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

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR



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ARIZONA CORPORATION COMMISSION

AZ CORP COMMISSION
DOCKET CONTROL

MEMORANDUM

ORIGINAL

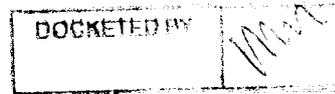
TO: Kristin K. Mayes, Chairman
Gary Pierce
Paul Newman
Sandra D. Kennedy
Bob Stump

Arizona Corporation Commission

DOCKETED

JUN 22 2010

FROM: Matthew J. Neubert *[Signature]*
Director of Securities



DATE: June 21, 2010

RE: Mark W. Bosworth, *et al.* (Docket No. S-20600A-08-0340); Order to Cease and Desist, for Restitution, and for Administrative Penalties and Consent to Same by: Mark W. Bosworth and Lisa A. Bosworth; Mark Bosworth & Associates, L.L.C.; 3 Gringos Mexican Investments, L.L.C.

CC: Ernest G. Johnson, Executive Director

Attached is a proposed Order to Cease and Desist, for Restitution, and for Administrative Penalties and Consent to Same by: Mark W. Bosworth and Lisa A. Bosworth; Mark Bosworth & Associates, L.L.C.; 3 Gringos Mexican Investments, L.L.C. (the "Order"). The Order finds that, from February 2006 to October 2007, Mr. Bosworth, Mark Bosworth & Associates, L.L.C. (MBA), and 3 Gringos Mexican Investments, L.L.C. (3GMI) offered and sold to 38 investors \$4,533,594 of investment contracts and promissory notes (collectively the "Investments") issued by MBA and 3GMI in connection with commercial buildings and condominiums under construction. Twenty investors have been repaid \$1,775,551 and those investors who purchased the Investments issued by 3GMI have been satisfied in full. Mr. Bosworth, MBA, and 3GMI were not registered as securities dealers or salesmen and the Investments were not registered pursuant to the Securities Act.

The Order finds that Mr. Bosworth, MBA, and 3GMI violated A.R.S. §§ 44-1841, 44-1842, and 44-1991 by offering and selling unregistered securities while being unregistered and by violating the anti-fraud provisions of the Securities Act. The Order requires Mr. Bosworth, MBA, and 3GMI to cease and desist their activity, pay \$2,758,043 in restitution, and pay an administrative penalty in the amount of \$150,000.

The Division believes that the Order is appropriate to protect the public welfare.

Originator: Aaron S. Ludwig

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

In the matter of

MARK W. BOSWORTH and LISA A. BOSWORTH, husband and wife;

STEPHEN G. VAN CAMPEN and DIANE V. VAN CAMPEN, husband and wife;

MICHAEL J. SARGENT and PEGGY L. SARGENT, husband and wife;

ROBERT BORNHOLDT and JANE DOE BORNHOLDT, husband and wife;

MARK BOSWORTH & ASSOCIATES, L.L.C., an Arizona limited liability company;

3 GRINGOS MEXICAN INVESTMENTS, L.L.C., an Arizona limited liability company;

Respondents.

DOCKET NO. S-20600A-08-0340

DECISION NO. _____

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

MARK W. BOSWORTH and LISA A. BOSWORTH

MARK BOSWORTH & ASSOCIATES, L.L.C.

3 GRINGOS MEXICAN INVESTMENTS, L.L.C.

Respondents MARK W. BOSWORTH; LISA A. BOSWORTH; MARK BOSWORTH & ASSOCIATES, L.L.C.; and, 3 GRINGOS MEXICAN INVESTMENTS, L.L.C. 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, for Restitution, and for Administrative Penalties ("Order"). Respondents MARK W. BOSWORTH; LISA A. BOSWORTH; MARK BOSWORTH & ASSOCIATES, L.L.C.; and, 3 GRINGOS MEXICAN INVESTMENTS, L.L.C. admit the jurisdiction of the Arizona Corporation

1 Commission ("Commission"); neither admit nor deny the Findings of Fact and Conclusions of
2 Law contained in this Order; and consent to the entry of this Order by the Commission.

3 **I.**

4 **FINDINGS OF FACT**

5 1. MARK BOSWORTH & ASSOCIATES, L.L.C. ("MBA") is an Arizona limited
6 liability company that, at all relevant times, was doing business in Maricopa County, Arizona.
7 MBA is the holder of a real estate license issued by the Arizona Department of Real Estate.

8 2. 3 GRINGOS MEXICAN INVESTMENTS, L.L.C. ("3GMI") is an Arizona limited
9 liability company that, at all relevant times, was doing business in Maricopa County, Arizona.

10 3. MARK W. BOSWORTH ("BOSWORTH") is an individual last known to reside in
11 Maricopa County, Arizona. BOSWORTH is the manager of MBA and a member of 3GMI.

12 4. LISA A. BOSWORTH was at all relevant times the spouse of BOSWORTH and may
13 be referred to as "Respondent Spouse." Respondent Spouse is joined in this action under A.R.S. § 44-
14 2031(C) solely for purposes of determining the liability of the marital community.

15 5. At all relevant times, BOSWORTH acted for his own benefit and for the benefit or in
16 furtherance of the marital community.

17 6. BOSWORTH, MBA, and 3GMI may be referred to collectively as "Respondents."

18 7. At all relevant times, Respondents were not registered with the Commission as
19 securities dealers or salesmen.

20 8. From on or about February 2006 to October 2007 in Maricopa County, Arizona,
21 Respondents offered and sold to 38 investors \$4,533,594 of investment contracts and promissory
22 notes issued by MBA and 3GMI with titles such as "Investment Agreement, "Promissory Note,"
23 and "Receipt of Investment Funds" (collectively the "Investments"). Twenty investors have been
24 repaid \$1,775,551 and those investors who purchased the Investments issued by 3GMI have been
25 satisfied in full.

26

1 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents and any of their agents,
2 employees, successors and assigns, permanently cease and desist from violating the Securities Act.

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

5 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that MBA and BOSWORTH,
6 individually, and the marital community of BOSWORTH and Respondent Spouse, jointly and
7 severally shall, jointly and severally with any other Respondents against whom the Commission
8 enters an order under Docket No. S-20600A-08-0340, pay restitution to the Commission in the
9 principal amount of \$2,758,043. Any principal amount outstanding shall accrue interest at the rate
10 of 10 percent per annum from the date of purchase until paid in full. Interest in the amount of
11 \$1,103,531.94 has accrued from the date of purchase to the date of this Order. Payment shall be
12 made in full on the date of this Order. Payment shall be made to the "State of Arizona" to be
13 placed in an interest-bearing account controlled by the Commission.

14 The Commission shall disburse the funds on a pro-rata basis to investors shown on the
15 records of the Commission. Any restitution funds that the Commission cannot disburse because an
16 investor refuses to accept such payment, or any restitution funds that cannot be disbursed to an
17 investor because the investor is deceased and the Commission cannot reasonably identify and
18 locate the deceased investor's spouse or natural children surviving at the time of the distribution,
19 shall be disbursed on a pro-rata basis to the remaining investors shown on the records of the
20 Commission. Any funds that the Commission determines it is unable to or cannot feasibly
21 disburse shall be transferred to the general fund of the state of Arizona.

22 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents,
23 individually, and the marital community of BOSWORTH and Respondent Spouse, jointly and
24 severally, shall pay an administrative penalty in the amount of \$150,000. Payment shall be made
25 to the "State of Arizona." Any amount outstanding shall accrue interest as allowed by law. The
26 payment obligations for these administrative penalties shall be subordinate to any restitution

1 obligations ordered herein and shall become immediately due and payable only after restitution
2 payments have been paid in full or upon Respondents' or Respondent Spouse's default with respect
3 to Respondents' and Respondent Spouse's restitution obligations.

4 For purposes of this Order, a bankruptcy filing by any of the Respondents or Respondent
5 Spouse shall be an act of default.¹ Nothing in this Order is intended to prejudice the rights of
6 Respondents and Respondent Spouse under the U.S. Bankruptcy Code. If any Respondent or
7 Respondent Spouse does not comply with this Order, any outstanding balance may be deemed in
8 default and shall be immediately due and payable.

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

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25 ¹ The Division acknowledges that Mark W. Bosworth and Lisa A. Bosworth filed for bankruptcy protection under
26 Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court, District of Arizona, Case No. 2:08-bk-03098-SSC, on March 25, 2008 ("Bosworth Bankruptcy"). The Bosworth Bankruptcy is pending. Any subsequent bankruptcy petitions filed by Mark W. Bosworth and/or Lisa A. Bosworth following a discharge or dismissal of the Bosworth Bankruptcy shall be viewed as a default.

1 IT IS FURTHER ORDERED that no finding of fact or conclusion of law contained in this
2 Order shall be deemed binding against any Respondent under this Docket Number who has not
3 consented to the entry of this Order.

4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION
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8 CHAIRMAN COMMISSIONER

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10 COMMISSIONER COMMISSIONER COMMISSIONER

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12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
13 Executive Director of the Arizona Corporation
14 Commission, have hereunto set my hand and caused the
15 official seal of the Commission to be affixed at the
16 Capitol, in the City of Phoenix, this _____ day of
17 _____, 2010.

18 ERNEST G. JOHNSON
19 EXECUTIVE DIRECTOR

20 _____
21 DISSENT

22 _____
23 DISSENT

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

26 (ASL)

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CONSENT TO ENTRY OF ORDER

1. Respondents and Respondent Spouse admit the jurisdiction of the Commission over the subject matter of this proceeding. Respondents and Respondent Spouse acknowledge that they 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 and Respondent Spouse acknowledge that this Order To Cease And Desist, for Restitution, and 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 understand and acknowledge that they have a right to seek counsel regarding this Order and that they have had the opportunity to seek counsel prior to signing this Order. Respondents acknowledge and agree that, despite the foregoing, they freely and voluntarily waive any and all right to consult or obtain counsel prior to signing this Order.

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 proceeding in which the Commission is a party.

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

1 indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that
2 this Order is without factual basis. Respondents and Respondent Spouse will undertake steps
3 necessary to assure that all of their agents and employees understand and comply with this
4 agreement.

5 7. While this Order settles this administrative matter between Respondents,
6 Respondent Spouse, and the Commission, it is understood by Respondents and Respondent Spouse
7 that this Order does not preclude the Commission from instituting other administrative or civil
8 proceedings based on violations that are not addressed by this Order.

9 8. Respondents and Respondent Spouse understand that this Order does not preclude
10 the Commission from referring this matter to any governmental agency for administrative, civil, or
11 criminal proceedings that may be related to the matters addressed by this Order.

12 9. Respondents and Respondent Spouse understand that this Order does not preclude
13 any other agency or officer of the state of Arizona or its subdivisions from instituting
14 administrative, civil, or criminal proceedings that may be related to matters addressed by this
15 Order.

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

22 11. Respondents and Respondent Spouse agree that they will continue to cooperate with
23 the Securities Division by, including but not limited to, providing complete and accurate testimony
24 at any hearing in this matter and cooperating with the state of Arizona in any related investigation
25 or any other matters arising from the activities described in this Order.

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1 12. BOSWORTH and Respondent Spouse acknowledge that any restitution or penalties
2 imposed by this Order are obligations of BOSWORTH as well as the marital community, but not
3 the sole and separate obligation of Respondent Spouse.

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

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

10 15. Respondents and Respondent Spouse understand that default shall render them
11 liable to the Commission for its costs of collection and interest at the maximum legal rate.

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

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1 SERVICE LIST FOR: In the Matter of Mark W. Bosworth, et al.

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Mark Bosworth & Associates, LLC
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