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MARC SPITZER
COMMISSIONER

OPEN MEETING ITEM



ARIZONA CORPORATION COMMISSION

ORIGINAL
BRIAN C. McNEIL
EXECUTIVE SECRETARY

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AZ CORP COMMISSION
DOCUMENT CONTROL

July 17, 2001

TO: ALL PARTIES OF RECORD

DOCKET NO.: S-03361A-00-0000

COMPANY: CALUMET SLAG, INC.

Our Proposed Order mailed to you on July 11, 2001 contained a typographical error. On Page 20, Line 5, DELETE "44-1801 (20)" and INSERT "44-1801 (26)". The original reflects the changes.

The time for filing exceptions remains the same.

Sincerely,

Marc E. Stern
Administrative Law Judge

Arizona Corporation Commission
DOCKETED

JUL 17 2001

DOCKETED BY

CONCLUSIONS OF LAW

1
2 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
3 Arizona Constitution and A.R.S. § 44-1801, et seq.

4 2. The investments in the Calumet shares offered and sold by Mr. Patton were securities
5 within the meaning of A.R.S. §-44-1801 (26).

6 3. The securities were neither registered nor exempt from registration, in violation of
7 A.R.S. § 44-1841.

8 4. The actions and conduct of Mr. Patton constitute the offer and/or sale of securities
9 within the meaning of A.R.S. §§ 44-1801(15) and 44-1801(21).

10 5. Respondent Mr. Patton offered and/or sold unregistered securities within or from
11 Arizona in violation of A.R.S. § 44-1841.

12 6. Respondent Mr. Patton is a dealer or salesman within the meaning of A.R.S. §§ 44-
13 1801(9) and 44-1801(22).

14 7. Respondent Mr. Patton offered and/or sold securities within or from Arizona without
15 being registered as a dealer or salesman in violation of A.R.S. § 44-1842.

16 8. Respondent Mr. Patton violated the anti-fraud provisions of A.R.S. § 44-1991 in the
17 manner set forth hereinabove.

18 9. Respondent Mr. Patton is found to have violated the Act, and should cease and desist
19 pursuant to A.R.S. § 44-2032 from any future violations of A.R.S. §§ 44-1841, 44-1842 and 44-1991
20 and all other provisions of the Act.

21 10. Mr. Patton should be jointly and severely liable with the other Respondents named in
22 this proceeding to make restitution pursuant to A.R.S. § 44-2032 and AAC R14-4-308 up to
23 \$450,000 subject to any legal set-offs.

24 11. With respect to the Calumet offering, Mr. Patton should be assessed an administrative
25 penalty pursuant to A.R.S. § 44-2026 as follows: for the violation of A.R.S. § 44-1841 in the sum of
26 \$10,000; for the violation of A.R.S. § 44-1842, the sum of \$10,000; and for the violation of A.R.S. §
27 44-1991 the sum of \$20,000.
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