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NEW

BEFORE THE ARIZONA CORPORATION COMMISSION

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CARL J. KUNASEK
Chairman
JIM IRVIN
Commissioner
WILLIAM A. MUNDELL
Commissioner

1999 DEC 29 A 9:43

AZ CORP COMMISSION
DOCUMENT CONTROL

In the matter of)
DEBORAH SUANN ANGUS)
5452 N. 78th Street)
Scottsdale, Arizona 85250)
CRD# 2632511,)
Respondent.)

DOCKET NO. S-03384A-99-0000

**NOTICE OF OPPORTUNITY FOR
HEARING REGARDING PROPOSED
ORDER FOR RELIEF**

NOTICE: 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 respondent, Deborah Suann Angus ("Angus"), has 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:

I.

JURISDICTION

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

II.

RESPONDENT

2. Angus' last known address is 5452 N. 78th Street, Scottsdale, Arizona 85250.
3. From August 1996 until February 1997, Angus was registered with Washington Square Securities, Inc. In February 1997, Angus became registered with Princor Financial Services Corporation ("Princor"), where she stayed registered until February 1999. Since February 1999, she

1 has not registered with any Dealer. Angus' registration is currently in administrative suspension
2 because she is not registered with any Dealer.

3 **III.**

4 **FACTS**

5 4. Each of the preceding paragraphs is incorporated by reference.

6 5. In October 1997, Angus accepted a position as a salesperson with Hanover Financial
7 Corporation ("Hanover"), located in Scottsdale, Arizona. Angus maintained her securities registration
8 with Princor during her entire employment with Hanover. Angus did not inform Princor of her
9 employment with Hanover. Hanover was purportedly an investment-banking firm that raised capital to
10 finance businesses, particularly start-up businesses. Hanover raised capital for Executive Investment
11 Group, LLC ("Executive"), by selling membership units in the limited liability company. Around
12 December 1997, Angus was listed as a Manager of Executive. Hanover raised capital for Keystone Asset
13 Management Group, Inc. ("Keystone"), by providing a bridge loan to the company. Angus' employment
14 relationship with Hanover ended in May 1998.

15 6. Between October 1997 and May 1998, Angus offered for sale and sold membership units
16 in Executive to fourteen or more investors. All units were offered for sale and sold within or from
17 Arizona. These investors purchased \$383,000 or more of units in Executive. Some investors in
18 Executive were Angus' Princor clients.

19 7. The membership units Angus offered for sale and sold in Executive were not registered in
20 Arizona. In addition, these membership units: were not securities for which a notice filing has been
21 made, were not exempt, were not offered or sold in an exempt transaction, and were not exempt under
22 any rule or order promulgated by the Commission. Membership units in Executive were previously the
23 subject of S-03265A-98-0000, Decision No. 61102, in which the Commission found that the units
24 constituted securities which were neither registered, nor exempt from registration, nor securities for
25 which a notice filing has been made.

26 ...

1 8. Between October 1997 and May 1998, Angus offered for sale and sold securities in
2 Keystone to two or more investors. All securities were offered for sale and sold within or from Arizona.
3 In May 1998, a Form D, Notice of Sale of Securities Pursuant to Regulation D, was filed with the
4 Commission for Keystone.

5 9. Princor did not authorize Angus to conduct private securities transactions in Executive or
6 in Keystone. The sale of membership units in Executive and securities in Keystone were not recorded on
7 the books of Princor, the Dealer Angus was registered with at the time of the transactions.

8 IV.

9 VIOLATION OF A.R.S. § 44-1841

10 (Offer and Sale of Unregistered / Unauthorized Securities)

11 10. Each of the preceding paragraphs is incorporated by reference.

12 11. From on or about October 1997 to May 1998, Angus offered and/or sold securities in the
13 form of membership units in Executive, within or from Arizona.

14 12. The securities in Executive referred to above were not registered under A.R.S. §§ 44-1871
15 through 44-1875, or 44-1891 through 44-1902; were not securities for which a notice filing has been
16 made under A.R.S. § 44-3321; were not exempt under A.R.S. §§ 44-1843 or 44-1843.01; were not
17 offered or sold in exempt transactions under A.R.S. § 44-1844; and were not exempt under any rule or
18 order promulgated by the Commission.

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

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V.

GROUNDS FOR REVOCATION PURSUANT TO A.R.S. § 44-1962

(Revocation of Registration of Salesman)

14. Each of the preceding paragraphs is incorporated by reference.

15. Angus' conduct constitutes grounds for the revocation of her registration as a securities salesman with the Commission pursuant to A.R.S. § 44-1962(2) and (10). Specifically, Angus has:

a) sold or offered for sale within or from Arizona unregistered securities in Executive for which no notice filing has been made and for which no exemption is applicable, in violation of §44-1841;

b) engaged in dishonest or unethical practices in the securities industry by being registered as a salesman and effecting securities transactions in Executive and in Keystone which were not recorded on the records of the dealer with whom she was registered at the time of the transactions, within the meaning of A.A.C. R14-4-130(17).

VI.

REQUESTED RELIEF

The Division requests that the Commission grant the following relief against Angus:

1. Order Angus to permanently cease and desist from violating the Securities Act, pursuant to A.R.S. § 44-2032;

2. Order Angus to take affirmative action to correct the conditions resulting from her acts, practices or transactions, including without limitation a requirement to make restitution pursuant to, inter alia, A.R.S. § 44-2032;

3. Order Angus to pay the state of Arizona an administrative penalty of up to five thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;

4. Order the revocation of Angus' registration as a securities salesman pursuant to A.R.S. § 44-1962;

5. Order any other relief that the Commission deems appropriate and authorized by law.

VII.

HEARING OPPORTUNITY

In accordance with A.R.S. §§ 44-1972 and A.A.C. R14-4-306, Angus is notified that she is afforded an opportunity for a hearing only by filing a written request for a hearing and cover sheet with Docket Control, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007, within 10 days after service of this Notice. Angus is further notified that a cover sheet must accompany all filings. Failure to use the cover sheet may result in the delay of processing or the refusal to accept documents. Angus may obtain a copy of the cover sheet by calling Docket Control at (602) 542-3477.

The date set for the hearing shall be within 15 to 30 days after the request for the hearing has been docketed, unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. Any respondent who does not request a hearing within the time prescribed is subject to the Commission issuing an order against that respondent containing such relief as the Commission deems appropriate, including but not limited to the relief requested above.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Cynthia Mercurio-Sandoval, ADA Coordinator, voice phone number 602/542-0838, e-mail csandoval@cc.state.az.us. Requests should be made as early as possible to allow time to arrange the accommodation.

Dated this 29th day of December, 1999.



Mark Sendrow
Director of Securities

NEW

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Memorandum

1999 DEC 29 A 9:43

DATE: December 29, 1999

TO: Nancy Cole
Docket Control

FROM: Anthony Bingham
Securities Division

RE: Deborah Suann Angus
Docket No. S-03384A-99-0000
Internal Routing Distribution

CC: Betty Camargo

AZ CORP COMMISSION
DOCUMENT CONTROL

This is to notify you that the following individuals should be copied on all docketed items for the above-mentioned case.

- Mark Sendrow
- LeRoy Johnson
- Matthew Neubert

Anthony Bingham (Staff Attorney)

N/A (Staff Investigator)

Note: The Assistant Attorney General assigned to this matter is: Robert Zumoff.

Thank you for your cooperation in this matter.