy Street and others by filing a Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and for Other Administrative Action ("Notice") on September 5, 2006 for violations of Arizona securities laws related to unregistered securities in the form of investment contracts offered by or through Easy Street. HIGHLINE, Oglesby and Ward continued to offer and sell the Investments but did not disclose the Commission Notice to the investors. COLE did not know about the Notice.

32. On October 19, 2006, Oglesby signed an Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and for Other Administrative Action and Consent to the Same: Scot Alan Oglesby and Lori Ann Oglesby ("Order") resolving the Commission Notice. Oglesby stopped selling the Investments in or around October 2006. However, HIGHLINE and Ward continued selling the Investments.

33. Although HIGHLINE, MFS, COLE, Oglesby and Ward represented that the deeds of trust would be filed within six months of signing the loan agreement, HIGHLINE recorded a majority of the investors' deeds of trust in April 2008, which in at least one case was nearly two years after the investment was made.

34. Although HIGHLINE, MFS, COLE, Oglesby and Ward represented that the investors would receive monthly interest payments, HIGHLINE did not pay all investors a monthly interest payment. At least one investor was never paid a monthly interest payment. Another investor had to contact COLE to receive the monthly interest payment, but did not receive the first monthly payment until about a year after investing. In yet another instance, an investor received several monthly interest payments, but then the payments stopped.

35. The majority of funds raised from the sale of the Investments were transferred from HIGHLINE to other entities controlled by or through COLE. This was not disclosed to the investors.

36. At all times relevant, HIGHLINE, COLE, MFS, Oglesby, and Ward were not registered with the Commission as dealers or salesmen.

37. At all times relevant, the Investments were not registered with the Commission.

38. HIGHLINE, COLE, MFS, Oglesby and Ward raised $688,761.53 from 18 investors, 15 of which are Arizona residents, returned $37,191.17, for a total of $651,570.36 that is owed to investors.

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. HIGHLINE, MFS and COLE 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. HIGHLINE, MFS and COLE violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

4. HIGHLINE, MFS, and COLE violated A.R.S. § 44-1842 by offering or selling securities while neither registered as dealers or salesmen nor exempt from registration.

5. Respondents violated A.R.S. § 44-1991 by making untrue statements or misleading omissions of material facts. The conduct included:

a. Ward failed to disclose to at least one investor the California Department of Corporations Desist and Refrain Order against Ward for violations of California's securities laws;

b. Oglesby failed to disclose to at least one investor the Nevada Secretary of State Cease and Desist Order against Oglesby for violations of Nevada's securities laws;

c. Oglesby failed to disclose to at least one investor the Commission action against OGLESBY for violations of Arizona's securities laws;

d. HIGHLINE, MFS, COLE, Oglesby and Ward failed to disclose to at least one investor the risks of the investment, including but not limited to: that HIGHLINE was a new company with limited resources, that the HIGHLINE project was not fully funded, that COLE had limited experience in real estate development, whether or not HIGHLINE had pre-sold homes, the economic risks relating to the ability of HIGHLINE to repay the investors, and that the investors could lose all or part of their investment;

e. HIGHLINE, MFS, Oglesby and Ward misrepresented to at least one investor that the investors' deeds of trust would be filed within 6 months of investing when in fact a majority of the deeds were filed in or around April 2008, which in some cases was nearly two years after investing;

f. HIGHLINE, MFS, COLE, Oglesby and Ward misrepresented to investors that they would receive monthly interest payments when in fact at least one investor did not receive any interest payments, at least one investor did not receive monthly interest payments until a year after investing, and at least one investor received several monthly interest payments and then the payments stopped; and

g. Oglesby and Ward misrepresented to at least one investor that the investment was safe because each investor would receive a deed of trust but Oglesby and Ward did not tell at least one investor that the property was already encumbered

by a mortgage, did not tell them whether their deed of trust was a first deed or would be filed after another deed of trust, and that the subordination paragraph in the loan agreement enabled HIGHLINE to change an investor's priority position at HIGHLINE's discretion.

6. MFS directly or indirectly controlled persons within the meaning of A.R.S. § 44-1999, including but not limited to HIGHLINE, Oglesby and Ward. Therefore, MFS is jointly and severally liable under A.R.S. § 44-1999 to the same extent as HIGHLINE, Oglesby and Ward for their violations of A.R.S. § 44-1991.

7. DREAM CRAFT directly or indirectly controlled persons or entities within the meaning of A.R.S. § 44-1999, including but not limited to HIGHLINE, MFS, Oglesby, and Ward. Therefore, DREAM CRAFT is jointly and severally liable under A.R.S. § 44-1999 to the same extent as HIGHLINE, MFS, Oglesby and Ward for their violations of A.R.S. § 44-1991.

8. COLE directly or indirectly controlled persons or entities within the meaning of A.R.S. § 44-1999, including but not limited to HIGHLINE, MFS, DREAM CRAFT, Oglesby, and Ward. Therefore, COLE is jointly and severally liable under A.R.S. § 44-1999 to the same extent as HIGHLINE, MFS, DREAM CRAFT, Oglesby and Ward for their violations of A.R.S. § 44-1991.

9. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

10. Respondents' conduct is grounds for an order of restitution pursuant to A.R.S. § 44-2032.

11. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-2036.

12. Respondent COLE acted for the benefit of his marital community and, pursuant to A.R.S. §§ 25-214 and 25-215, this Order of restitution and administrative penalties is a debt of the community.

III.

ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents' 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, pursuant to A.R.S. § 44-2032, that Respondents, and any of Respondents' agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

IT IS FURTHER ORDERED that Respondents and Respondent Spouse comply with the attached Consent to Entry of Order.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondents and the marital community of COLE and Respondent Spouse shall, jointly and severally, pay restitution to the Commission in the amount of $651,570.36. Payment shall be made in full on the date of this Order. Any amount outstanding shall accrue interest at the rate of 10% per annum from the date of this Order until paid in full. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account controlled by the Commission. The Commission shall disburse the funds on a pro-rata basis to investors shown on the records of the Commission. Any restitution funds that the Commission cannot disburse because an investor refuses to accept such payment shall be disbursed on a pro-rata basis to the remaining investors shown on the records of the Commission. Any funds that the Commission determines it is unable to or cannot feasibly disburse shall be transferred to the general fund of the state of Arizona.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents and the marital community of COLE and Respondent Spouse, shall jointly and severally, pay an administrative penalty in the amount of $50,000.00. If the restitution is paid in full within one year from the date of this Order, then the penalty amount shall be reduced to $25,000.00. 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 obligations for these administrative penalties shall be subordinate to any restitution obligations ordered herein and shall become immediately due and payable only after restitution payments have been paid in full or upon Respondents' default with respect to Respondents' restitution obligations.

For purposes of this Order, a bankruptcy filing by any of the Respondents shall be an act of default. If any Respondent does not comply with this Order, any outstanding balance 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 an 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, MICHAEL P. KEARNS, Interim 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 _____, 20__.

MICHAEL P. KEARNS
INTERIM EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, e-mail sbernal@azcc.gov.

(AV)

CONSENT TO ENTRY OF ORDER

1. Respondents DAVID W. COLE ("COLE"), SIIRI COLE ("Respondent Spouse"), HIGHLINE ESTATES, LLC, an Arizona limited liability company, ("HIGHLINE"), MUTUAL FINANCIAL SERVICES, LLC (d/b/a MFS Real Estate Division and MFS Investments), an Arizona limited liability company, ("MFS"), and DREAM CRAFT, LLC, an Arizona limited liability company, ("DREAM CRAFT") admit the jurisdiction of the Commission over the subject matter of this proceeding. Respondents and Respondent Spouse acknowledge that Respondents and Respondent Spouse have been fully advised of their right to a hearing to present evidence and call witnesses and they knowingly and voluntarily waive 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. Respondents acknowledge that this Order to Cease and Desist, Order of Restitution and Order for Administrative Penalties ("Order") constitutes a valid final order of the Commission.

2. Respondents and Respondent Spouse knowingly and voluntarily waive 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. Respondents and Respondent Spouse acknowledge and agree that this Order is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.

4. Respondents and Respondent Spouse have been represented by an attorney in this matter. Respondents and Respondent Spouse have reviewed this order with their attorney, Alan S. Baskin, Esq., and understand all terms it contains. Respondents and Respondent Spouse acknowledge that their attorney has apprised them of their rights regarding any conflicts of interest arising from multiple representation. Respondents and Respondent Spouse acknowledge that they have each given their informed consent to such representation.

5. Respondents and Respondent Spouse neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Order. Respondents and Respondent Spouse agree that

they 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.

6. By consenting to the entry of this Order, Respondents and Respondent Spouse agree 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. Respondents and Respondent Spouse will undertake steps necessary to assure that all of their agents and employees understand and comply with this agreement. Nothing in this paragraph shall preclude Respondents and Respondent Spouse from defending themselves in any administrative, civil or criminal proceedings to which the Commission is not a party.

7. While this Order settles this administrative matter between Respondents, Respondent Spouse, and the Commission, Respondents and Respondent Spouse understand 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. Respondents and Respondent Spouse understand 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. Respondents and Respondent Spouse understand 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. Respondents agree that Respondents will not apply to the state of Arizona for registration as a securities dealer or salesman or for licensure as an investment adviser or investment adviser representative until such time as all restitution and penalties under this Order are paid in full.

11. Respondents agree that Respondents will not exercise any control over any entity that offers or sells securities or provides investment advisory services within or from Arizona until such time as all restitution and penalties under this Order are paid in full.

12. Respondents agree that Respondents will not sell any securities in or from Arizona without being properly registered in Arizona as a dealer or salesman, or exempt from such registration; Respondents will not sell any securities in or from Arizona unless the securities are registered in Arizona or exempt from registration; and Respondents will not transact business in Arizona as an investment adviser or an investment adviser representative unless properly licensed in Arizona or exempt from licensure.

13. Respondents and Respondent Spouse agree that they will continue to cooperate with the Securities Division including, but not limited to, providing complete and accurate testimony at any hearing in this matter and cooperating with the state of Arizona in any related investigation or any other matters arising from the activities described in this Order. This provision shall not constitute a waiver of Respondents' state and federal rights against self-incrimination.

14. Respondent DAVID W. COLE and Respondent Spouse acknowledge that any restitution or penalties imposed by this Order are obligations of Respondent DAVID W. COLE, as well as the marital community.

15. Respondents and Respondent Spouse consent to the entry of this Order and agree to be fully bound by its terms and conditions.

16. Respondents and Respondent Spouse acknowledge and understand that if Respondents or Respondent Spouse fail to comply with the provisions of the order and this consent, the Commission may bring further legal proceedings against them, including application to the superior court for an order of contempt.

17. Respondents and Respondent Spouse understand that default shall render Respondents and the marital community of Respondent Spouse liable to the Commission for its costs of collection and interest at the maximum legal rate.

18. Respondents and Respondent Spouse agree and understand that if Respondents or Respondent Spouse fail to make any payment as required in the Order, any outstanding balance shall be in default and shall be immediately due and payable without notice or demand. Respondents and Respondent Spouse agree and understand that acceptance of any partial or late payment by the Commission is not a waiver of default by Commission.

19. DAVID W. COLE represents that he is a member of DREAM CRAFT, LLC. DREAM CRAFT, LLC is the sole manager of MUTUAL FINANCIAL SERVICES (d/b/a MFS Real Estate and MFS Investments). MUTUAL FINANCIAL SERVICES (d/b/a MFS Real Estate and MFS Investments) is the sole manager of HIGHLINE ESTATES, LLC. DAVID W. COLE represents he has been authorized by DREAM CRAFT, LLC, HIGHLINE ESTATES, LLC, and MUTUAL FINANCIAL SERVICES, (d/b/a MFS Real Estate and MFS Investments) to enter into this Order for and on behalf of each of them.

DAVID W. COLE

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 26th day of March, 2009.

NOTARY PUBLIC

My commission expires:

May 14, 2009

CRISTINA I. MCDONALD
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
My Commission Expires
May 14, 2009

SIIRI COLE

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 26th day of March, 2009.

NOTARY PUBLIC

My commission expires:
May 14, 2009

CRISTINA I. MCDONALD
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
My Commission Expires
May 14, 2009

DREAM CRAFT, LLC, an Arizona limited liability company

By: David W. Cole
Its: Member

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 26th day of March, 2009.

NOTARY PUBLIC

My commission expires:
May 14, 2009

CRISTINA I. MCDONALD
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
My Commission Expires
May 14, 2009

MUTUAL FINANCIAL SERVICES, LLC (d/b/a MFS Real Estate and MFS Investments), an Arizona limited liability company

By: Dream Craft, LLC, an Arizona limited liability company
Its: Manager

By: _____
Its: Manager/Member

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 26th day of March, 2009.

_____
NOTARY PUBLIC

My commission expires:

May 14, 2009

CRISTINA T. MCDONALD
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
My Commission Expires
May 14, 2009

HIGHLINE ESTATES, LLC, an Arizona limited liability company

By: Mutual Financial Services (d/b/a MFS Real Estate and MFS Investments), an Arizona limited liability company

Its: Manager

By: _____
Its: Manager/Member

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 26th day of March, 2009.

_____
NOTARY PUBLIC

My commission expires:

May 14, 2009

CRISTINA I. MODONALD
NOTARY PUBLIC - ARIZONA
MARICOPA COUNTY
My Commission Expires
May 14, 2009