



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:

ANTHONY RAY STACY (CRD# 1772484)  
and APRIL STACY, Husband and Wife,

Respondent.

) DOCKET NO. S-20909A-14-0226

) DECISION NO. 74849

) **ORDER FOR PERMANENT REVOCATION,  
) ORDER TO CEASE AND DESIST, ORDER  
) FOR RESTITUTION, ORDER FOR  
) ADMINISTRATIVE PENALTIES, AND  
) CONSENT TO SAME BY ANTHONY RAY  
) STACY AND APRIL STACY**

Respondents ANTHONY RAY STACY and APRIL STACY (collectively, "Respondents") elect to permanently waive any right to a hearing and appeal under Articles 7 and 8 of the Arizona Investment Management Act, A.R.S. § 44-3101 *et seq.* ("Investment Management Act") with respect to this Order for Permanent Revocation, 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"); admit for purposes of this proceeding and any other proceeding, including any proceeding in a bankruptcy court, the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

Decision No. \_\_\_\_\_

I.

**FINDINGS OF FACT**

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3 1. ANTHONY RAY STACY ("STACY") has been at all relevant times an Arizona resident.

4 2. APRIL STACY was at all relevant times the spouse of Respondent STACY. (APRIL  
5 STACY may be referred to as "Respondent Spouse" or "wife"). Respondent Spouse is joined in this  
6 action under A.R.S. § 44-3291(C) solely for purposes of determining the liability of the marital  
7 community.

8 3. At all relevant times, STACY acted for his own benefit and for the benefit or in  
9 furtherance of his marital community.

10 4. On or about September 21, 2006, STACY, CRD No. 1772484, was licensed as an  
11 investment adviser representative with the Commission.

12 5. From about April 4, 2013 to the present, STACY has been associated with the investment  
13 adviser Cercidium Capital Management LP, CRD No. 167189.

14 6. At all relevant times, "Client" was an investment advisory client of STACY.

15 7. About October 18, 2013, Client and STACY, personally, executed a Promissory Note (the  
16 "Loan"). Pursuant to the Loan, STACY borrowed the principal sum of \$130,000 from Client and  
17 promised to repay that amount on January 20, 2014, with \$9,100 (14.3%) interest due on that same  
18 date.

19 8. While requesting the Loan, STACY represented to Client that the Loan proceeds would be  
20 used to fund STACY's personal investment in a restaurant in Scottsdale, Arizona.

21 9. At STACY's direction, on October 22, 2013, Client wired the \$130,000 Loan principal to a  
22 JP Morgan Chase bank account for Palo Verde Capital, LLC ending in Xx5266, which STACY  
23 controlled. The wire increased the closing balance in that account from \$1,810.06 on October 21,  
24 2013, to \$131,069.72 on October 22, 2013.

1           10.       Instead of investing the Loan proceeds in the restaurant, STACY used at least  
2 \$101,266.98 of the Loan proceeds to pay personal obligations and expenses by making the following  
3 payments and transfers:

- 4           • \$75,000 on October 23, 2013, to the court-appointed receivership for Palo Verde Fund,  
5 LP, the Palo Verde Private Equity Fund, LP and PVPE, L.L.C., which were entities  
6 Stacy formerly controlled;
- 7           • \$2,000 on October 23, 2013, to an individual in Sand Springs, Oklahoma;
- 8           • \$3,500 on October 23, 2013, to Verde Capital Group, LLC, of which STACY is a  
9 managing member;
- 10          • \$1,600 on October 23, 2013, to an individual in Scottsdale, Arizona;
- 11          • \$7,000 on October 24, 2013, to an individual in Fountain Hills, Arizona;
- 12          • \$1,479.53 on October 24, 2013, to Chase;
- 13          • \$5,114.24 on October 24, 2013, to the University of Arizona;
- 14          • \$1,118.54 on October 28, 2013, to Wells Fargo;
- 15          • \$1,761.49 on October 31, 2013, to an individual in Tulsa, Oklahoma; and
- 16          • Between October 23 and 31, 2013, \$2,693.18 in debit card transactions at a golf club,  
17 airlines, restaurants, an auto dealership in Oklahoma, and other retailers.

18          11.       On October 31, 2013, the JP Morgan Chase bank account for Palo Verde Capital,  
19 LLC ending in Xx5266 had a closing balance of \$3,843.38.

20          12.       STACY has failed to repay the Loan to date.

21          13.       The total principal amount owing on the Loan is \$130,000.00.

22          14.       Client is not a relative of STACY. Client is also not a dealer or affiliate of STACY,  
23 and Client not a financial institution or other entity engaged in the business of loaning funds or  
24 securities.

II.

CONCLUSIONS OF LAW

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1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Investment Management Act.

2. STACY engaged in dishonest or unethical practices in the securities industry by borrowing money from Client, which at the time of the Loan, was neither a relative of STACY, nor a dealer or affiliate of STACY, nor a financial institution or other entity engaged in the business of loaning funds or securities. STACY violated A.R.S. § 44-3201(A)(13) and R14-6-203(6).

3. STACY's conduct subjects him to an order of revocation pursuant to A.R.S. § 44-3201(A)(13).

4. STACY's conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-3201(B)(2).

5. STACY's conduct is grounds for an order of restitution pursuant to A.R.S. § 44-3201(B)(3).

6. STACY's conduct is grounds for an administrative penalty under A.R.S. § 44-3201(B)(1).

7. STACY acted for the benefit of his and Respondent Spouse's marital community and, pursuant to A.R.S. §§ 25-214 and 25-215, this Order of restitution and administrative penalties is a debt of the marital community.

III.

ORDER

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

1           IT IS ORDERED, pursuant to A.R.S. § 44-3201(A)(13), that STACY's license as an  
2 investment adviser representative is permanently revoked.

3           IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-3201(B)(2), that STACY, and any  
4 of STACY's agents, employees, successors and assigns, permanently cease and desist from  
5 violating Investment Management Act.

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

8           IT IS FURTHER ORDERED pursuant to A.R.S. § 44-3201(B)(3), that STACY, and the  
9 marital community of STACY and Respondent Spouse, shall jointly and severally pay restitution  
10 to the Commission in the principal amount of \$130,000.00 as a result of the conduct set forth in  
11 the Findings of Fact and Conclusions of Law. Payment is due in full on the date of this Order.  
12 Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account  
13 controlled by the Commission. Any principal amount outstanding shall accrue interest at a rate of  
14 4.25% from the date of Order until paid in full. Respondent Spouse is included in this paragraph  
15 because Respondent Spouse was joined in this action under A.R.S. § 44-3291(C), which allows  
16 marital community property to be subject to Commission orders; Respondent Spouse's sole and  
17 separate property, if any, is not subject to the payment order in this paragraph.

18           The Commission shall disburse the funds to Client as shown on the records of the  
19 Commission. Any restitution funds that the Commission cannot disburse because Client refuses to  
20 accept such payment or any restitution funds the Commission determines it is unable to or cannot  
21 feasibly disburse to Client shall be transferred to the general fund of the state of Arizona.

22           IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-3296, that STACY, individually,  
23 and the marital community of STACY, jointly and severally shall pay an administrative penalty in  
24 the amount of \$1,000.00 as a result of the conduct set forth in the Findings of Fact and  
25 Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be made to  
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1 the "State of Arizona." Any penalty amount outstanding shall accrue interest at a rate of 4.25%  
2 from the date of Order until paid in full. Respondent Spouse is included in this paragraph because  
3 Respondent Spouse was joined in this action under A.R.S. § 44-3291(C), which allows marital  
4 community property to be subject to Commission orders; Respondent Spouse's sole and separate  
5 property, if any, is not subject to the payment order in this paragraph.

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

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

12 IT IS FURTHER ORDERED, that if Respondents fail to comply with this Order, the  
13 Commission may bring further legal proceedings against Respondents, including an application to  
14 the superior court for an order of contempt.

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

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BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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2 CHAIRMAN

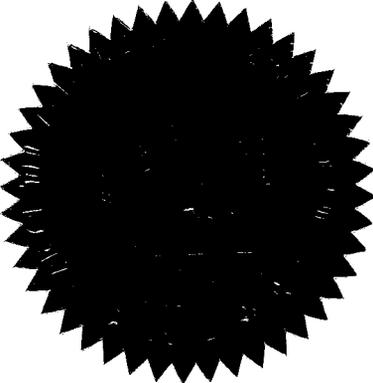
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12 IN WITNESS WHEREOF, I, JODI JERICH, Executive  
13 Director of the Arizona Corporation Commission, have  
14 hereunto set my hand and caused the official seal of the  
15 Commission to be affixed at the Capitol, in the City of  
16 Phoenix, this 18<sup>th</sup> day of December  
17 2014.



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19 JODI JERICH  
20 EXECUTIVE DIRECTOR

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22 DISSENT

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24 DISSENT

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26 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](mailto:sabernal@azcc.gov).

(JDB)

**CONSENT TO ENTRY OF ORDER**

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2           1.     Respondents ANTHONY RAY STACY and APRIL STACY (collectively,  
3 "Respondents") admit the jurisdiction of the Commission over the subject matter of this  
4 proceeding. Respondents acknowledge that Respondents have been fully advised of Respondents'  
5 right to a hearing to present evidence and call witnesses and Respondents knowingly and  
6 voluntarily waive any and all rights to a hearing before the Commission and all other rights  
7 otherwise available under Article 7 of the Investment Management Act, and Title 14 of the  
8 Arizona Administrative Code. Respondents acknowledge that this Order for Permanent  
9 Revocation, Order To Cease And Desist, Order for Restitution, Order for Administrative Penalties  
10 and Consent to Same ("Order") constitutes a valid final order of the Commission.

11           2.     Respondents ANTHONY RAY STACY and APRIL STACY knowingly and  
12 voluntarily waive any right under Article 8 of the Investment Management Act to judicial review  
13 by any court by way of suit, appeal, or extraordinary relief resulting from the entry of this Order.

14           3.     Respondents ANTHONY RAY STACY and APRIL STACY acknowledge and  
15 agree that this Order is entered into freely and voluntarily and that no promise was made or  
16 coercion used to induce such entry.

17           4.     Respondents ANTHONY RAY STACY and APRIL STACY understand and  
18 acknowledge that they have a right to seek counsel regarding this Order, and that they have had  
19 the opportunity to seek counsel prior to signing this Order. Respondents ANTHONY RAY  
20 STACY and APRIL STACY acknowledge and agree that, despite the foregoing, they freely and  
21 voluntarily waive any and all right to consult or obtain counsel prior to signing this Order, and  
22 understand all terms it contains.

23           5.     Respondents ANTHONY RAY STACY and APRIL STACY admit for purposes  
24 of this proceeding and any other proceeding, including any proceeding in a bankruptcy court, the  
25 Findings of Fact and Conclusions of Law contained in this Order. Respondents ANTHONY RAY  
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1 STACY and APRIL STACY each agree that he/she shall not contest the validity of the Findings of  
2 Fact and Conclusions of Law contained in this Order in any present or future proceeding.

3 6. By consenting to the entry of this Order, Respondents ANTHONY RAY STACY  
4 and APRIL STACY agree not to take any action or to make, or permit to be made, any public  
5 statement denying, directly or indirectly, any Finding of Fact or Conclusion of Law in this Order  
6 or creating the impression that this Order is without factual basis. Respondents will undertake  
7 steps necessary to assure that all of their agents and employees understand and comply with this  
8 agreement.

9 7. Respondents ANTHONY RAY STACY and APRIL STACY further agree the  
10 Findings of Fact and Conclusions of Law contained in this Order shall be taken as true and correct  
11 and that this Order shall collaterally estop them from re-litigating with the Commission or any  
12 other agency, in any forum, the accuracy of the Findings of Fact and Conclusions of Law  
13 contained in this Order. In the event ANTHONY RAY STACY and/or APRIL STACY pursue  
14 bankruptcy protection in the future, they each further agree that in such bankruptcy proceeding,  
15 pursuant to 11 U.S.C. § 523(a)(19), the following circumstances exist:

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

19 B. This Order constitutes a judgment, order, consent order, or decree entered in a state  
20 proceeding pursuant to 11 U.S.C. § 523(a)(19)(B)(i), a settlement agreement entered into  
21 by ANTHONY RAY STACY and APRIL STACY pursuant to 11 U.S.C. §  
22 523(a)(19)(B)(ii), and a court order for damages, fines, penalties, restitution payments,  
23 disgorgement payments, attorney fees, costs or other payments owed by ANTHONY RAY  
24 STACY and APRIL STACY pursuant to 11 U.S.C. § 523(a)(19)(B)(iii).

1           8.     While this Order settles this administrative matter between Stacy and the  
2 Commission, STACY understands that this Order does not preclude the Commission from  
3 instituting other administrative or civil proceedings based on violations that are not addressed by  
4 this Order.

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

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

11          11.    STACY agrees that he will not apply to the state of Arizona for licensure as an  
12 investment adviser representative at any time in the future.

13          12.    STACY agrees that he that he will not exercise any control at any time in the future  
14 over any investment adviser licensed to do business in Arizona or any entity that provides  
15 investment advisory services within or from Arizona.

16          13.    Respondents ANTHONY RAY STACY and APRIL STACY acknowledge that the  
17 restitution and penalty amounts imposed by this Order are obligations of Respondent ANTHONY  
18 RAY STACY as well as their marital community.

19          14.    Respondents ANTHONY RAY STACY and APRIL STACY each consent to the  
20 entry of this Order and agree to be fully bound by its terms and conditions.

21          15.    Respondents ANTHONY RAY STACY and APRIL STACY each acknowledge  
22 and understand that if he/she fails to comply with the provisions of the order and this consent, the  
23 Commission may bring further legal proceedings against him/her, including application to the  
24 superior court for an order of contempt.

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1           16.     Respondents ANTHONY RAY STACY and APRIL STACY understand that  
2 default shall render them liable to the Commission for its costs of collection and interest at the  
3 maximum legal rate.

4           17.     Respondents ANTHONY RAY STACY and APRIL STACY each agree and  
5 understand that if he/she fails to make any payment as required in the Order, any outstanding  
6 balance shall be in default and shall be immediately due and payable without notice or demand.  
7 Respondents agree and understand that acceptance of any partial or late payment by the  
8 Commission is not a waiver of default by the Commission.

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Signature page for Consent to Entry of Order by ANTHONY RAY STACY and APRIL STACY



ANTHONY RAY STACY

STATE OF ARIZONA     )  
  ) ss  
County of Maricopa     )

SUBSCRIBED AND SWORN TO BEFORE me this 28<sup>th</sup> day of October, 2014.



NOTARY PUBLIC

My commission expires:

Jan. 27, 2017



APRIL STACY

STATE OF OKLAHOMA     )  
  ) ss  
County of                     )

SUBSCRIBED AND SWORN TO BEFORE me this 28<sup>th</sup> day of October, 2014.

NOTARY PUBLIC

My commission expires:

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Signature page for Consent to Entry of Order by ANTHONY RAY STACY and APRIL STACY

\_\_\_\_\_  
ANTHONY RAY STACY

STATE OF ARIZONA       )  
  ) ss  
County of Maricopa       )

SUBSCRIBED AND SWORN TO BEFORE me this 28<sup>th</sup> day of October, 2014.

\_\_\_\_\_  
NOTARY PUBLIC

My commission expires:

*April Stacy*  
\_\_\_\_\_  
APRIL STACY

STATE OF OKLAHOMA    )  
  ) ss  
County of *Tulsa*       )



SUBSCRIBED AND SWORN TO BEFORE me this 28<sup>th</sup> day of October, 2014.

*Tara Karvia*  
\_\_\_\_\_  
NOTARY PUBLIC

My commission expires:

4/12/2017

1 SERVICE LIST FOR: Anthony Ray Stacy and April Stacy

2 Anthony Ray Stacy  
3 20865 N. 90th Place, Suite 125  
4 Scottsdale, AZ 85255

4 *Pro se*

5 April Stacy  
6 9233 E. Canyon View Road  
7 Scottsdale, Arizona, 85255-6211

7 *Pro se*

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

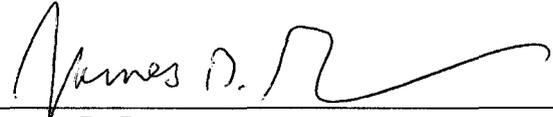
COMMISSIONERS

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

In the matter of:  
  
ANTHONY RAY STACY (CRD# 1772484)  
and APRIL STACY, Husband and Wife,  
  
Respondent.

DOCKET NO. S-20909A-14-0226  
**NOTICE OF FILING OF PROPOSED OPEN  
MEETING AGENDA ITEM**

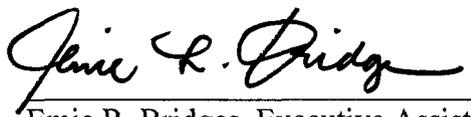
Pursuant to A.A.C. R14-4-303, you are hereby notified that the attached proposed Order for Permanent Revocation, Order To Cease And Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same was filed with the Arizona Corporation Commission's Docket Control.

Dated: November 24, 2014  
By:   
James D. Burgess  
Senior Attorney, Securities Division

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:  
Anthony Ray Stacy  
20865 N. 90th Place, Suite 125  
Scottsdale, AZ 85255  
*Pro se*

Anthony Ray Stacy and April Stacy  
9233 E. Canyon View Road  
Scottsdale, Arizona, 85255-6211  
*Pro se*

Dated: November 24, 2014  
By:   
Emie R. Bridges, Executive Assistant