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OPEN MEETING ITEM

11/5-6/14

BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

JODI JERICH
EXECUTIVE DIRECTOR



MATTHEW J. NEUBERT
DIRECTOR

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ARIZONA CORPORATION COMMISSION

MEMORANDUM

TO: Bob Stump, Chairman
Gary Pierce
Brenda Burns
Bob Burns
Susan Bitter Smith

Arizona Corporation Commission
DOCKETED

OCT 21 2014

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

DOCKETED BY *[Signature]*

DATE: October 21, 2014

RE: *In re Nordstrom Nordstrom I, Inc., et al.*, Docket No. S-20899A-13-0396

CC: Jodi Jerich, Executive Director

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

ORIGINAL

Attached for your consideration is a proposed Order to Cease and Desist, Order for Restitution, and Order for Administrative Penalties, and Consent to Same ("Order") against William N. Nordstrom and his spouse. Mr. Nordstrom's spouse is joined solely for purposes of determining the marital community's liability. This Order does not include two entities under this Docket number; the Commission has already issued orders against these two entities. The Order is a consent order, signed by both Nordstrom and his spouse, who were represented by counsel.

The Order finds that Nordstrom, director and chief executive of the entity respondents in this Docket, sold investments in three different enterprises. The first enterprise involved using investor funds to purchase the contents of unclaimed shipping containers. The investors would receive a return upon the sale of the contents of the containers. The second enterprise involved manufacturing and selling fertilizer. Investors purchased stock in respondent entity, Nordstrom Nordstrom Inc., to fund this venture. The third enterprise involved selling stock in Nordstrom Imports, Inc., a cosmetic-importing business. None of the securities sold and none of the respondents or their agents were registered with the Commission as required. Thus, Nordstrom and the entity respondents violated A.R.S. §§ 44-1841 & 44-1842.

Mr. Nordstrom also violated A.R.S. § 44-1991 in connection with raising money for the shipping-container business by not conducting the business as it was described to investors—there is no evidence that Nordstrom bought or sold any goods, much less made a profit.

Additionally, Nordstrom used investor funds to pay other investors where investors believed their funds would be used solely to operate the business.

The Order requires Nordstrom to permanently cease and desist from violating the Securities Act, to pay a \$100,000 administrative penalty, and to pay restitution of \$2,163,142.87, plus interest, to the investors.

The Division recommends the Order as appropriate, in the public interest and necessary for the protection of investors.

Originator: Ryan J. Millecam

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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)	
WILLIAM N. NORDSTROM and LINDA NORDSTROM, husband and wife,)	DOCKET NO. S-20899A-13-0396
NORDSTROM NORDSTROM I, INC., an Arizona Corporation,)	DECISION NO. _____
NORDSTROM IMPORTS, INC., an Arizona Corporation,)	ORDER TO CEASE AND DESIST, ORDER FOR RESTITUTION, ORDER FOR ADMINISTRATIVE PENALTIES AND CONSENT TO SAME
Respondents.)	BY: RESPONDENTS WILLIAM N. NORDSTROM and LINDA NORDSTROM

Respondents WILLIAM N. NORDSTROM and LINDA NORDSTROM, husband and wife, 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"). These respondents admit the jurisdiction of the Arizona Corporation Commission ("Commission"); they 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.

I.

FINDINGS OF FACT

1. During the relevant timeframe, i.e. the beginning of 2008 through 2012, William N. Nordstrom ("NORDSTROM") was an Arizona resident.

1 2. Nordstrom Nordstrom I, Inc. ("NNI") was an Arizona corporation incorporated on
2 February 16, 2010. NORDSTROM was NNI's president and one of two directors listed in NNI's
3 articles of organization filed with the Commission.

4 3. Nordstrom Imports, Inc. ("Imports") was an Arizona corporation incorporated on April
5 5, 2010. NORDSTROM was the president and only director listed in Imports's articles of
6 organization filed with the Commission.

7 4. NORDSTROM, NNI, and Imports may be referred to collectively as "Respondents."

8 5. Linda Nordstrom was at all relevant times the spouse of NORDSTROM and may be
9 referred to as "Respondent Spouse." Respondent Spouse is joined in this action under A.R.S. § 44-
10 2031(C) solely for purpose of determining the liability of the marital community.

11 6. During the relevant timeframe, NORDSTROM was acting for his own benefit and for
12 the benefit or in furtherance of his and Respondent Spouse's marital community.

13 7. Respondents sold investments in three NORDSTROM enterprises to nine investors,
14 some of which were married couples. The majority of these investors were located in Arizona.

15 8. Between January 2009 and January 2012, these investors paid Respondents a total
16 of \$5,206,000 and received payments from Respondents that totaled \$3,114,000.

17 9. As discussed in more detail below, Respondents used investor funds to make many
18 of the payments to investors.

19 10. Of the three NORDSTROM-controlled enterprises, the first involved using investor
20 funds to purchase the contents of unclaimed shipping containers. The investors would receive a
21 return when NORDSTROM sold the contents of the containers. The second investment
22 opportunity involved selling stock in NNI which would manufacture and sell "Big Bull Fertilizer."
23 The third investment was selling stock in Imports, a cosmetic-importing business.

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1 Nordstrom/NNI's Shipping Container Business

2 11. Beginning in the fall of 2008, NORDSTROM and NNI offered and sold securities in
3 the form of investment contracts to at least five Arizona residents to raise capital for a business that
4 purportedly bought abandoned shipping containers or the contents of such containers.

5 12. NORDSTROM represented to investors that NORDSTROM would use investor
6 funds to purchase abandoned, unclaimed, or seized shipping containers primarily in California
7 shipping ports, or the contents of such containers.

8 13. NORDSTROM told at least one investor that the investor's money would be used
9 for renting dock space for such abandoned containers.

10 14. NORDSTROM told investors that, after purchasing the contents of such containers,
11 NORDSTROM would sell the contents for a profit.

12 15. NORDSTROM told investors that when NORDSTROM sold the contents of the
13 containers, the investors would receive their principal plus interest and, in some cases, a percentage
14 of the profit generated from the sale.

15 16. NORDSTROM represented to at least three investors that he had conducted the
16 shipping container business for several years. He told at least one investor that he had made
17 millions of dollars engaging in these specific types of investments.

18 17. NORDSTROM stated to at least two investors that there was no risk associated with
19 this investment because NORDSTROM had arrangements where the container contents were sold
20 before he bought them.

21 18. NORDSTROM told at least one investor that the investment was guaranteed against
22 loss of principal and that a trust was established for the benefit of NORDSTROM, which would
23 guarantee against loss of principal.

24 19. Investors were told that the shipping container investments would be short-term
25 investments. NORDSTROM told at least two investors that they would be repaid their principal
26 and interest within 30 to 45 days.

1 20. In certain instances, in order to provide assurance to an investor, NORDSTROM
2 would provide a check post-dated 30 to 45 days later that included the total principal and interest
3 payable to the investor, with instructions that the check not be deposited until the post-dated
4 timeframe.

5 21. NORDSTROM told investors that their funds would be used only for the purchase
6 of containers or container contents. Investors understood that their funds would not be used to pay
7 NORDSTROM or to pay other investors.

8 22. Based on these representations, investors made significant cash investments into the
9 shipping container business. These include an investor who invested a total of approximately
10 \$1,916,965, another who invested a total of approximately \$125,000, and another who invested
11 approximately \$313,120.

12 23. Investors paid for the shipping container investments by check or credit card
13 payments to NORDSTROM or NNI ranging from \$3,000 to over \$40,000.

14 24. Investors did not receive any documentation of their shipping container investments.

15 25. NORDSTROM pooled these investors' funds to be used for the shipping container
16 business.

17 26. NORDSTROM was solely responsible for conducting the business: he was to
18 determine which items were purchased, what the items were sold for, and any related business
19 decisions. The investors did not participate in this business.

20 27. The investors did not receive any information regarding operation of the shipping
21 container business: they did not receive any documents specifying or identifying the shipping
22 containers' serial numbers, details of the contents or merchandise it contained, the acquisition costs,
23 the final sales amount, or the exact location of the shipping containers or its contents.

24 28. On one occasion, an investor who was interested in conducting similar transactions
25 as those conducted in the shipping container business asked NORDSTROM for details about the
26 shipping container business including a request that NORDSTROM identify who NORDSTROM's

1 contacts and partners were in the business. NORDSTROM failed to provide any names or any
2 other details. In spite of NORDSTROM's failure to provide details, this investor continued to
3 make investments in the shipping container business.

4 29. NORDSTROM was not conducting the business as he represented to investors.

5 30. For example, when NORDSTROM paid investors, NORDSTROM represented to
6 investors that the payment funds came from the sale of shipping-container contents. But financial
7 records show that on several occasions the funds used for these payments came from other
8 investors.

9 31. NORDSTROM also represented to investors that he was purchasing containers or
10 contents of abandoned shipping containers. These representations contradict the law and practice
11 for dealing with abandoned and unclaimed shipments in U.S. ports, as set forth in 19 C.F.R. § 127.1
12 and www.cbp.gov. These sources explain that US Customs and Border Protection ("CBP") has
13 control of such items and has contracted with two auctioning agents—EG&G/CWS Marketing and
14 Rod Robertson Enterprises—to auction off CBP's seized and forfeited property.

15 32. NORDSTROM never mentioned these auctioneers or CBP to investors and later
16 admitted to Division staff that during the relevant timeframe he did not participate in any public
17 auctions or purchases of unclaimed shipping containers or their contents from CBP or either of its
18 auctioning agents.

19 33. As a result, the shipping container business, at best, never existed on the scale that
20 NORDSTROM described to investors.

21 34. And the shipping container business never produced revenue sufficient to cover all
22 payments to investors or to repay investors.

23 35. In several instances, the investors did not receive a full return of their principal
24 investment. In some of these instances, NORDSTROM and NNI issued promissory notes to the
25 investors in the remaining amounts owed to the investors.

26

1 36. Some investors received small payments on these notes. But most of the note-
2 holders received stock in NNI or Imports in lieu of payment on the notes.

3 **Stock in Nordstrom/NNI's Fertilizer Businesses**

4 37. Beginning in at least May 2010, NORDSTROM offered certain Arizona residents
5 shares of stock in his two companies, Respondents NNI and Imports.

6 38. NORDSTROM represented to at least nine investors that he had had formulated an
7 organic fertilizer and that the fertilizer was to be sold under the name "Big Bull Fertilizer."

8 39. The trademark "Big Bull Fertilizer" was registered with the United States Patent and
9 Trademark Office and NNI is the listed owner of the trademark.

10 40. NORDSTROM represented to investors that, due to the projected success of Big
11 Bull Fertilizer, they could purchase stock in NNI and obtain a good profit once NNI was sold.

12 41. NORDSTROM stated to multiple investors that NNI would be bought out within a
13 year because of the Big Bull Fertilizer and that investors could expect to roughly double their
14 money based on the stock appreciation.

15 42. Respondents represented to certain investors that they would only use the funds for
16 investment purposes, i.e. for costs associated with developing and marketing Big Bull Fertilizer.

17 43. Based on these representations several investors paid cash for NNI stocks. These
18 cash payments totaled at least \$505,000.

19 44. Of the cash investments, one investor made a \$35,000 investment (on top of the
20 \$100,000 he had already invested in NNI) based on NORDSTROM's representation that the buy-
21 out of NNI "looked like a done deal."

22 45. In fact, NORDSTROM had not received any written offers or even serious inquiries
23 about purchasing NNI; much less any offers that included any terms such as a sale price or a
24 potential closing date.

25 46. In several instances, NORDSTROM offered NNI stock to investors in lieu of
26 making payments on promissory notes issued by NORDSTROM and NNI.

1 47. NNI issued stock certificates to investors to evidence their stock ownership.

2 48. Even though he transferred several thousand shares to investors, NORDSTROM
3 was the controlling shareholder of NNI. He owned approximately 40,330 voting shares out of a
4 total of 71,246. And pursuant to NNI's Bylaws, a vote of the majority of the shares would control
5 all aspects of corporate governance.

6 49. Investors did not participate in managing NNI. Rather, they relied on
7 NORDSTROM to, among other things, develop, market, and sell the Big Bull Fertilizer.

8 50. NORDSTROM and his agents and employees handled the day-to-day operations of
9 NNI.

10 **Stock in Nordstrom/Imports's Cosmetic Importing Business**

11 51. Several investors invested cash in Imports or accepted Imports shares in lieu of
12 payments on promissory notes.

13 52. To induce these investments, NORDSTROM represented to at least four investors
14 that Imports would import and sell cosmetics.

15 53. Investor funds were to be used solely for this business.

16 54. Investors received stock certificates in Imports in exchange for the consideration
17 given to Imports.

18 55. Investors did not participate in managing Imports. Rather, NORDSTROM and his
19 agents handled the day-to-day operations of Imports including developing, marketing, and
20 otherwise handling all aspects of the cosmetics sales.

21 **Misuse of Investor Funds**

22 56. In contradiction to NORDSTROM's representations to investors that their monies
23 would only be used for business purposes, and not be used to pay other investors, on several
24 occasions, NORDSTROM used investor funds to pay other investors, for other non-investment-
25 related purposes—including transfers to NORDSTROM's other business or his personal accounts;

26

1 and several occasions NORDSTROM simply withdrew portions of investor funds in cash. For
2 example:

3 a) Between April 24 and April 30, 2009, \$97,000 of investor funds was
4 deposited to NORDSTROM's checking account at the National Bank of Arizona. At least \$30,000
5 of this was disbursed to other investors and \$10,000 was withdrawn as cash.

6 b) Between April 22 and June 16, 2009, \$46,856 of investor funds was
7 deposited into NORDSTROM and Linda Nordstrom's Bank of America savings account. Funds
8 from other sources in this account totaled only \$11,261. During this timeframe, NORDSTROM
9 transferred \$25,000 from this account to his daughter and son-in-law and \$16,100 to his
10 landscaping company.

11 c) Between July 15, 2009 and January 21, 2010, at least \$661,901 of investor
12 funds was deposited to NORDSTROM and Linda Nordstrom's personal savings account at Wells
13 Fargo Bank. On December 28, 2009, \$100,000 of investor funds was transferred from this savings
14 account to the Nordstroms' Wells Fargo checking account. On December 31, 2009,
15 NORDSTROM disbursed \$100,000 from this checking account to an investor. At least \$60,000 of
16 this disbursement came from investor funds.

17 d) During the same period (July 15, 2009 through January 21, 2010),
18 NORDSTROM withdrew cash totaling approximately \$200,000 from the Nordstroms' Wells Fargo
19 savings account. NORDSTROM converted the cash into cashier's checks and deposited the checks
20 to an account in his name at the National Bank of Arizona. Between January 14 and January 21,
21 2009, \$132,800 was disbursed from this National Bank of Arizona account to investors; at least
22 \$100,000 of those disbursed funds originated from investors.

23 e) On November 23, 2010, \$100,000 of investor funds from the sale of NNI
24 stock was deposited into NNI's Bank of America account. Over the next few weeks,
25 NORDSTROM transferred \$50,000 of this to his Wells Fargo personal savings account, \$10,000 to
26

1 his landscaping business, and \$36,506 to Imports's Wells Fargo account. At least \$13,000 of the
2 funds transferred to Imports was then used to pay investors.

3 f) Between March 22 and March 31, 2011, investor funds of \$241,169 were
4 deposited into NORDSTROM and Linda Nordstrom's Wells Fargo savings account.
5 NORDSTROM transferred \$77,000 of this to the Nordstroms' Bank of America savings account.
6 From there, the Nordstroms transferred \$80,700 to their daughter and son-in-law; at least \$70,000
7 of investor funds was required for this transfer.

8 g) On April 6, 2011, \$25,000 of investor funds from the sale of NNI stock was
9 deposited into NORDSTROM and Linda Nordstrom's Wells Fargo savings account. These funds
10 were combined with funds from other sources, creating an account balance of \$55,434.22.
11 NORDSTROM disbursed this balance as follows: \$45,322 to overdraft protection on the
12 Nordstroms' Wells Fargo checking account and \$10,000 of cash withdrawals.

13 **Respondents were not Registered with the Commission**

14 57. The shipping container investments and NNI and Imports stock shares are not
15 registered with the Commission.

16 58. Respondents are not registered with the Commission as dealers or salesmen.

17 59. The majority of the investors who invested in Respondents' enterprises were not
18 accredited or sophisticated at the time they made their investment and Respondents did not inquire
19 about the investors' accreditation or sophistication.

20 **II.**

21 **CONCLUSIONS OF LAW**

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

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

1 incorporated by reference, the Commission finds that the following relief is appropriate, in the
2 public interest, and necessary for the protection of investors:

3 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that NORDSTROM, and any of
4 NORDSTROM's agents, employees, successors and assigns, permanently cease and desist from
5 violating the Securities Act.

6 IT IS FURTHER ORDERED that NORDSTROM and Respondent Spouse comply with the
7 attached Consent to Entry of Order.

8 IT IS FURTHER ORDERED pursuant to A.R.S. § 44-2032, that NORDSTROM, and the
9 marital community of NORDSTROM and Respondent Spouse, shall jointly and severally with NNI
10 and Imports, the other respondents under Docket No. S-20899A-13-0396, pay restitution to the
11 Commission in the principal amount of \$2,163,142.87 as a result of the conduct set forth in the
12 Findings of Fact and Conclusions of Law. Payment is due in full on the date of this Order.
13 Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account
14 controlled by the Commission. Any principal amount outstanding shall accrue interest at a rate of
15 4.25% from the date of Order until paid in full. Respondent Spouse is included in this paragraph
16 because Respondent Spouse was joined in this action under A.R.S. § 44-2031(C), which allows
17 marital community property to be subject to Commission orders; Respondent Spouse's sole and
18 separate property, if any, is not subject to the payment order in this paragraph.

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

1 IT IS FURTHER ORDERED pursuant to A.R.S. § 44-2036, that NORDSTROM, and the
2 marital community of NORDSTROM and Respondent Spouse, pay an administrative penalty in the
3 amount of \$100,000 as a result of the conduct set forth in the Findings of Fact and Conclusions of
4 Law. Payment is due in full on the date of this Order. Payment shall be made to the “State of
5 Arizona.” Any amount outstanding shall accrue interest as allowed by law. Respondent Spouse is
6 included in this paragraph because Respondent Spouse was joined in this action under A.R.S. § 44-
7 2031(C), which allows marital community property to be subject to Commission orders; Respondent
8 Spouse’s sole and separate property, if any, is not subject to the payment order in this paragraph.

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

12 NORDSTROM and Respondent Spouse filed for voluntary, Chapter 7 bankruptcy on
13 October 12, 2012. For purposes of this Order, a future bankruptcy filing, i.e. subsequent to the
14 10/12/12 filing, by NORDSTROM or Respondent Spouse shall be an act of default. If
15 NORDSTROM and Respondent Spouse do not comply with this Order, any outstanding balance
16 may be deemed in default and shall be immediately due and payable.

17 IT IS FURTHER ORDERED that if NORDSTROM and Respondent Spouse fail to comply
18 with this order, the Commission may bring further legal proceedings against that respondent,
19 including application to the superior court for an order of contempt.

20 IT IS FURTHER ORDERED that no finding of fact or conclusion of law contained in this
21 Order shall be deemed binding against any respondent under this Docket Number who has not
22 consented to the entry of this Order.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, _____.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT

DISSENT

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

(RJM)

CONSENT TO ENTRY OF ORDER

1
2 1. NORDSTROM and Respondent Spouse (together, the "NORDSTROMS") admit the
3 jurisdiction of the Commission over the subject matter of this proceeding. The NORDSTROMS
4 acknowledge that they have been fully advised of their right to a hearing to present evidence and
5 call witnesses and the NORDSTROMS knowingly and voluntarily waive 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. The NORDSTROMS
8 acknowledge that this Order to Cease and Desist, Order for Restitution, Order for Administrative
9 Penalties and Consent to Same ("Order") constitutes a valid final order of the Commission.

10 2. The NORDSTROMS knowingly and voluntarily waive any right under Article 12 of
11 the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief
12 resulting from the entry of this Order.

13 3. The NORDSTROMS acknowledge and agree that this Order is entered into freely
14 and voluntarily and that no promise was made or coercion used to induce such entry.

15 4. The NORDSTROMS acknowledge that they have been represented by an attorney
16 in this matter. The NORDSTROMS have reviewed this Order with their attorney, Bradley D.
17 Weech, and understand all terms it contains. The NORDSTROMS acknowledge that their attorney
18 has apprised them of their rights regarding any conflicts of interest arising from dual representation.
19 They acknowledge that they have each given their informed consent to such representation.

20 5. The NORDSTROMS neither admit nor deny the Findings of Fact and Conclusions
21 of Law contained in this Order. By consenting to the entry of this Order, the NORDSTROMS
22 agree not to take any action or to make, or permit to be made, any public statement outside of the
23 statement that they neither admitted nor denied, directly or indirectly, any Finding of Fact or
24 Conclusion of Law in this Order or creating the impression that this Order is without factual basis.
25 The NORDSTROMS will undertake steps necessary to assure that all of their agents and employees
26 understand and comply with this agreement. The NORDSTROMS further agree that they shall not

1 deny or contest the Findings of Fact and Conclusions of Law contained in this Order in any present
2 or future: (a) bankruptcy proceeding, or (b) non-criminal proceeding in which the Commission is a
3 party (collectively, "proceeding(s)"). They further agree that in any such proceedings, the Findings
4 of Fact and Conclusions of Law contained in this Order may be taken as true and correct and that
5 this Order shall collaterally estop them from re-litigating with the Commission or any other state
6 agency, in any forum, the accuracy of the Findings of Fact and Conclusions of Law contained in
7 this Order. In the event NORDSTROM or Respondent Spouse pursues bankruptcy protection in the
8 future, the NORDSTROMS further agree that in such bankruptcy proceeding, pursuant to 11
9 U.S.C. § 523(a)(19), the following circumstances exist:

10 A. The obligations incurred as a result of this Order are a result of the conduct set forth
11 in the Findings of Fact and Conclusions of Law in the Order and are for the violation of
12 Arizona state securities laws, pursuant to 11 U.S.C. § 523(a)(19)(A)(i);

13 B. This Order constitutes a judgment, order, consent order, or decree entered in a state
14 proceeding pursuant to 11 U.S.C. § 523(a)(19)(B)(i), a settlement agreement entered into by
15 NORDSTROM and Respondent Spouse pursuant to 11 U.S.C. § 523(a)(19)(B)(ii), and a
16 court order for damages, fine, penalty, citation, restitution payment, disgorgement payment,
17 attorney fee, cost or other payment owed by NORDSTROM and Respondent Spouse
18 pursuant to 11 U.S.C. § 523(a)(19)(B)(iii).

19 6. While this Order settles this administrative matter between NORDSTROM and the
20 Commission, NORDSTROM understands that this Order does not preclude the Commission from
21 instituting other administrative or civil proceedings based on violations that are not addressed by
22 this Order.

23 7. NORDSTROM understands that this Order does not preclude the Commission from
24 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
25 that may be related to the matters addressed by this Order.
26

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

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

7 10. NORDSTROM agrees that he will not exercise any control over any entity that
8 offers or sells securities or provides investment advisory services within or from Arizona until such
9 time as all restitution and penalties under this Order are paid in full.

10 11. The NORDSTROMS acknowledge that any restitution or penalties imposed by this
11 Order are obligations of their marital community.

12 12. The NORDSTROMS consent to the entry of this Order and agree to be fully bound
13 by its terms and conditions.

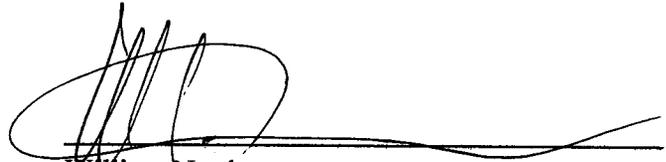
14 13. The NORDSTROMS acknowledge and understand that if they fail to comply with
15 the provisions of the Order and this consent, the Commission may bring further legal proceedings
16 against them, including application to the superior court for an order of contempt.

17 14. The NORDSTROMS understand that default shall render them liable to the
18 Commission for its costs of collection and interest at the maximum legal rate.

19 15. The NORDSTROMS agree and understand that if they fail to make any payment as
20 required in the Order, any outstanding balance shall be in default and shall be immediately due and
21 payable without notice or demand. The NORDSTROMS agree and understand that acceptance of
22 any partial or late payment by the Commission is not a waiver of default by the Commission.

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1 Nordstrom and Respondent Spouse signature page for Consent to Entry of Order

2
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4 
5 William Nordstrom

6 
7 Linda Nordstrom

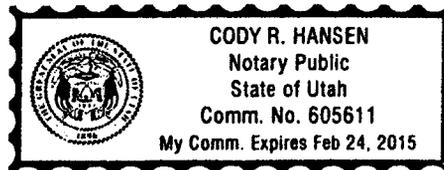
8 STATE OF ^{UTAH CA} ARIZONA)
9 County of ~~WASHINGTON~~) ss

10 SUBSCRIBED AND SWORN TO BEFORE me this 17 day of OCTOBER, 2014.

11
12 
13 NOTARY PUBLIC

14 My commission expires:

15 FEB. 24, 2015



1 SERVICE LIST FOR: Nordstrom Nordstrom I, Inc., et al.

2 Jackson White
3 40 North Center Street, Suite 200
4 Mesa, AZ 85201
5 Attn: Bradley D. Weech
Attorneys for William and Linda Nordstrom

6 Nordstrom Nordstrom I, Inc.
7 181 W. Sparrow Dr.
8 Chandler, AZ 85286
9 Attn: William Nordstrom, statutory agent
Respondent

10 Nordstrom Imports, Inc.
11 181 W. Sparrow Dr.
12 Chandler, AZ 85286
13 Attn: Linda Nordstrom, statutory agent
Respondent

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

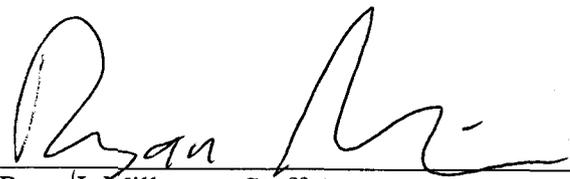
In the matter of:)
)
 WILLIAM N. NORDSTROM and LINDA)
 NORDSTROM, husband and wife,)
)
 NORDSTROM NORDSTROM I, INC., an)
 Arizona Corporation,)
)
 NORDSTROM IMPORTS, INC., an Arizona)
 Corporation,)
)
 Respondents.)

DOCKET NO. S-20899A-13-0396

**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 to Cease and Desist, Order for Restitution, and Order for Administrative Penalties, and Consent to Same, re: William N. Nordstrom and Linda Nordstrom, was filed with the Arizona Corporation Commission's Docket Control.

Dated: 10/21/14

By: 
Ryan J. Millecam, Staff Attorney

Decision No. _____

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

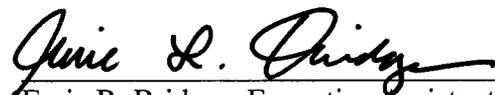
3 Jackson White
4 40 North Center Street, Suite 200
5 Mesa, AZ 85201
6 Attn: Bradley D. Weech
Attorneys for William and Linda Nordstrom

7 Nordstrom Nordstrom I, Inc.
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10 Attn: William Nordstrom, statutory agent
Respondent

11 Nordstrom Imports, Inc.
12 181 W. Sparrow Dr.
13 Chandler, AZ 85286
14 Attn: Linda Nordstrom, statutory agent
Respondent

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Dated: 10/21/14

By: 
Emie R. Bridges, Executive Assistant