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BEFORE THE ARIZONA CORPORATION COMMISSION

AZ CORP COMMISSION

CARL J. KUNASEK  
Chairman  
JIM IRVIN  
Commissioner  
TONY WEST  
Commissioner

Mar 18 12 11 PM '99



DOCUMENT CONTROL

In the matter of

DOCKET NO. S-03269A-99-0000

JAMES TROY BREDESON  
1951 W. Camelback Rd., Ste. 270  
Phoenix, AZ 85015

NOTICE OF OPPORTUNITY FOR  
HEARING REGARDING PROPOSED  
ORDER FOR RELIEF

RONALD JOHN HOOVER  
4215 N. Civic Center Blvd., #145  
Scottsdale, AZ 85251

LOWELL ROBERT TAYLOR  
a/k/a JIM TAYLOR  
630 N. Pheasant Dr.  
Gilbert, AZ 85236

PATRICK ROBIN HOGUE  
2765 N. Scottsdale Rd. , #104-A  
Scottsdale, AZ 85257,

Respondents.

**NOTICE: EACH RESPONDENT HAS 10 DAYS TO REQUEST A HEARING**

For its proposed order for relief, the Securities Division (the "Division") of the Arizona Corporation Commission (the "Commission") alleges that respondents, singularly and in concert, have engaged in acts, practices and transactions, which constitute violations of A.R.S. § 44-1801 et seq., the Securities Act of Arizona (the "Securities Act").

The Division alleges as follows:

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I.

JURISDICTION

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3 1. The Commission has jurisdiction over these matters pursuant to Article XV of the  
4 Arizona Constitution, and the Securities Act.

5 II.

6 RESPONDENTS

7 2. JAMES TROY BREDESON ("BREDESON"), whose last known address is 1951 W.  
8 Camelback, Ste. 270, Phoenix, AZ 85015, was at all relevant times a managing director, trustee, and  
9 salesman for an entity doing business in Arizona as Plus More Trust ("PMT"). PMT is a purported  
10 Arizona business trust; however, no trust documents were filed with or certified by the Arizona  
11 Corporation Commission as required by A.R.S. § 10-1874. BREDESON was not registered under the  
12 Securities Act as a dealer or salesman.

13 3. RONALD JOHN HOOVER ("HOOVER"), CRD # 2497521, whose last known address  
14 is 4215 N. Civic Center Blvd., #145, Scottsdale, AZ 85251, was at all relevant times a managing director,  
15 trustee, and salesman for PMT. HOOVER was licensed to sell securities in Arizona from January 29,  
16 1996 through May 6, 1998, at which time HOOVER voluntarily terminated his license. During the time  
17 HOOVER was licensed, he was affiliated with WMA Securities of Duluth, GA.

18 4. LOWELL ROBERT TAYLOR, a/k/a JIM TAYLOR ("TAYLOR"), whose last known  
19 address is 630 N. Pheasant Dr., Gilbert, AZ 85236, was at all relevant times a managing director, trustee,  
20 and salesman for PMT. Taylor was not registered under the Securities Act as a dealer or salesman.

21 5. PATRICK ROBIN HOGUE ("HOGUE"), CRD #2308082, whose last known address is  
22 2765 N. Scottsdale Rd., #104-A, Scottsdale, AZ 85257, was at all relevant times a managing director,  
23 trustee, and salesman for PMT. HOGUE was not registered under the Securities Act as a dealer or  
24 salesman in Arizona. However, HOGUE was licensed to sell securities in California and affiliated with  
25 WMA Securities of Duluth, GA. WMA Securities terminated HOGUE on October 8, 1998 for failure to  
26 cooperate in the Arizona Securities Division's investigation of PMT.



1 not provided with any track record for the PMT program, nor were they given any financial statements or  
2 other background information about PMT or its principals.

3 12. At least thirty-three investors invested at least \$1,091,500 in the PMT program.

4 13. Some investors received monthly interest payments on their investment for a period of 3  
5 to 7 months. Several of those investors decided to invest again after receiving payments. After receiving  
6 monthly payments, some investors provided information about the PMT program to friends and family  
7 members who also invested. The majority of investors decided to "roll over" their monthly interest  
8 payments into their original investment. Those investors received no payments back from PMT.

9 14. As the due dates for investors' 12-month contracts matured, investors who made inquiry  
10 were told that there were delays in returning investor funds. Some investors were told that the funds  
11 were being retrieved from overseas; or that the funds had reached the United States, but were being held  
12 in New York. Other investors were told that Respondent BREDESON was on his way across the  
13 country, paying investors as he passed through their cities on his way to Phoenix. By August 1998, PMT  
14 had closed its business and RESPONDENTS did not return telephone calls.

15 15. By Order dated November 23, 1998, (Decision No. 61226) the Arizona Corporation  
16 Commission entered into a Consent with WMA Securities, whereby PMT investors who dealt with  
17 RESPONDENTS were repaid their principal plus interest as a result of, among other things, WMA  
18 Securities' failure to supervise Respondents HOOVER and HOGUE.

19 **IV.**

20 **VIOLATION OF A.R.S. § 44-1841**

21 **(Offer and Sale of Unregistered / Unauthorized Securities)**

22 16. Each of the preceding paragraphs is incorporated by reference.

23 17. From on or about November 1997, RESPONDENTS offered and/or sold securities in the  
24 form of notes, investment contracts or evidences of indebtedness, within and/or from Arizona.

25 18. The securities referred to above were not registered under A.R.S. §§ 44-1871 through 44-  
26 1875, or 44-1891 through 44-1902; were not securities for which a notice filing had been made under

1 A.R.S. § 44-3321; were not exempt under A.R.S. §§ 44-1843 or 44-1843.01; were not offered or sold in  
2 exempt transactions under A.R.S. § 44-1844; and were not exempt under any rule or order promulgated  
3 by the Commission.

4 19. This conduct violates A.R.S. § 44-1841.

5 **V.**

6 **VIOLATION OF A.R.S. § 44-1842**

7 **(Transactions by Unregistered Dealers and Salesmen)**

8 20. Each of the preceding paragraphs is incorporated by reference.

9 21. In connection with the offers to sell and the sale of securities, Respondents TAYLOR,  
10 BREDESON, and HOGUE acted as dealers and/or salesmen within and/or from Arizona, although not  
11 registered pursuant to the provisions of Article 9 of the Securities Act.

12 22. This conduct violates A.R.S. § 44-1842.

13 **VI.**

14 **VIOLATION OF A.R.S. § 44-1991**

15 **(Fraud in Connection with the Offer and Sale of Securities)**

16 23. Each of the preceding paragraphs is incorporated by reference.

17 24. In connection with the offers and sales of securities within and/or from Arizona,  
18 RESPONDENTS directly or indirectly: (i) employed a device, scheme or artifice to defraud; (ii) made  
19 untrue statements of material fact or omitted to state material facts which were necessary in order to  
20 make the statements made not misleading in light of the circumstances under which they were made; and  
21 (iii) engaged in transactions, practices or courses of business which operated or would operate as a fraud  
22 or deceit upon offerees and investors. RESPONDENTS' conduct includes, but is not limited to, the  
23 following:

- 24 a) RESPONDENTS failed to provide investors with any information about the  
25 background and experience of PMT or its principals;  
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