



BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

JUN 01 2006

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

DOCKETED BY [Signature]

In the matter of:  
  
PAUL J. MEKA and CAROL MEKA,  
husband and wife  
10038 North 58<sup>th</sup> Place  
Scottsdale, AZ 85253  
  
Respondents.

) Docket No. S-03491A-02-0000  
)  
) **SETTLEMENT AGREEMENT AND**  
) **ORDER RE: SAME BY: PAUL AND**  
) **CAROL MEKA**

Decision No. 68714

I. SETTLEMENT AGREEMENT.

1. Plaintiff, the Arizona Corporation Commission ("Commission"), and Defendants Paul J. Meka and spouse Carol Meka ("Meka"), parties in the case of *Arizona Corporation Commission v. American National Mortgage Partners L.L.C. et al.*, Maricopa County Superior Court No. CV2003-005724 (the "lawsuit"), desire to resolve the portion of the lawsuit involving them and thus enter into this Settlement Agreement ("Agreement").

2. In settlement of the lawsuit, Meka elects to permanently waive their right to a trial of the lawsuit. Meka admits the jurisdiction of the Superior Court over the subject matter of this lawsuit.

3. Meka consents to the entry of the Proposed Judgment attached as Exhibit B to this Agreement.

4. Meka neither admits nor denies that he offered and sold interests through ANMP while the interests were not registered and Paul J. Meka was not registered to offer and sell securities violating A.R.S. §§ 44-1841, 1842 and 44-2032.

5. Meka neither admits nor denies that he violated A.R.S. §44-1991, either directly or indirectly, when he offered and sold interests through ANMP. The Commission alleges that Meka

1 employed devices, schemes or artifices to defraud, made untrue statements of material fact or omitted  
2 to state material facts which were necessary in order to make the statements made not misleading in  
3 light of the circumstances under which they were made and/or engaged in any transaction, practice or  
4 course of business which operated or would operate as a fraud or deceit when Meka offered and sold  
5 interests through ANMP.

6 6. Paul J. Meka acknowledges that he was the subject of a prior Cease and Desist Order  
7 of the Commission, Docket No. S-03469A-01-0000, Decision No. 64653.

8 7. Meka, pursuant to A.R.S. § 44-2032, agrees that they shall permanently be enjoined  
9 from violating the Securities Act.

10 8. Meka and the marital community of Paul J. Meka and Carol Meka agree to entry of  
11 judgment against it of \$81,000 in disgorgement of commissions and trustee fees.

12 9. Meka agrees that the funds paid for disgorgement will be turned over to the  
13 Receiver assigned to this matter and will be used to fund restitution to investors. If at the time  
14 Meka pays the disgorgement amount, the Receiver has already fully repaid investors for their  
15 losses, Meka's repayment would then go to the state of Arizona general fund.

16 10. Pursuant to A.R.S. § 44-2037, Meka and the marital community of Paul J. Meka  
17 and Carol Meka agree to pay a civil penalty of \$30,000. The civil penalty will be reduced to  
18 \$19,000 if disgorgement and penalties are paid within six months from the date of this order.

19 11. Pursuant to A.R.S. § 44-2032(1)(a), Meka and the marital community of Paul J.  
20 Meka and Carol Meka agree to pay \$20,000 for contempt of a previous Commission order, Docket  
21 No. S-03469A-01-0000, Decision No. 64653 related to prior but similar activities.

22 12. Meka acknowledges that they have been fully advised of their right to a trial to  
23 present evidence and call witnesses and Meka knowingly and voluntarily waive any and all rights  
24 to a trial of this matter.

1           13.    Meka knowingly and voluntarily waive any right they may have under to judicial  
2 review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of  
3 Exhibit B, the proposed judgment.

4           14.    Meka acknowledges and agrees that this Agreement is entered into freely and  
5 voluntarily and that no promise was made or coercion used to induce such entry.

6           15.    Meka acknowledges that they have been represented by counsel in this matter, they  
7 have reviewed this Agreement with their attorney and understand all terms it contains.

8           16.    By consenting to the entry of the Judgment, Meka agrees to refrain from taking any  
9 action or to making, or permitting to be made, any public statement denying, directly or indirectly,  
10 or calculated to create the impression that the legal conclusions contained in Paragraphs 4 and 5 of  
11 the Agreement are without merit.

12           17.    While this Order settles the lawsuit between Meka and the Commission, Meka  
13 understands that this Order does not preclude the Commission from instituting other administrative  
14 or civil proceedings based on violations that are not addressed by the lawsuit.

15           18.    Meka understands that this Agreement does not preclude the Commission from  
16 referring this matter to any governmental agency for administrative, civil, or criminal proceedings  
17 that may be related to the matters addressed by the lawsuit.

18           19.    Meka understands that this Agreement does not preclude any other agency or  
19 officer of any governmental agency or its subdivisions from instituting administrative, civil or  
20 criminal proceedings that may be related to matters addressed by this Agreement or the lawsuit.

21           20.    Meka agrees that they will not exercise any control over any entity that offers or  
22 sells securities or provides investment advisory services, within or from Arizona.

23           21.    Meka understands that default shall render them liable to the Commission for its  
24 costs of collection and interest at the legal rate determined by law.

25           22.    Meka agrees that they will continue to cooperate with the Securities Division  
26 including, but not limited to, providing truthful, complete and accurate testimony at any hearing or

1 trial in this matter and cooperating with any governmental agency in any related investigation or  
2 any other matters arising from the activities described in the lawsuit.

3 23. Meka agrees not to challenge the imposition or continuation of the Receivership.

4 24. Each party shall bear its own attorneys' fees and costs.

5 25. Meka acknowledges that this Agreement must be approved by the Commission at a  
6 noticed Open Meeting.

7 26. The Commission and Meka agree that upon approval of this Agreement, their  
8 counsel shall as soon as practicable execute and cause to be filed the attached Stipulation to Entry  
9 of Judgment (Exhibit A to this Agreement) and Judgment (Exhibit B to this Agreement).

10 27. Meka acknowledges that at all relevant times, Meka acted for their individual  
11 benefit and for the benefit or in furtherance of their marital community.

12 28. Paul J. Meka and Carol Meka acknowledge that any restitution or penalties imposed  
13 by this Order are obligations of Paul J. Meka as well as the marital community.

14 ...

15 ...

16 ...

17 ...

18 ...

19 ...

20 ...

21 ...

22 ...

23 ...

24 ...

25 ...

26 ...

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

29. This Agreement resolves the lawsuit brought by the Commission against Meka. It does not resolve the portion of the lawsuit pertaining to any other named Defendant.



*Paul J. Meka*  
Paul J. Meka

SUBSCRIBED AND SWORN TO BEFORE me this 11<sup>th</sup> day of MAY, 2006.

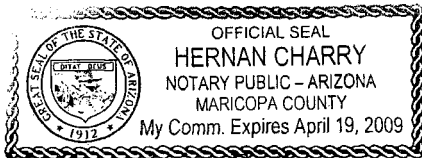
*Hernan Charry*  
NOTARY PUBLIC

My Commission Expires:

4.19.09

*Carol Meka*  
Carol Meka

SUBSCRIBED AND SWORN TO BEFORE me this 11<sup>th</sup> day of MAY, 2006.



*Hernan Charry*  
NOTARY PUBLIC

My Commission Expires:

4-19-09.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**II.**

**ORDER**



The Arizona Corporation Commission (“Commission”) having reviewed the Settlement Agreement entered into between Paul J. Meka, spouse Carol Meka and the Securities Division of the Commission (“Division”) and finding the Settlement Agreement to be in the public interest, the Commission finds that the following Order is appropriate and in the public interest:

...  
...  
...  
...  
...  
...  
...  
...  
...  
...  
...  
...  
...  
...  
...  
...  
...  
...  
...  
...  
...

1 IT IS ORDERED that the Settlement Agreement between the Commission and Meka is  
2 approved.

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

4 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

5  
6    
7 \_\_\_\_\_  
8 CHAIRMAN COMMISSIONER

9     
10 \_\_\_\_\_  
11 COMMISSIONER COMMISSIONER COMMISSIONER

12  
13 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,  
14 Executive Director of the Arizona Corporation  
15 Commission, have hereunto set my hand and caused the  
16 official seal of the Commission to be affixed at the  
17 Capitol, in the City of Phoenix, this 1<sup>st</sup> day of  
18 June, 2006.

19   
20 \_\_\_\_\_  
21 BRIAN C. McNEIL  
22 Executive Director

23 \_\_\_\_\_  
24 **DISSENT**

25 \_\_\_\_\_  
26 **DISSENT**

27 This document is available in alternative formats by contacting Linda Hogan, Executive Assistant  
28 to the Executive Director, voice phone number 602-542-3931, E-mail [lhogan@azcc.gov](mailto:lhogan@azcc.gov).

29 (wc)

# Exhibit A



**ARIZONA CORPORATION COMMISSION**

Wendy Coy, #013195  
1300 West Washington, 3<sup>rd</sup> Floor  
Phoenix, Arizona 85007  
Attorney for Plaintiff  
Telephone: (602) 542-0633  
Fax: (602) 594-7418

**STATE OF ARIZONA**

**MARICOPA COUNTY SUPERIOR COURT**

ARIZONA CORPORATION COMMISSION	)	No. CV2003 005724
	)	
Plaintiff	)	<b>STIPULATION FOR ENTRY OF</b>
	)	<b>JUDGMENT</b>
v.	)	
	)	<b>RE: PAUL J. MEKA and CAROL MEKA</b>
AMERICAN NATIONAL MORTGAGE	)	
PARTNERS, L.L.C., et al.	)	(Assigned to the Honorable Timothy J. Ryan)
	)	
Defendants.	)	

Plaintiff, the Arizona Corporation Commission and Defendants Paul J. Meka and Carol Meka, hereby stipulate to entry of the attached Judgment.

Dated this \_\_\_\_\_ day of May, 2006.

ARIZONA CORPORATION COMMISSION

By \_\_\_\_\_  
Wendy Coy  
Attorney for the Arizona Corporation  
Commission

Dated this \_\_\_\_\_ day of May, 2006.

MILLER LASOTA & PETERS PLC

By \_\_\_\_\_  
Donald M. Peters, Esq.  
Attorney for Paul J. and Carol Meka

1 Copies of the foregoing hand delivered  
this \_\_\_\_ of \_\_\_\_\_, 2006

2  
3 Maricopa County Superior Court  
4 Honorable Timothy J. Ryan  
5 201 W. Jefferson ECB-614  
6 Phoenix, Arizona 85003-2205

7 Copies of the foregoing mailed  
8 this \_\_\_\_ of \_\_\_\_\_, 2006:

9 James P. Kneller, Esq.  
7509 E. First St.  
10 Scottsdale, Arizona 85251  
11 Attorney for Defendants Rehm and Rutledge

Mark Chester, Esq.  
Chester & Shein, P.C.  
8777 North Gainey Center Drive, Suite 191  
Scottsdale, Arizona 85258  
Attorney for Defendant Kesler

12 Larry Wilk, Esq.  
13 Jaburg & Wilk  
14 3200 N. Central Ave. Suite 2000  
15 Phoenix, Arizona 85012-2440  
16 Attorney for Receiver

Donald M. Peters, Esq.  
Miller LaSota & Peters PLC  
722 E. Osborn, Suite 100  
Phoenix, Arizona 85014  
Attorney for Defendant Paul and Carol Meka

17 Michael J. LaVelle  
18 Matthew K. LaVelle  
19 LaVelle & LaVelle, PLC  
20 2525 East Camelback Road, Suite 888  
21 Phoenix, AZ 85016  
22 Attorney for Defendants Sheila Dunning and  
23 Debus, Kazan & Westerhausen

Dustin T. Dudley, Esq.  
Israel & Gerity, PLLC  
3300 N. Central Avenue Suite 2000  
Phoenix, AZ 85012

24 Michael Salcido, Esq.  
25 Renaud, Cook & Drury, P.A.  
26 40 N. Central, Suite 1600  
Phoenix, Arizona 85004  
Attorneys for Frank and Gail Caspare

Phil and Tricia Vigarino  
41916 N 45<sup>th</sup> GLN  
Phoenix, AZ 85086-1455

Larry and Sheila Dunning  
2914 S. Ocean Blvd.  
Highland Beach, FL 33487

Eric Strasser  
2851 Bedford Lane #176  
Chino Hills, CA 91709

# Exhibit B

1 **ARIZONA CORPORATION COMMISSION**

Wendy Coy, #013195  
2 1300 West Washington, 3<sup>rd</sup> Floor  
Phoenix, Arizona 85007  
3 Attorney for Plaintiff  
Telephone: (602) 542-0633  
4 Fax: (602) 594-7418

6 **STATE OF ARIZONA**

7 **MARICOPA COUNTY SUPERIOR COURT**

8	ARIZONA CORPORATION COMMISSION	)	No. CV2003 005724
9	Plaintiff	)	<b>JUDGMENT</b>
10	v.	)	<b>RE: PAUL J. MEKA and CAROL MEKA</b>
11	AMERICAN NATIONAL MORTGAGE	)	(Assigned to the Honorable Timothy J. Ryan)
12	PARTNERS, L.L.C., et al.	)	
13	Defendants.	)	

14 Upon stipulation of Plaintiff, the Arizona Corporation Commission ("Commission") and  
15 Defendants Paul J. Meka and spouse Carol Meka ("Meka") and good cause appearing:

16 IT IS HEREBY ORDERED pursuant to A.R.S. § 44-2032 Meka shall be permanently  
17 enjoined from violations of the Arizona Securities Act, A.R.S. § 44-1801 *et seq.*

18 IT IS FURTHER ORDERED that judgment shall be entered in favor of the Commission  
19 against Paul J. Meka and spouse Carol Meka in the amount of \$81,000.

20 IT IS FURTHER ORDERED that pursuant to A.R.S. § 44-2037, civil penalty shall be  
21 imposed against Paul J. Meka and spouse Carol Meka in the amount of \$30,000. The civil  
22 penalty will be reduced to \$19,000 if disgorgement and penalties are paid within six months from  
23 the date of this order.

24 IT IS FURTHER ORDERED that pursuant to A.R.S. § 44-2032, civil penalty for  
25 contempt of a prior Commission order shall be imposed against Paul J. Meka and spouse Carol  
26 Meka in the amount of \$20,000.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

IT IS FURTHER ORDERED that the Commission and Meka shall bear their own attorneys' fees and costs.

IT IS FURTHER ORDRED that interest shall accrue on all damages at the legal rate of ten percent per annum from date of entry of this Judgment until fully paid.

IT IS FURTHER ORDERED that there is no just reason for delay and this judgment shall be entered immediately.

ORDERED this \_\_\_\_ day of May, 2006.

\_\_\_\_\_  
Honorable Timothy J. Ryan  
Judge of the Superior Court

1 Copies of the foregoing mailed  
2 this \_\_\_\_ of \_\_\_\_\_, 2006:

3 James P. Kneller, Esq.  
4 7509 E. First St.  
5 Scottsdale, Arizona 85251  
6 Attorney for Defendants Rehm and Rutledge

7 Larry Wilk, Esq.  
8 Jaburg & Wilk  
9 3200 N. Central Ave. Suite 2000  
10 Phoenix, Arizona 85012-2440  
11 Attorney for Receiver

12 Michael J. LaVelle  
13 Matthew K. LaVelle  
14 LaVelle & LaVelle, PLC  
15 2525 East Camelback Road, Suite 888  
16 Phoenix, AZ 85016  
17 Attorney for Defendants Sheila Dunning and  
18 Debus, Kazan & Westerhausen

19 Michael Salcido, Esq.  
20 Renaud, Cook & Drury, P.A.  
21 40 N. Central, Suite 1600  
22 Phoenix, Arizona 85004  
23 Attorneys for Frank and Gail Caspare

24 Larry and Sheila Dunning  
25 2914 S. Ocean Blvd.  
26 Highland Beach, FL 33487

Mark Chester, Esq.  
Chester & Shein, P.C.  
8777 North Gainey Center Drive, Suite 191  
Scottsdale, Arizona 85258  
Attorney for Defendant Kesler

Donald M. Peters, Esq.  
Miller LaSota & Peters PLC  
722 E. Osborn, Suite 100  
Phoenix, Arizona 85014  
Attorney for Defendant Paul and Carol Meka

Dustin T. Dudley, Esq.  
Israel & Gerity, PLLC  
3300 N. Central Avenue Suite 2000  
Phoenix, AZ 85012

Phil and Tricia Vigarino  
41916 N 45<sup>th</sup> GLN  
Phoenix, AZ 85086-1455

Eric Strasser  
2851 Bedford Lane #176  
Chino Hills, CA 91709