

OPEN MEETING ITEM

COMMISSIONERS
GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR



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ARIZONA CORPORATION COMMISSION

ORIGINAL

MEMORANDUM

TO: Gary Pierce, Chairman
Bob Stump
Sandra D. Kennedy
Paul Newman
Brenda Burns

Arizona Corporation Commission
DOCKETED

MAR 28 2011

FROM: Matthew J. Neubert *MJN*
Director of Securities

DOCKETED BY *MJN*

DATE: March 23, 2011

RE: *In re Robert Preston Ingram, et al.*
Docket No. S-20604A-08-0371

CC: Ernest G. Johnson, Executive Director

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RECEIVED
DOCKET CONTROL

Attached is a proposed order dismissing this case without prejudice ("Order"). On July 22, 2008, the Securities Division filed a Notice of Opportunity for Hearing ("Notice") against Respondents Robert Preston Ingram ("Ingram") and Cruzita A. Ingram (a/k/a "Cruzita A. Carrillo") ("Spouse"). The Notice alleges that Ingram fraudulently sold \$531,700 worth of unregistered securities to seven investors within and/or from Arizona, while not registered as a securities salesman or dealer. Spouse was included as a respondent in the Notice under A.R.S. § 44-2031(C) solely for the purpose of determining the liability of Ingram and Spouse's marital community. Ingram and Spouse filed a request for a hearing on August 4, 2008, and they filed their answer to the Notice on September 2, 2008. The assigned Administrative Law Judge ("ALJ") ordered that an evidentiary hearing be held on January 27, 2009.

Throughout this case, Ingram was a defendant in a federal criminal case pending in the Southern District of New York (07 Cr. 961 (LBS) (SDNY) arising from the same investments at issue in the Notice (the "Criminal Case").

On January 26, 2009, Ingram was incarcerated for an indefinite period of time in the Criminal Case such that he was unable to attend and participate at the scheduled evidentiary hearing. The ALJ continued this matter for due process reasons pending Ingram's release from incarceration, or ability to participate at an evidentiary hearing.

On or about April 8, 2010, Ingram pled guilty to one count of conspiracy to commit wire fraud in the Criminal Case. On or about October 4, 2010, Ingram was sentenced to 12 years in federal prison in the Criminal Case, with credit for approximately two years of time already served.

As presently stated on the Federal Bureau of Prisons website, Ingram's scheduled prison release date is July 5, 2019.

On or about December 23, 2010, Ingram was further ordered to pay \$6,791,412 in criminal restitution.

The Criminal Case judgment involves the same investments at issue in the Division's Notice and the victims in this case are included in Ingram's criminal restitution order discussed above.

Ingram and Spouse were served with a copy of the proposed Order along with a letter asking Respondents to advise the Division whether Respondents objected to the entry of the Order on February 4, 2011, and January 14, 2011, respectively.

Ingram informed the Division that he has no objection to the entry of the proposed Order. To date, Spouse have failed to object to the entry of the Order.

Ingram has been incarcerated in New York since January 26, 2009, and is unlikely to be able to participate in an evidentiary hearing in this case for the foreseeable future. Based on the foregoing, the Division recommends the Order dismissing this case without prejudice as appropriate and in the public interest.

Originator: Mike Dailey

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

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3 COMMISSIONERS

4 GARY PIERCE, Chairman
5 BOB STUMP
6 SANDRA D. KENNEDY
7 PAUL NEWMAN
8 BRENDA BURNS

9 In the matter of:)
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DOCKET NO. S-20604A-08-0371

DECISION NO. _____

**ORDER OF DISMISSAL WITHOUT
PREJUDICE**

12 A Notice of Opportunity for Hearing ("Notice") was filed by the Securities Division
13 Arizona Corporation Commission ("Commission") against Respondents Robert Preston Ingram
14 ("Ingram") and Cruzita A. Ingram (a/k/a "Cruzita A. Carrillo") ("Spouse") on July 22, 2008. On
15 August 4, 2008, Ingram and Spouse filed their request for a hearing. On September 2, 2008,
16 Ingram and Spouse filed their answer to the Notice.

17 The Commission having reviewed the procedural, factual and legal aspects of this matter,
18 IT IS HEREBY ORDERED that these proceedings are dismissed without prejudice and
19 that each party shall be responsible for their own costs and attorneys' fees and costs.

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

2 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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5 CHAIRMAN

COMMISSIONER

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7 COMMISSIONER

COMMISSIONER

COMMISSIONER

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9 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
10 Executive Director of the Arizona Corporation Commission,
11 have hereunto set my hand and caused the official seal of the
12 Commission to be affixed at the Capitol, in the City of
13 Phoenix, this _____ day of April, 2011.

14 _____
15 ERNEST G. JOHNSON
16 EXECUTIVE DIRECTOR

17 _____
18 DISSENT

19 _____
20 DISSENT

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

23 (MD)

1 SERVICE LIST FOR: *In re Robert Preston Ingram, et al.*, Docket No. S-20604A-08-0371

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Robert Preston Ingram
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Respondent

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Respondent