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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

Arizona Corporation Commission

DOCKETED

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In the matter of:
Todd R. Nuttall, a married man;
Magdalena Homes, L.L.C., an Arizona
limited liability company;
Rotall Marketing Group L.L.C., an Arizona
limited liability company, D/B/A Direct Rev
Millionaire;
Todd Robert Homes, Inc., a dissolved
Arizona Corporation;
Respondents.

DOCKET NO. S-20901A-13-0432

DECISION NO. 74405

**ORDER TO CEASE AND DESIST, ORDER
FOR RESTITUTION, ORDER FOR
ADMINISTRATIVE PENALTIES AND
CONSENT TO SAME
BY: RESPONDENTS TODD R. NUTTALL,
MAGDALENA HOMES LLC, ROTALL
MARKETING GROUP LLC, AND TODD
ROBERT HOMES, INC.**

Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. ("Respondents") elect to
permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act
of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order To Cease And
Desist Order for Restitution Order for Administrative Penalties and Consent to Same ("Order").
Respondents admit the jurisdiction of the Arizona Corporation Commission ("Commission");
neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Order; and
consent to the entry of this Order by the Commission.

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I.

FINDINGS OF FACT

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3 1. TODD R. NUTTALL (“NUTTALL”) has at all relevant times been an Arizona
4 resident. Though currently married, NUTTALL was a single man at all relevant times. NUTTALL
5 has not been registered by the Commission as a securities salesman or dealer.

6 2. MAGDALENA HOMES, L.L.C. (“MH”) was at all relevant times an Arizona limited
7 liability company with its principal office located in Phoenix, Arizona. According to the records of the
8 Arizona Corporation Commission, Corporation Division, NUTTALL was, at all relevant times, the
9 sole member and manager of MH. MH has not been registered by the Commission as a securities
10 salesman or dealer.

11 3. ROTALL MARKETING GROUP, L.L.C. D/B/A DIRECT REV MILLIONAIRE
12 (“DRM”) was at all relevant times an Arizona limited liability company with its principal office
13 located in Phoenix, Arizona and at the same office suite as MH. According to the records of the
14 Arizona Corporation Commission, Corporation Division, NUTTALL was, at all relevant times, a
15 manager and member of DRM. DRM has not been registered by the Commission as a securities
16 salesman or dealer.

17 4. TODD ROBERT HOMES, INC. (“TRH”) was at all relevant times an Arizona
18 corporation with its principal office located in Phoenix, Arizona and at the same office suite as MH.
19 According to the records of the Arizona Corporation Commission, Corporation Division, NUTTALL
20 was, at all relevant times, the president of TRH. TRH was administratively dissolved on September 19,
21 2008. TRH has not been registered by the Commission as a securities salesman or dealer.

22 5. NUTTALL, DRM, MH, and TRH may be referred to as “Respondents.”

23 6. NUTTALL is a person controlling MH and TRH within the meaning of A.R.S. § 44-
24 1999, so that he is jointly and severally liable under A.R.S. § 44-1999 to the same extent as MH and
25 TRH.

26

1 **A. Magdalena Homes**

2 7. From at least as early as October, 2007 to at least as recently as July, 2008,
3 Respondents NUTTALL, TRH, AND MH offered and sold securities within and/or from Arizona
4 in the form of notes.

5 8. Though the notes were variously executed in the names of both TRH and MH, all
6 investments financed the same endeavor described by a document titled "Confidential Private
7 Placement Memorandum" (the "PPM") of MH dated October 8, 2007.

8 9. The PPM was provided to all offerees before they invested.

9 10. The PPM describes the issue of 300, \$5,000 notes bearing annual interest of 30% with
10 a maturity date of 24 months.

11 11. The PPM instructed offerees to make checks payable to MH and to send investment
12 documents and the investment funds to MH in Phoenix.

13 12. According to the PPM, MH "is in the business of construction management, land
14 acquisition, and residential development, specializing in single family detached homes."

15 13. A business plan attached to the PPM describes the proposed project as Lynn Haven
16 Estates, a single family residential subdivision containing 50 detached homes located on a 10 acre
17 parcel of land on the northeast corner of McClintock and the SanTan Freeway.

18 14. The PPM further states that "[a]ll decisions with respect to the management of the
19 Company will be made exclusively by the Principal Managers of the LLC. The Note Holders do not
20 have the right or power to take part in the management of the Company."

21 15. According to the PPM, NUTTALL was a general partner of MH.

22 16. NUTTALL met note purchasers through a series of workshops held in Arizona and
23 California. In addition, NUTTALL met at least one note purchaser through social contacts.

24 17. NUTTALL, TRH and/or MH sold a total of \$174,500 securities to eight investors
25 located within the state of Arizona.

26

1 18. All of the sales of securities were concluded by NUTTALL, MAGDALENA
2 HOMES L.L.C., and/or TODD ROBERT HOMES while in the state of Arizona.

3 19. At all relevant times, NUTTALL was signatory to the bank accounts for TRH and MH.

4 20. To date, none of the investors have been repaid.

5 21. The PPM stated in part that there was a general partner of Magdalena homes who “has
6 been in both Residential and Commercial Development in Arizona since 1975. As well as being a
7 major commercial developer here in the valley with over thirty, multi-million dollar commercial
8 projects under his belt, he also holds a strong foothold in the residential market, building
9 approximately 300 homes per year. As one of the largest privately held residential builder (sic) in
10 Arizona, his credibility and list of projects stand out above the rest.”

11 22. In fact and unknown to at least one investor, the person referred to as a general partner
12 of Magdalena homes had no affiliation with the business.

13 23. In reality, the sole general partner of Magdalena homes was substantially less
14 experienced in property development, having created no residential subdivisions on his own.

15

16 **B. Direct Rev Millionaire**

17 24. From at least as early as April, 2008 to at least as recently as June, 2009, Respondents
18 NUTTALL and DRM sold securities within and/or from Arizona in the form of notes.

19 25. NUTTALL and DRM, doing business as Direct Rev Millionaire, sold \$59,000 in notes
20 to eleven Arizona and out of state investors. The investors have been repaid a total of \$8,400.

21 26. The notes bore annualized interest rates of between about 20% and 900%.

22 27. The investors were social acquaintances of NUTTALL.

23 28. The investments were to be used to finance the startup costs of a marketing training
24 website.

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1 **II.**

2 **CONCLUSIONS OF LAW**

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

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

7 3. Respondents violated A.R.S. § 44-1841 by offering or selling securities that were
8 neither registered nor exempt from registration.

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

11 5. Respondents NUTTALL and MH violated A.R.S. § 44-1991 by stating contrary to
12 the truth that an experienced general partner would participate in the MH home building project.

13 6. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S.
14 § 44-2032.

15 7. Respondents' conduct is grounds for an order of restitution pursuant to A.R.S. § 44-
16 2032. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-2036.

17 **III.**

18 **ORDER**

19 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents'
20 consent to the entry of this Order, attached and incorporated by reference, the Commission finds
21 that the following relief is appropriate, in the public interest, and necessary for the protection of
22 investors:

23 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents, and any of
24 Respondents' agents, employees, successors and assigns, permanently cease and desist from
25 violating the Securities Act.
26

1 IT IS FURTHER ORDERED that Respondents comply with the attached Consent to Entry
2 of Order.

3 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that:

4 1) Respondents TODD R. NUTTALL and MAGDALENA HOMES L.L.C.,
5 shall, jointly and severally, pay restitution in the principal amount of
6 \$124,500;

7 2) Respondents TODD R. NUTTALL and ROTALL MARKETING GROUP
8 L.L.C., shall, jointly and severally, pay restitution in the principal amount
9 of \$50,600; and

10 3) Respondents TODD R. NUTTALL and TODD ROBERT HOMES, INC.,
11 shall, jointly and severally, pay restitution to the Commission in the
12 principal amount of \$50,000.

13 Payments are due in full on the date of this Order. Payments shall be made to the "State of
14 Arizona" to be placed in an interest-bearing account controlled by the Commission. Any principal
15 amount outstanding shall accrue interest at the rate of 5 percent per annum from the date of this
16 order until paid in full.

17 The Commission shall disburse the funds on a pro-rata basis to investors shown on the
18 records of the Commission. Any restitution funds that the Commission cannot disburse because an
19 investor refuses to accept such payment, or any restitution funds that cannot be disbursed to an
20 investor because the investor is deceased and the Commission cannot reasonably identify and
21 locate the deceased investor's spouse or natural children surviving at the time of the distribution,
22 shall be disbursed on a pro-rata basis to the remaining investors shown on the records of the
23 Commission. Any funds that the Commission determines it is unable to or cannot feasibly disburse
24 shall be transferred to the general fund of the state of Arizona.

25 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036 that Respondents TODD R.
26 NUTTALL, MAGDALENA HOMES L.L.C., ROTALL MARKETING GROUP L.L.C., and

1 TODD ROBERT HOMES, INC. shall, jointly and severally, pay an administrative penalty in the
2 amount of \$20,000. Payment is due in full on the date of this Order. Payment shall be made to the
3 "State of Arizona." Any amount outstanding shall accrue interest as allowed by law.

4 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
5 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
6 shall be applied to the penalty obligation.

7 For purposes of this Order, a bankruptcy filing by any of the Respondents shall be an act of
8 default. If any Respondent does not comply with this Order, any outstanding balance may be
9 deemed in default and shall be immediately due and payable.

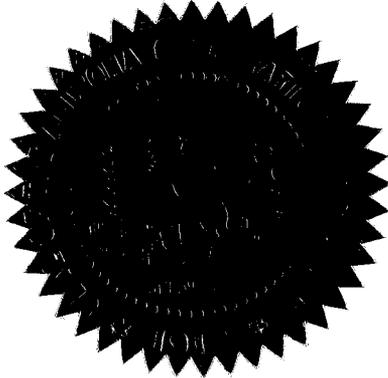
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1 IT IS FURTHER ORDERED, that if any Respondent fails to comply with this order, the
2 Commission may bring further legal proceedings against that Respondent, including application to
3 the superior court for an order of contempt.

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

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

	
CHAIRMAN	COMMISSIONER
	
COMMISSIONER	COMMISSIONER
	COMMISSIONER



11 IN WITNESS WHEREOF, I, JODI JERICH, Executive
12 Director of the Arizona Corporation Commission, have
13 hereunto set my hand and caused the official seal of the
14 Commission to be affixed at the Capitol, in the City of
15 Phoenix, this 19th day of March 2014.

16 
17 JODI JERICH
18 EXECUTIVE DIRECTOR

19 _____
20 DISSENT

21 _____
22 DISSENT

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

25 (scb)

CONSENT TO ENTRY OF ORDER

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2 1. TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL MARKETING
3 GROUP L.L.C., and TODD ROBERT HOMES, INC. admit the jurisdiction of the Commission
4 over the subject matter of this proceeding. Respondents TODD R. NUTTALL, MAGDALENA
5 HOMES L.L.C., ROTALL MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC.
6 acknowledge that Respondents have been fully advised of Respondents' right to a hearing to
7 present evidence and call witnesses and Respondents TODD R. NUTTALL, MAGDALENA
8 HOMES L.L.C., ROTALL MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC.
9 knowingly and voluntarily waive any and all rights to a hearing before the Commission and all
10 other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona
11 Administrative Code. Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C.,
12 ROTALL MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. acknowledge that
13 this Order To Cease And Desist Order for Restitution Order for Administrative Penalties and
14 Consent to Same ("Order") constitutes a valid final order of the Commission.

15 2. Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
16 MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. knowingly and voluntarily
17 waive any right under Article 12 of the Securities Act to judicial review by any court by way of
18 suit, appeal, or extraordinary relief resulting from the entry of this Order.

19 3. Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
20 MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. acknowledge and agree that
21 this Order is entered into freely and voluntarily and that no promise was made or coercion used to
22 induce such entry.

23 4. Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
24 MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. understand and acknowledge
25 that Respondents have a right to seek counsel regarding this Order, and that Respondents have had
26 the opportunity to seek counsel prior to signing this Order. Respondents TODD R. NUTTALL,

1 MAGDALENA HOMES L.L.C., ROTALL MARKETING GROUP L.L.C., and TODD ROBERT
2 HOMES, INC. acknowledge and agree that, despite the foregoing, Respondents freely and
3 voluntarily waive any and all right to consult or obtain counsel prior to signing this Order.

4 5. Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
5 MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. neither admit nor deny the
6 Findings of Fact and Conclusions of Law contained in this Order. Respondents TODD R.
7 NUTTALL, MAGDALENA HOMES L.L.C., ROTALL MARKETING GROUP L.L.C., and
8 TODD ROBERT HOMES, INC. agree that Respondents shall not contest the validity of the
9 Findings of Fact and Conclusions of Law contained in this Order in any present or future
10 proceeding in which the Commission or any other state agency is a party concerning the denial or
11 issuance of any license or registration required by the state to engage in the practice of any business
12 or profession.

13 6. By consenting to the entry of this Order, Respondents TODD R. NUTTALL,
14 MAGDALENA HOMES L.L.C., ROTALL MARKETING GROUP L.L.C., and TODD ROBERT
15 HOMES, INC. agree not to take any action or to make, or permit to be made, any public statement
16 denying, directly or indirectly, any Finding of Fact or Conclusion of Law in this Order or creating
17 the impression that this Order is without factual basis. Respondents TODD R. NUTTALL,
18 MAGDALENA HOMES L.L.C., ROTALL MARKETING GROUP L.L.C., and TODD ROBERT
19 HOMES, INC. will undertake steps necessary to assure that all of Respondents' agents and
20 employees understand and comply with this agreement.

21 7. While this Order settles this administrative matter between Respondents TODD R.
22 NUTTALL, MAGDALENA HOMES L.L.C., ROTALL MARKETING GROUP L.L.C., and
23 TODD ROBERT HOMES, INC. and the Commission, Respondents TODD R. NUTTALL,
24 MAGDALENA HOMES L.L.C., ROTALL MARKETING GROUP L.L.C., and TODD ROBERT
25 HOMES, INC. understand that this Order does not preclude the Commission from instituting other
26 administrative or civil proceedings based on violations that are not addressed by this Order.

1 8. Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
2 MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. understand that this Order
3 does not preclude the Commission from referring this matter to any governmental agency for
4 administrative, civil, or criminal proceedings that may be related to the matters addressed by this
5 Order.

6 9. Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
7 MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. understand that this Order
8 does not preclude any other agency or officer of the state of Arizona or its subdivisions from
9 instituting administrative, civil, or criminal proceedings that may be related to matters addressed by
10 this Order.

11 10. Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
12 MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. agree that Respondents will
13 not apply to the state of Arizona for registration as a securities dealer or salesman or for licensure
14 as an investment adviser or investment adviser representative until such time as all restitution and
15 penalties under this Order are paid in full.

16 11. Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
17 MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. agree that Respondents will
18 not exercise any control over any entity that offers or sells securities or provides investment
19 advisory services within or from Arizona until such time as all restitution and penalties under this
20 Order are paid in full.

21 12. Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
22 MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. consent to the entry of this
23 Order and agree to be fully bound by its terms and conditions.

24 13. Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
25 MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. acknowledge and understand
26 that if Respondents fail to comply with the provisions of the order and this consent, the

1 Commission may bring further legal proceedings against Respondents, including application to the
2 superior court for an order of contempt.

3 14. Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
4 MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. understand that default shall
5 render Respondents liable to the Commission for its costs of collection and interest at the maximum
6 legal rate.

7 15. Respondents TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
8 MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC. agree and understand that if
9 Respondents fail to make any payment as required in the Order, any outstanding balance shall be in
10 default and shall be immediately due and payable without notice or demand. Respondents TODD
11 R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL MARKETING GROUP L.L.C., and
12 TODD ROBERT HOMES, INC. agree and understand that acceptance of any partial or late
13 payment by the Commission is not a waiver of default by the Commission.

14 16. TODD R. NUTTALL represents that he is Manager of MAGDALENA HOMES
15 L.L.C. and has been authorized by MAGDALENA HOMES L.L.C to enter into this Order for and
16 on behalf of it.

17 17. TODD R. NUTTALL represents that he is Manager of ROTALL MARKETING
18 GROUP L.L.C. and has been authorized by ROTALL MARKETING GROUP L.L.C. to enter into
19 this Order for and on behalf of it.

20 18. TODD R. NUTTALL represents that he is CEO of TODD ROBERT HOMES, INC.
21 and has been authorized by TODD ROBERT HOMES, INC. to enter into this Order for and on
22 behalf of it.

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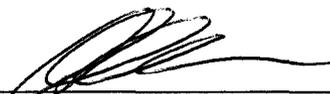
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TODD R. NUTTAL

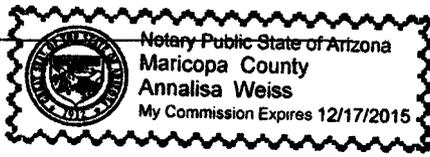
STATE OF ARIZONA)
) ss
County of)

SUBSCRIBED and SWORN TO BEFORE me this 21st day of February.



NOTARY PUBLIC

My commission expires:



MAGDALENA HOMES, L.L.C.



By: TODD R. NUTTALL, Manager

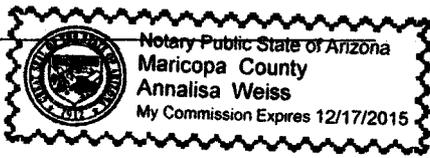
STATE OF ARIZONA)
) ss
County of)

SUBSCRIBED and SWORN TO BEFORE me this 21st day of February.



NOTARY PUBLIC

My commission expires:



ROTALL MARKETING GROUP L.L.C.

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By: TODD R. NUTTALL, Manager

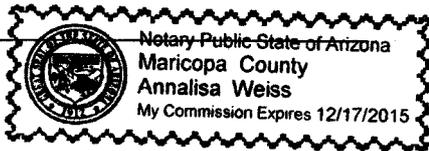
STATE OF ARIZONA)
) ss
County of)

SUBSCRIBED and SWORN TO BEFORE me this 21st day of February.

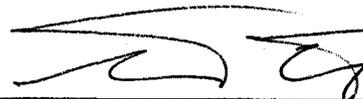


NOTARY PUBLIC

My commission expires:



TODD ROBERT HOMES, INC.



By: TODD R. NUTTALL, CEO

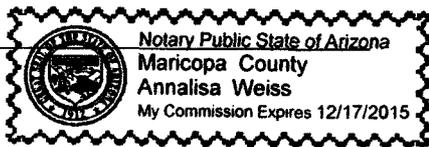
STATE OF ARIZONA)
) ss
County of)

SUBSCRIBED and SWORN TO BEFORE me this 21st day of February.



NOTARY PUBLIC

My commission expires:



1 SERVICE LIST FOR: TODD R. NUTTALL, MAGDALENA HOMES L.L.C., ROTALL
MARKETING GROUP L.L.C., and TODD ROBERT HOMES, INC.

2 Mr. Todd R. Nuttall, *pro per*
3 15815 South Lakewood Parkway West, Unit 1043
Phoenix, Arizona, 85048.

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

In the matter of:)
Todd R. Nuttall, a married man;)
Magdalena Homes, L.L.C., an Arizona limited)
liability company;)
Rotall Marketing Group L.L.C., an Arizona)
limited liability company, D/B/A Direct Rev)
Millionaire;)
Todd Robert Homes, Inc., a dissolved Arizona)
Corporation;)
Respondents.)

DOCKET NO. S-20901A-13-0432

**NOTICE OF FILING OF PROPOSED
OPEN MEETING AGENDA ITEM**

Pursuant to A.A.C. R14-4-303, you are hereby notified that the attached: ORDER OF
REVOCATION, ORDER TO CEASE AND DESIST, ORDER FOR RESTITUTION,
ORDER FOR ADMINISTRATIVE PENALTIES AND CONSENT TO SAME BY
RESPONDENTS TODD R. NUTTALL, MAGDALENA HOMES LLC, ROTALL MARKETING
GROUP LLC, AND TODD ROBERT HOMES, INC. was filed with the Arizona Corporation
Commission's Docket Control.

Dated: 2/24/2014

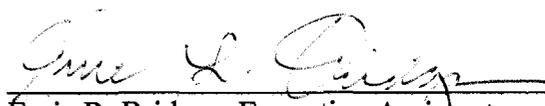
By: 
Steven C. Briggs, Enforcement Attorney

I hereby certify that I have this day served the foregoing document on all parties of record
in this proceeding by mailing a copy thereof, properly addressed with first class postage prepaid to:

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Mr. Todd R. Nuttall, *pro per*
15815 South Lakewood Parkway West, Unit 1043
Phoenix, Arizona 85048.

Dated: 2/24/14

By: 
Emie R. Bridges, Executive Assistant

Decision No. 74405