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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

COMMISSIONERS

JAN 31 2005

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MARC SPITZER  
MIKE GLEASON  
KRISTIN K. MAYES

DOCKETED BY *ne*

In the matter of:  
NOEL EUGENE CULLISON and BARBARA CULLISON, husband and wife,  
3108 East Siesta Lane  
Phoenix, AZ 85050  
SOLUTIONS, SOURCES, & CONSULTING, LLC  
3108 East Siesta Lane  
Phoenix, AZ 85050  
ENERGY SAVINGS SOLUTION, INC.  
3108 East Siesta Lane  
Phoenix, AZ 85050  
Respondents.

DOCKET NO. S-03566A-04-0000

DECISION NO. 67536

**ORDER TO CEASE AND DESIST,  
ORDER OF RESTITUTION, ORDER  
FOR ADMINISTRATIVE PENALTIES  
AGAINST NOEL EUGENE CULLISON  
and BARBARA CULLISON,  
SOLUTIONS, SOURCES, &  
CONSULTING, LLC AND ENERGY  
SAVINGS SOLUTION, INC.**

On September 30, 2004, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order To Cease and Desist, Order for Restitution, for Administrative Penalties and for Other Affirmative Relief ("Notice") with respect to Respondents Noel Cullison, Barbara Cullison, Solutions, Sources, & Consulting, LLC ("SSL") and Energy Savings Solution, Inc. ("ESS") (collectively "Respondents"). The Division served the Notice on the Respondents via certified mail, return receipt requested. Respondents received the Notice on October 14, 2004. The Notice specified that the Respondents would be afforded an opportunity for an administrative hearing regarding this

1 matter upon filing a written request with Docket Control of the Commission within ten days of  
2 receipt of the Notice. The Respondents failed to request a hearing within the required time.

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4 **I.**

5 **FINDINGS OF FACT**

6 1. Respondent Noel Eugene Cullison ("Cullison") resides at 3108 East Siesta Lane,  
7 Phoenix, AZ 85050.

8 2. Respondent Solution, Sources, and Consulting, LLC ("SSC") is an Arizona limited  
9 liability company, located at 3108 East Siesta Lane, Phoenix, AZ 85050. Cullison formed SSC  
10 and is a member of it.

11 3. Respondent Energy Savings Solution, Inc. ("ESS") is an Arizona corporation, located  
12 at 3108 East Siesta Lane, Phoenix, AZ 85050. Cullison is ESS's president, secretary and treasurer.  
13 The Commission administratively dissolved ESS on July 6, 2004, for failure to file its annual report.

14 4. Barbara Cullison was at all relevant times the spouse of Cullison. Barbara Cullison  
15 is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of  
16 the marital community.

17 5. At all times relevant, Cullison was acting for his own benefit, and for the benefit or  
18 in furtherance of the marital community.

19 6. Cullison, SSC and ESS may be collectively referred to as "Cullison Respondents."  
20 Barbara Cullison may be referred to as Respondent Spouse.

21 7. Beginning in 1994, the Cullison Respondents offered stock, promissory notes or  
22 investment contracts to investors. The Cullison Respondents raised \$1,753,419.29 from 16  
23 investors, most of whom are Arizona residents.

24 8. Cullison was an Arizona licensed insurance agent for Northwest Mutual Life  
25 Insurance Company ("Northwestern Mutual") until July 2001 when he failed to renew his license.  
26 Most of the investors were clients of Northwestern Mutual and Cullison.

1           9.       Cullison offered several investment opportunities to the investors. With one  
2 investment, he told investors that he had a personal investment account at Northwestern Mutual that  
3 paid 8.8%. He told investors that if they provided him funds, he would place their funds in his  
4 account and pay them that interest. Those investors who accepted this opportunity received a  
5 promissory note signed by Cullison for the amount invested. Cullison did not provide any  
6 documents to investors regarding the alleged account at Northwestern Mutual. In fact, Cullison had  
7 no such account at Northwestern Mutual in which he could place investor funds.

8           10.       Cullison told other investors that his company, SSC, had contracts to provide ice  
9 machines to U.S. Navy ships in San Diego, California. He told investors that SSC would use the  
10 funds as capital for the company, to build facilities to service the contracts or to purchase the  
11 machines to be sold to the Navy. SSC had no contracts to provide any equipment or services to the  
12 Navy.

13           11.       Cullison solicited other investors with an investment opportunity in ESS. He told  
14 them that ESS, which he owned, was marketing a product which would prevent power surges in  
15 electrical current to buildings. Cullison offered stock in ESS to prospective investors. At least  
16 one investor received a letter confirming that he owned a percentage of the company, although no  
17 shares were issued to him. Other investors in ESS received notes signed by Cullison.

18           12.       Cullison told other investors that he had the opportunity to broker the sale of a group  
19 of nursing homes in the Midwest. He informed the investors that he would receive a fee upon the  
20 completion of the transaction. He told them that he would use to money from investors to fund  
21 expenses incurred in attempting to arrange the sale.

22           13.       Some of the investors, at Cullison's suggestion, took money out of Northwestern  
23 Mutual life insurance policies that they owned to invest with the Cullison Respondents. At least  
24 some of the investors did not realize that they were borrowing money from their insurance policy and  
25 would be charged interest by Northwestern Mutual for their policy loans.





1 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that the Cullison Respondents, their  
2 agents, employees, successors and assigns, permanently cease and desist from violating the  
3 Securities Act.

4 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that the Cullison Respondents  
5 and Barbara Cullison shall, jointly and severally, pay restitution to investors shown on the records  
6 of the Commission in the amount of \$1,179,186.01, plus interest at the rate of 10% per annum  
7 from the date of each investment until paid in full. The Cullison Respondents and Barbara Cullison  
8 shall be entitled to setoffs for restitution paid to investors and verified by the Director of Securities.  
9 Payment shall be made by cashier's check or money order payable to the "State of Arizona" to be  
10 placed in an interest-bearing account maintained and controlled by the Arizona Attorney General.  
11 The Arizona Attorney General shall disburse the funds on a pro rata basis to investors. If all  
12 investors are paid in full, any excess funds shall revert to the state of Arizona. If the Cullison  
13 Respondents and Barbara Cullison do not comply with this order of restitution, any outstanding  
14 balance shall be in default and shall be immediately due and payable without notice or demand.

15 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that the Cullison Respondents  
16 and Barbara Cullison shall, jointly and severally, pay an administrative penalty in the amount of  
17 \$50,000, payable to the "State of Arizona." Payment shall be made in full by cashier's check or  
18 money order on the date of this Order. If the Cullison Respondents and Barbara Cullison do

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not comply with this order for administrative penalties, any outstanding balance may be deemed in default and shall be immediately due and payable without notice or demand.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

Handwritten signatures of three commissioners over their respective titles: CHAIRMAN, COMMISSIONER, and COMMISSIONER.

Handwritten signatures of two more commissioners over their respective titles: COMMISSIONER and COMMISSIONER.

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary 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 31st day of Jan., 2005

Handwritten signature of Brian C. McNeil over his printed name and title: BRIAN C. McNEIL, Executive Secretary.

DISSENT

DISSENT

This document is available in alternative formats by contacting Linda Hogan, Executive Assistant to the Executive Secretary, voice phone number 602-542-3931, E-mail lhogan@cc.state.az.us. (md)