



BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

JUN 27 2016

DOUG LITTLE - Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

DOCKETED BY [Signature]

In the matter of:
ROBERT TURPIN CRD # 1063249, and
ALLEENE TURPIN, husband and wife,
Respondents.

DOCKET NO. S-20967A-16-0137

DECISION NO. 75599

ORDER TO CEASE AND DESIST, ORDER
OF REVOCATION, ORDER FOR
ADMINISTRATIVE PENALTIES AND
CONSENT TO SAME

BY: RESPONDENTS ROBERT TURPIN AND
ALLEENE TURPIN

Respondents Robert Turpin ("Turpin") and Alleene Turpin ("Respondent Spouse") 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 of Revocation, Order for Administrative Penalties and Consent to Same ("Order"). Turpin and Respondent Spouse 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 solely for the purpose of settling this proceeding.

I.

FINDINGS OF FACT

1. During the relevant timeframe, i.e. throughout 2014 to the present, Turpin has been a resident of Arizona.

1 2. Respondent Spouse was at all relevant times Turpin’s spouse. Respondent Spouse is
2 joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the
3 marital community.

4 3. At all times relevant, Turpin was acting for his own benefit and for the benefit or in
5 furtherance of his and Respondent Spouse’s marital community.

6 4. Turpin and Respondent Spouse may be referred to collectively as “Respondents.”

7 5. Turpin was a securities salesman registered with the Commission beginning in 1985.

8 6. From February 2010 to September 2015, Turpin was employed by and registered with
9 Source Capital Group, Inc., a securities dealer registered with the Commission.

10 7. On March 13, 2014, Turpin organized Tara First Mortgage-Phase I, LLC (“Tara 1”),
11 an Arizona limited liability company of which Turpin is the sole manager.

12 8. On May 22, 2014, Turpin organized Tara First Mortgage-Second Offering, LLC
13 (“Tara 2”), an Arizona limited liability company of which Turpin is the sole member.

14 9. Both Tara 1 and Tara 2 raised capital to fund a housing development in North Dakota.
15 Tara 1 and Tara 2 obtained capital by selling LLC membership interests to investors.

16 10. In offering materials to “Interested Potential Investors” Turpin described these
17 membership-interest sales as an “offering” that would pay 20% interest “on a monthly basis to
18 investors.”

19 11. Turpin, Tara 1 and Tara 2 represented to offerees that the developer was going to use
20 investor funds to build townhomes on property in North Dakota. In exchange for these loans, Tara 1
21 and Tara 2 were to receive a first-position mortgage paying 20% interest, secured by townhomes and
22 the property on which they were going to be built.

23 12. The developer would pay the entities from profits the developer received from selling
24 or renting the townhomes. Tara 1 and Tara 2 would then pay their investors a 20% return on their
25 investments.

1 transactions that were not recorded on the records of the dealer with whom Turpin was registered at
2 the time of the transactions.

3 3. Turpin's conduct subjects him to an order of revocation pursuant to A.R.S. § 44-
4 1962(A)(10).

5 4. Turpin's conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-
6 1962(B)(2).

7 5. Turpin's conduct is grounds for administrative penalties under A.R.S. § 44-1962.

8 6. Turpin acted for the benefit of his and Respondent Spouse's marital community and,
9 pursuant to A.R.S. §§ 25-214 and 25-215, an order of administrative penalties is a debt of the
10 community.

11 **III.**

12 **ORDER**

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

16 IT IS ORDERED, pursuant to A.R.S. § 44-1962(B)(2) that Turpin and any of Turpin's agents,
17 employees, successors and assigns, permanently cease and desist from engaging, whether directly or
18 indirectly, in the acts which form the basis for this Order, including those acts referenced in paragraph
19 2 of the above Conclusions of Law.

20 IT IS FURTHER ORDERED that Turpin complies with the attached Consent to Entry of
21 Order.

22 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-1962, that Turpin, individually, and
23 the marital community of Turpin and Respondent Spouse, jointly and severally pay an administrative
24 penalty in the amount of \$35,000 as a result of the conduct set forth in the Findings of Fact and
25 Conclusions of Law. Payment of \$25,000 is due in on the date of this Order. Payment of the
26 remaining \$10,000 is due 180 days from the date of this Order. Payment shall be made to the "State

1 of Arizona.” Any portion of the \$25,000 payment not paid as of the date of this Order shall accrue
2 interest as allowed by law. Any portion of the \$10,000 payment not paid on or before the date that is
3 180 days after the date of this Order shall accrue interest as allowed by law.

4 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-1962, that Turpin’s securities salesman
5 registration is revoked.

6 IT IS FURTHER ORDERED, that if Turpin fails to comply with this order, the Commission
7 may bring further legal proceedings against him, including application to the superior court for an
8 order of contempt.

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

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CONSENT TO ENTRY OF ORDER

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2 1. Turpin admits the jurisdiction of the Commission over the subject matter of this
3 proceeding. Turpin acknowledges that Turpin has been fully advised of his right to a hearing to
4 present evidence and call witnesses and Turpin knowingly and voluntarily waives any and all rights
5 to a hearing before the Commission and all other rights otherwise available under Article 11 of the
6 Securities Act and Title 14 of the Arizona Administrative Code. Turpin acknowledges that this Order
7 constitutes a valid final order of the Commission.

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

11 3. Turpin acknowledges and agrees that this Order is entered into freely and voluntarily
12 and that no promise was made or coercion used to induce such entry.

13 4. Turpin and Respondent Spouse have been represented by an attorney in this matter,
14 have reviewed this order with their attorneys, **Paul Roshka and Craig Waugh of the firm Polsinelli**
15 **PC**, and understand all terms it contains. Turpin and Respondent Spouse acknowledge that their
16 attorney has apprised them of their rights regarding any conflicts of interest arising from dual
17 representation. Turpin and Respondent Spouse acknowledge that they have each given their informed
18 consent to such representation.

19 5. Turpin neither admits nor denies the Findings of Fact and Conclusions of Law
20 contained in this Order. Turpin agrees that Turpin shall not contest the validity of the Findings of
21 Fact and Conclusions of Law contained in this Order in any present or future proceeding in which
22 the Commission is a party.

23 6. Turpin and Respondent Spouse further agree that in any present or future: (a)
24 bankruptcy proceeding, or (b) non-criminal proceeding in which the Commission is a party
25 (collectively, "proceeding(s)"), the Findings of Fact and Conclusions of Law contained in this Order
26 may be taken as true and correct and that this Order shall collaterally estop them from re-litigating

1 with the Commission or any other state agency, in any forum, the accuracy of the Findings of Fact
2 and Conclusions of Law contained in this Order. In the event Turpin or Respondent Spouse pursues
3 bankruptcy protection in the future, they further agree that in such bankruptcy proceeding, pursuant
4 to 11 U.S.C. § 523(a)(19), the following circumstances exist:

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

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

13 7. By consenting to the entry of this Order, Turpin agrees not to take any action or to
14 make, or permit to be made, any public statement denying, directly or indirectly, any Finding of Fact
15 or Conclusion of Law in this Order or creating the impression that this Order is without factual basis.

16 8. While this Order settles this administrative matter between Turpin and the
17 Commission, Turpin understands that this Order does not preclude the Commission from instituting
18 other administrative or civil proceedings based on violations that are not addressed by this Order.

19 9. Turpin understands that this Order does not preclude the Commission from referring
20 this matter to any governmental agency for administrative, civil, or criminal proceedings that may be
21 related to the matters addressed by this Order.

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

1 11. Turpin agrees that he will not apply to the state of Arizona for registration as a
2 securities dealer or salesman or for licensure as an investment adviser or investment adviser
3 representative until such time as all penalties under this Order are paid in full.

4 12. Turpin agrees that he will not exercise any control over any entity that offers or sells
5 securities or provides investment advisory services within or from Arizona until such time as all
6 restitution and penalties under this Order are paid in full.

7 13. Turpin and Respondent Spouse acknowledge that the penalties imposed by this Order
8 are obligations of the Turpin as well as the marital community.

9 14. Turpin consents to the entry of this Order and agrees to be fully bound by its terms
10 and conditions.

11 15. Turpin acknowledges and understands that if he fails to comply with the provisions
12 of the order and this consent, the Commission may bring further legal proceedings against him,
13 including application to the superior court for an order of contempt.

14 16. Turpin understands that default shall render him liable to the Commission for its costs
15 of collection and interest at the maximum legal rate.

16 17. Turpin agrees and understands that if he fails to make any payment as required in the
17 Order, any outstanding balance shall be in default and shall be immediately due and payable without
18 notice or demand. Turpin agrees and understands that acceptance of any partial or late payment by
19 the Commission is not a waiver of default by the Commission.

20 [Signature page follows]
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Signature Page for Robert Turpin and Respondent Spouse

Robert Turpin

Robert Turpin

Alleene Turpin

Alleene Turpin, Respondent Spouse

STATE OF ARIZONA)
) ss
County of)

SUBSCRIBED AND SWORN TO BEFORE me this 27th day of April, 2016.

Teresa Simons

NOTARY PUBLIC

My commission expires:



1 SERVICE LIST FOR *In re Robert Turpin, et al.*

2 Paul J. Roshka, Jr., PRoshka@polsinelli.com
3 Craig M. Waugh, CWaugh@polsinelli.com
4 One East Washington, Suite 1200
5 Phoenix, AZ 85004
6 *Attorney for Respondents*
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1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 DOUG LITTLE, Chairman
4 BOB STUMP
5 BOB BURNS
6 TOM FORESE
7 ANDY TOBIN

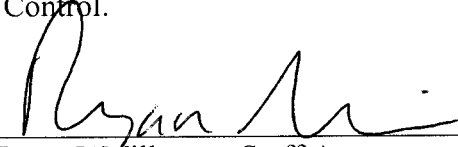
8 In the matter of:)
9 ROBERT TURPIN CRD # 1063249, and)
10 ALLEENE TURPIN, husband and wife,)
11 Respondents.)

DOCKET NO. S-20967A-16-0137

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

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

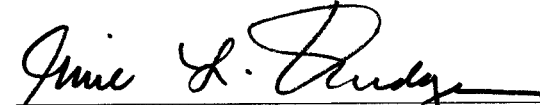
15 Dated: 5/31/16

16 By: 
Ryan J. Millicam, Staff Attorney

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

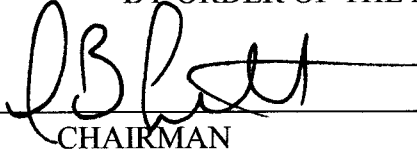
19 Paul J. Roshka, Jr.
20 Craig M. Waugh
21 One East Washington, Suite 1200
22 Phoenix, AZ 85004
Attorney for Respondents

23 Dated: 5/31/16

24 By: 
Emie R. Bridges, Executive Assistant

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

2 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

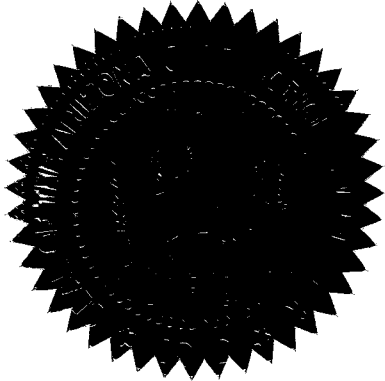
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4 
CHAIRMAN


COMMISSIONER

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6 
COMMISSIONER


COMMISSIONER


COMMISSIONER



9 IN WITNESS WHEREOF, I, JODI JERICH, Executive
10 Director of the Arizona Corporation Commission, have
11 hereunto set my hand and caused the official seal of the
12 Commission to be affixed at the Capitol, in the City of Phoenix,
13 this 27th day of June, 2016.


JODI JERICH
EXECUTIVE DIRECTOR

16 _____
DISSENT

17 _____
DISSENT

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

20 (RJM)