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WILLIAM A. MUNDELL
CHAIRMAN

JIM IRVIN
COMMISSIONER

MARC SPITZER
COMMISSIONER

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AZ CORP COMMISSION
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Arizona Corporation Commission
1200 West Washington, Third Floor
Phoenix, AZ 85007-2996

DOCKETED

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TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: accsec@ccsd.cc.state.az.us

MEMORANDUM DOCKETED BY

CAR

TO: Chairman William A. Mundell
Commissioner Jim Irvin
Commissioner Marc Spitzer

OPEN MEETING ITEM

8/29/02

FROM: Mark Sendrow
Director of Securities

DATE: August 8, 2002

RE: Proposed Amended Consent Order Against Respondents Eternal Presence, Inc. and Jeffrey Wilcox; *In the matter of Eternal Presence, Inc., et al.* (Docket No. S-03459A-02-0000)

CC: Brian C. McNeil, Executive Secretary

Attached is a proposed Amended Order to Cease and Desist, Order of Restitution, Order for Administrative Penalties, and Consent to Same By Respondent Eternal Presence, Inc. ("EP"), and Respondent Jeffrey Wilcox ("Wilcox"). The Amended Order requires EP and Wilcox to cease and desist from violations of the Securities Act of Arizona, to pay restitution to Arizona investors in the amount of \$48,780.00, and to pay administrative penalties in the total amount of \$20,000.00.

The initial Order entered in this matter on May 1, 2002, Decision No. 64785. Thereafter, it was discovered that one Arizona investor inadvertently had been omitted from the restitution amount. As a result, this Amended Order was prepared. The only change from the Order entered as Decision No. 64785 is a \$10,000.00 increase in the amount of restitution, from \$38,780.00 to \$48,780.00. The Amended Order is otherwise identical to the original Order.

The proposed Amended Order requires EP and Wilcox to cease and desist from any further violations of the Securities Act, to pay restitution to Arizona investors in the amount of \$48,780.00, and to pay an administrative penalty in the total amount of \$20,000.

Chairman Mundell
Commissioner Irvin
Commissioner Spitzer
August 8, 2002

The Division recommends this proposed Amended Order on the following grounds: Wilcox and EP consented to the original Order, which was approved and entered on May 1, 2002, as Decision No. 64785. This Amended Order simply corrects the restitution amount to reflect one additional Arizona investor who was not included on the original Order.

Originator: Kathleen Coughenour DeLaRosa

AG Assigned: Moira McCarthy

1 2. WILCOX is an individual and, at all times relevant hereto, was a resident of
2 Arizona, doing business within and from Arizona. WILCOX is the President and CEO of EP.

3 3. From on or about July 1, 1999, and continuing through July of 2000,
4 RESPONDENTS offered and sold securities in the form of promissory notes (the "EP Notes") to at
5 least ten persons who are residents of Arizona (the "Arizona investors"). The EP Notes promised
6 to pay each investor principal and interest at a rate of 12% per annum, and had a term of one year.

7 4. The securities referred to in paragraph 3 above were neither registered nor exempt
8 from registration pursuant to the provisions of Articles 6 or 7 of the Securities Act.

9 5. RESPONDENTS offered or sold securities within or from Arizona, while not
10 registered as dealers or salesmen pursuant to the provisions of Article 9 of the Securities Act.

11 6. In connection with the offer or sale of securities within or from Arizona,
12 RESPONDENTS directly or indirectly: (i) employed a device, scheme or artifice to defraud; (ii) made
13 untrue statements of material fact or omitted to state material facts which were necessary in order to
14 make the statements made not misleading in light of the circumstances under which they were made;
15 and (iii) engaged in transactions, practices or courses of business which operated or would operate as
16 a fraud or deceit upon offerees and investors. RESPONDENTS' conduct includes, but is not limited
17 to, the following:

18 a) RESPONDENTS failed to provide potential investors with complete and
19 accurate information regarding the risks of investing in the EP Notes;

20 b) RESPONDENTS represented to potential investors RESPONDENTS
21 already had financial backing for EP and its proposed product(s), in addition to the funds
22 provided by investors, when in fact this representation was false;

23 c) RESPONDENTS represented EP had significant business purchasers for its
24 products, and products would be in full production and delivered to those business
25 purchasers to enable repayment of investor funds, when in fact EP had only a limited
26 number of orders for any product and was not capable of producing any product in

1 significant numbers for high-volume delivery to business purchasers;

2 d) RESPONDENTS represented investors would be repaid, with interest, at the
3 end of a one-year term, when in fact no investor received any return on investment.

4 7. At least eleven Arizona investors have invested a total of \$48,780.00 in the EP
5 Notes offered and sold by RESPONDENTS.

6 II.

7 CONCLUSIONS OF LAW

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

10 2. RESPONDENTS offered or sold securities within or from Arizona, within the
11 meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

12 3. RESPONDENTS violated A.R.S. § 44-1841 by offering or selling securities that
13 were neither registered nor exempt from registration.

14 4. RESPONDENTS violated A.R.S. § 44-1842 by offering or selling securities while
15 neither registered as dealers or salesmen nor exempt from registration.

16 5. RESPONDENTS violated A.R.S. § 44-1991 by offering or selling securities within
17 or from Arizona by (a) employing a device, scheme or artifice to defraud, (b) making untrue
18 statements or misleading omissions of material facts, and (c) engaging in transactions, practices or
19 courses of business which operate or would operate as a fraud or deceit.

20 6. RESPONDENTS' conduct is grounds for a cease and desist order pursuant to
21 A.R.S. § 44-2032.

22 7. RESPONDENTS' conduct is grounds for an order of restitution pursuant to A.R.S.
23 § 44-2032.

24 8. RESPONDENTS' conduct is grounds for administrative penalties under A.R.S.
25 § 44-2036.

26 ...

III.

ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and the RESPONDENTS' consent to the entry of this Order, 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, their agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that RESPONDENTS shall, jointly and severally, pay restitution to Arizona resident investors shown on the records of the Commission in the amount of Forty Eight Thousand Seven Hundred Eighty Dollars (\$48,780.00), plus interest at the rate of 10% per annum from the date of each investment until paid in full. Payment shall be made by cashier's check or money order payable to the "State of Arizona" to be placed in an interest-bearing account maintained and controlled by the Arizona Attorney General. The Arizona Attorney General shall disburse the funds on a pro rata basis to investors. If all investors are paid in full, any excess funds shall revert to the state of Arizona.

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1 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that RESPONDENTS shall
2 each pay an administrative penalty in the amount of Ten Thousand Dollars (\$10,000.00), payable
3 to the "State of Arizona." Payment shall be made in full by cashier's check or money order on the
4 date of this Order.

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

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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9 CHAIRMAN

COMMISSIONER

COMMISSIONER

10 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
11 Executive Secretary of the Arizona Corporation
12 Commission, have hereunto set my hand and caused the
13 official seal of the Commission to be affixed at the
14 Capitol, in the City of Phoenix, this _____ day of
15 _____, 2002.

16 _____
17 BRIAN C. McNEIL
18 Executive Secretary

19
20 _____
21 DISSENT

22 This document is available in alternative formats by contacting Shelly M. Hood, Executive
23 Assistant to the Executive Secretary, voice phone number 602-542-3931, E-mail
24 shood@cc.state.az.us.

25 (kcd)
26

CONSENT TO ENTRY OF ORDER

1

2 1. ETERNAL PRESENCE, INC. (“EP”), a Nevada corporation authorized to do

3 business in Arizona, admits the jurisdiction of the Commission over the subject matter of this

4 proceeding. EP acknowledges that it has been fully advised of its right to a hearing to present

5 evidence and call witnesses and EP knowingly and voluntarily waives any and all rights to a

6 hearing before the Commission and all other rights otherwise available under Article 11 of the

7 Securities Act and Title 14 of the Arizona Administrative Code. EP acknowledges that this Order

8 to Cease and Desist, Order of Restitution, Order for Administrative Penalties, and Consent to Same

9 by Respondent Eternal Presence, Inc. and Respondent Jeffrey Wilcox (“Order”) constitutes a valid

10 final order of the Commission.

11 2. EP knowingly and voluntarily waives any right it may have under Article 12 of the

12 Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief

13 resulting from the entry of this Order.

14 3. EP acknowledges and agrees that this Order is entered into freely and voluntarily

15 and that no promise was made or coercion used to induce such entry.

16 4. EP acknowledges that it has chosen not to be represented by counsel in this matter,

17 has reviewed this Order and understands all terms it contains.

18 5. EP admits the Findings of Fact and Conclusions of Law contained in this Order for

19 purposes of this proceeding only.

20 6. By consenting to the entry of this Order, EP agrees not to take any action or to

21 make, or permit to be made, any public statement denying, directly or indirectly, any Finding of

22 Fact or Conclusion of Law in this Order or creating the impression that this Order is without

23 factual basis. EP will undertake steps necessary to assure that all of its agents and employees

24 understand and comply with this agreement.

25 ...

26 ...

1 7. While this Order settles this administrative matter between EP and the Commission,
2 EP understands that this Order does not preclude the Commission from instituting other
3 administrative proceedings based on violations that are not addressed by this Order.

4 8. EP understands that this Order does not preclude the Commission from referring
5 this matter to any governmental agency for administrative, civil, or criminal proceedings that may
6 be related to the matters addressed by this Order.

7 9. EP understands that this Order does not preclude any other agency or officer of the
8 state of Arizona or its subdivisions from instituting administrative, civil or criminal proceedings
9 that may be related to matters addressed by this Order.

10 10. EP agrees it will not apply to the state of Arizona for registration as a securities
11 dealer or for licensure as an investment adviser until such time as all restitution and penalties under
12 this Order are paid in full.

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

16 12. EP agrees that until restitution and penalties are paid in full, EP will notify the
17 Director of the Securities Division within 30 days of any change in address or any change in EP's
18 ability to pay amounts due under this Order.

19 13. EP understands that default shall render it liable to the Commission for its costs of
20 collection and interest at the maximum legal rate.

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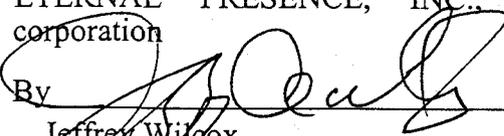
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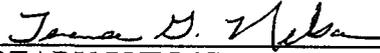
1 14. EP consents to the entry of this Order and agrees to be fully bound by its terms and
2 conditions. If EP breaches any provision of this Order, the Commission may vacate this Order and
3 restore this case to its active docket.

4 ETERNAL PRESENCE, INC., a Nevada
5 corporation

6 By


Jeffrey Wilcox
7 Its President and CEO

8
9 SUBSCRIBED AND SWORN TO BEFORE me this 23 day of July, 2002,
10 by Jeffrey Wilcox, President and CEO, on behalf of Eternal Presence, Inc., a Nevada corporation
11 authorized to do business in Arizona.

12
13 
NOTARY PUBLIC

14 My Commission Expires:

15 9-10-2004
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17 Notary Public State of Arizona
18 Maricopa County
19 Terence G Nelson
20 Expires September 10 2004
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1 **CONSENT TO ENTRY OF ORDER**

2 1. JEFFREY WILCOX ("WILCOX"), an individual, admits the jurisdiction of the
3 Commission over the subject matter of this proceeding. WILCOX acknowledges that he has been
4 fully advised of his right to a hearing to present evidence and call witnesses and WILCOX
5 knowingly and voluntarily waives any and all rights to a hearing before the Commission and all
6 other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona
7 Administrative Code. WILCOX acknowledges that this Order to Cease and Desist, Order of
8 Restitution, Order for Administrative Penalties, and Consent to Same by Respondent Eternal
9 Presence, Inc. and Respondent Jeffrey Wilcox ("Order") constitutes a valid final order of the
10 Commission.

11 2. WILCOX knowingly and voluntarily waives any right he may have under Article
12 12 of the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary
13 relief resulting from the entry of this Order.

14 3. WILCOX acknowledges and agrees that this Order is entered into freely and
15 voluntarily and that no promise was made or coercion used to induce such entry.

16 4. WILCOX acknowledges that he has chosen not to be represented by counsel in this
17 matter, he has reviewed this Order and understands all terms it contains.

18 5. WILCOX admits the Findings of Fact and Conclusions of Law contained in this
19 Order for purposes of this proceeding only.

20 6. By consenting to the entry of this Order, WILCOX agrees not to take any action or
21 to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of
22 Fact or Conclusion of Law in this Order or creating the impression that this Order is without
23 factual basis. WILCOX will undertake steps necessary to assure that all of his agents and
24 employees understand and comply with this agreement.

25 7. While this Order settles this administrative matter between WILCOX and the
26 Commission, WILCOX understands that this Order does not preclude the Commission from

1 instituting other administrative proceedings based on violations that are not addressed by this
2 Order.

3 8. WILCOX understands that this Order does not preclude the Commission from
4 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
5 that may be related to the matters addressed by this Order.

6 9. WILCOX understands that this Order does not preclude any other agency or officer
7 of the state of Arizona or its subdivisions from instituting administrative, civil or criminal
8 proceedings that may be related to matters addressed by this Order.

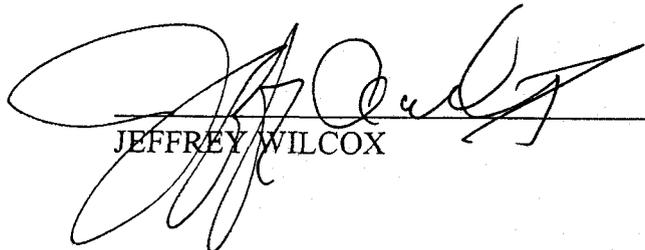
9 10. WILCOX agrees that he will not apply to the state of Arizona for registration as a
10 securities dealer or salesman or for licensure as an investment adviser or investment adviser
11 representative until such time as all restitution and penalties under this Order are paid in full.

12 11. WILCOX agrees that he will not exercise any control over any entity that offers or
13 sells securities or provides investment advisory services, within or from Arizona.

14 12. WILCOX agrees that until restitution and penalties are paid in full, WILCOX will
15 notify the Director of the Securities Division within 30 days of any change in home address or any
16 change in WILCOX's ability to pay amounts due under this Order.

17 13. WILCOX understands that default shall render him liable to the Commission for its
18 costs of collection and interest at the maximum legal rate.

19 14. WILCOX consents to the entry of this Order and agrees to be fully bound by its
20 terms and conditions. If WILCOX breaches any provision of this Order, the Commission may
21 vacate this Order and restore this case to its active docket.

22
23 
24 JEFFREY WILCOX
25

26 SUBSCRIBED AND SWORN TO BEFORE me this 23 day of July, 2002,

1 by JEFFREY WILCOX.

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Terence G. Nelson
NOTARY PUBLIC

4 My Commission Expires:

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9-10-2004



Notary Public State of Arizona
Maricopa County
Terence G Nelson
Expires September 10 2004

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