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**Memorandum**

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2002 JUN 12 P 4: 38

**DATE:** June 12, 2002

**TO:** Nancy Cole  
Docket Control

AZ CORP COMMISSION  
DOCUMENT CONTROL

**FROM:** Mark Dinell  
Securities Division

**RE:** Brian Bamman and Bamex International, Ltd  
Docket No. S-03391A-02-0000  
Assigned Staff

**CC:** Mabel Aldridge

This is to notify you that the following individuals have been assigned to the above-mentioned case.

- Mark Sendrow
- LeRoy Johnson
- Matthew Neubert

Mark Dinell (Staff Attorney)

Gary Clapper (Staff Investigator)

Gary Mengel (Staff Accountant)

**Note:** The Assistant Attorney General assigned to this matter is: Moira McCarthy.

RECEIVED  
BEFORE THE ARIZONA CORPORATION COMMISSION

2002 JUN 12 P 4: 38

NEW

1 WILLIAM A. MUNDELL  
2 Chairman  
3 JIM IRVIN  
4 Commissioner  
5 MARC SPITZER  
6 Commissioner

AZ CORP COMMISSION  
DOCUMENT CONTROL

6	In the matter of:	)	DOCKET NO. S-03391A-02-0000
7	BRIAN BAMMAN	)	NOTICE OF OPPORTUNITY FOR
8	14104 E. ANDREW DRIVE	)	HEARING REGARDING PROPOSED
9	FOUNTAIN HILLS, ARIZONA 85268	)	ORDER TO CEASE AND DESIST,
10	BAMEX INTERNATIONAL, LTD.,	)	ORDER FOR RESTITUTION, FOR
11	1221 E. OSBORN RD., #105	)	ADMINISTRATIVE PENALTIES AND
12	PHOENIX, ARIZONA 85014	)	FOR OTHER AFFIRMATIVE ACTION
13	Respondents.	)	

13 **NOTICE: RESPONDENTS HAVE 10 DAYS TO REQUEST A HEARING**

14 The Securities Division ("Division") of the Arizona Corporation Commission  
15 ("Commission") alleges that respondents have engaged in acts, practices and transactions, which  
16 constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.*, ("Securities Act").

17 **I.**

18 **JURISDICTION**

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

21 **II.**

22 **RESPONDENTS**

23 2. BRIAN BAMMAN ("BAMMAN"), whose address is 14104 E. Andrew Drive,  
24 Fountain Hills, Arizona 85268, was the president of Respondent BAMEX INTERNATIONAL,  
25 LTD.  
26



1 investors able to withstand the lost of all their investments, when it was clearly apparent that at least  
2 some of the investors were unsophisticated investors with limited net worth.

3 10. Despite promises to investors, RESPONDENTS did not provide monthly statements.  
4 Investors were unable to obtain information regarding their account status, other than contacting  
5 RESPONDENTS and being orally informed as to the amount held in their account. Some investors  
6 were unaware of any losses in their accounts until informed by RESPONDENTS that they had no  
7 funds left in their accounts.

8 11. In 1996, the National Futures Association ("NFA") issued a complaint against  
9 BAMMAN alleging that he, and others, used fraudulent or deceitful communications with the public,  
10 in violation of NFA rules. On December 2, 1996, BAMMAN settled the complaint with the NFA,  
11 agreeing to pay a \$10,000 fine. RESPONDENTS did not inform any investor of BAMMAN's prior  
12 regulatory problems.

13 12. RESPONDENTS obtained funds from at least 22 investors, who placed over  
14 \$3,000,000 with RESPONDENTS. Despite the representations of safe trading, RESPONDENTS  
15 used inherently risky strategies that ultimately lost over \$1,200,000 of investors' funds.

16 13. Upon information and belief, BAMMAN is continuing to offer foreign currency  
17 investment recommendations and services to investors through Bamex Currency Exchange, Inc.,  
18 13225 North Verde River Drive, Suite 204, Fountain Hills, Arizona 85268.

19 **IV.**

20 **VIOLATION OF A.R.S. § 44-1841**

21 **(Offer or Sale of Unregistered Securities)**

22 14. From on or about 1999, RESPONDENTS offered or sold securities in the form of  
23 commodity investment contracts, within or from Arizona.

24 15. The securities referred to above were not registered pursuant to the provisions of  
25 Articles 6 or 7 of the Securities Act.

26



1 f) Falsely informing investors that RESPONDENTS did not need to be licensed in  
2 order to trade in foreign currencies for investors.

3 20. This conduct violates A.R.S. § 44-1991.

4 **VII.**

5 **REQUESTED RELIEF**

6 The Division requests that the Commission grant the following relief against  
7 RESPONDENTS:

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

10 2. Order RESPONDENTS to take affirmative action to correct the conditions resulting  
11 from their practices or transactions, including a requirement to make restitution pursuant to A.R.S. §  
12 44-2032;

13 3. Order RESPONDENTS to pay the state of Arizona administrative penalties of up to  
14 five thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;  
15 and

16 4 Order any other relief that the Commission deems appropriate.

17 **VIII.**

18 **HEARING OPPORTUNITY**

19 RESPONDENTS may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-  
20 306. A request must be in writing and received by the Commission within 10 business days after  
21 service of this Notice of Opportunity for Hearing. Each RESPONDENT must deliver or mail the  
22 request to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix,  
23 Arizona 85007. A Docket Control cover sheet must accompany the request. A cover sheet form and  
24

1 instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's  
2 Internet web site at [www.cc.state.az.us/utility/forms/index.htm](http://www.cc.state.az.us/utility/forms/index.htm).

3 If a request for a hearing is timely made, the Commission shall schedule the hearing to begin  
4 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the  
5 parties, or ordered by the Commission. If a request for a hearing is not timely made, the Commission  
6 may, without a hearing, enter an order against each RESPONDENT granting the relief requested by  
7 the Division in this Notice of Opportunity for Hearing.

8 Persons with a disability may request a reasonable accommodation such as a sign language  
9 interpreter, as well as request this document in an alternative format, by contacting Shelly M.  
10 Hood, Executive Assistant to the Executive Secretary, voice phone number 602/542-3931, e-mail  
11 [shood@cc.state.az.us](mailto:shood@cc.state.az.us). Requests should be made as early as possible to allow time to arrange the  
12 accommodation.

13 Dated this 12<sup>th</sup> day of June, 2002.

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16 Mark Sendrow  
17 Director of Securities  
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