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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

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

JUN 01 2006

DOCKETED BY	<i>CM</i>
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In the matter of:

) Docket No. S-03491A-02-0000

ROBERT K. REHM
6870 E. Horned Owl Trail
Cave Creek, AZ 85331

) **SETTLEMENT AGREEMENT AND
ORDER RE: SAME BY: ROBERT K.
REHM**

Respondents.

) Decision No. **68715**

I. SETTLEMENT AGREEMENT.

1. Plaintiff, the Arizona Corporation Commission ("Commission"), and Defendant Robert K. Rehm ("Rehm"), 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, Rehm elects to permanently waive their right to a trial of the lawsuit. Rehm admits the jurisdiction of the Superior Court over the subject matter of this lawsuit.

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

4. Rehm neither admits nor denies the factual and legal allegations asserted by the Commission. Rehm acknowledges that this Agreement and the Judgment are based on the allegations by the Commission that Robert K. Rehm violated A.R.S. §§ 44-1991(3) and 44-2032 by directly or indirectly, engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit.

1 5. Rehm, pursuant to A.R.S. § 44-2032, agrees that he shall permanently be enjoined
2 from violating the Securities Act.

3 6. Pursuant to A.R.S. § 44-2037, Rehm agrees to pay a civil penalty of \$10,000. The
4 civil penalty will be reduced to \$5,000 upon production of documentation to the satisfaction of the
5 Commission showing that Rehm has completely released all his claims to restitution or other relief
6 in the cases of *In re American National Mortgage Partners, LLC*, United States Bankruptcy Court
7 Cause no. 2-03-03803-PHX-SSC and *In re ANMP 74th Street, LLC* United States Bankruptcy
8 Court Cause no. 2-03-3799-PHX-GBN.

9 7. Rehm acknowledges that he has been fully advised of his right to a trial to present
10 evidence and call witnesses and Rehm knowingly and voluntarily waive any and all rights to a trial
11 of this matter.

12 8. Rehm knowingly and voluntarily waives any right he may have under to judicial
13 review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of
14 Exhibit B, the proposed judgment.

15 9. Rehm acknowledges and agrees that this Agreement is entered into freely and
16 voluntarily and that no promise was made or coercion used to induce such entry.

17 10. Rehm acknowledges that he has been represented by counsel in this matter, he has
18 reviewed this Agreement with his attorney and understand all terms it contains.

19 11. By consenting to the entry of the Judgment, Rehm agrees to refrain from taking any
20 action or to making, or permitting to be made, any public statement denying, directly or indirectly,
21 or calculated to create the impression that the legal conclusions contained in Paragraph 4 of the
22 Agreement are without merit.

23 12. While this Order settles the lawsuit between Rehm and the Commission, Rehm
24 understand that this Order does not preclude the Commission from instituting other administrative
25 or civil proceedings based on violations that are not addressed by the lawsuit.

26

1 13. Rehm understands that this Agreement does not preclude the Commission from
2 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
3 that may be related to the matters addressed by the lawsuit.

4 14. Rehm understands that this Agreement does not preclude any other agency or
5 officer of any governmental agency or its subdivisions from instituting administrative, civil or
6 criminal proceedings that may be related to matters addressed by this Agreement or the lawsuit.

7 15. Rehm agrees that he will not exercise any control over any entity that offers or sells
8 securities or provides investment advisory services, within or from Arizona.

9 16. Rehm understands that default shall render him liable to the Commission for its
10 costs of collection and interest at the legal rate determined by law.

11 17. Rehm agrees that he will continue to cooperate with the Securities Division
12 including, but not limited to, providing truthful, complete and accurate testimony at any hearing or
13 trial in this matter and cooperating with any governmental agency in any related investigation or
14 any other matters arising from the activities described in the lawsuit.

15 18. Rehm agrees not to challenge the imposition or continuation of the Receivership.

16 19. Each party shall bear its own attorneys' fees and costs.

17 20. Rehm acknowledges that this Agreement is not binding until approved by the
18 Commission at a noticed Open Meeting.

19 21. The Commission and Rehm agree that upon approval of this Agreement, their
20 counsel shall as soon as practicable execute and cause to be filed the attached Stipulation to Entry
21 of Judgment (Exhibit A to this Agreement) and Judgment (Exhibit B to this Agreement).

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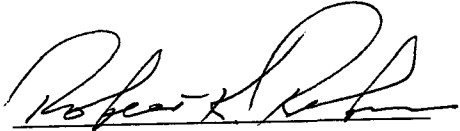
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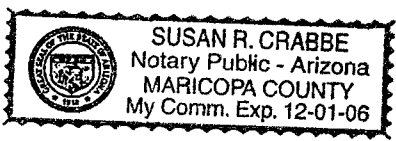
22. This Agreement resolves the lawsuit brought by the Commission against Rehm. It does not resolve the portion of the lawsuit pertaining to any other named Defendant.


Robert K. Rehm

SUBSCRIBED AND SWORN TO BEFORE me this 12 day of May, 2006.


NOTARY PUBLIC

My Commission Expires:



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II.

ORDER

The Arizona Corporation Commission (“Commission”) having reviewed the Settlement Agreement entered into between Robert K. Rehm 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:

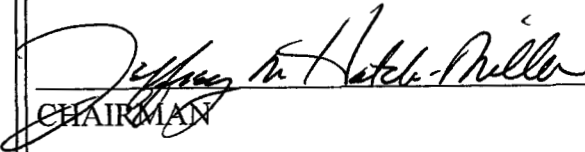

IT IS ORDERED that the Settlement Agreement between the Commission and Rehm is approved.

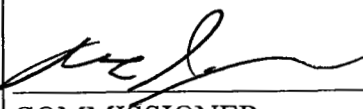
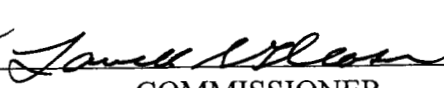
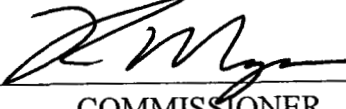
IT IS FURTHER ORDERED that the Securities Division is authorized to dismiss Rehm as a named Respondent In the Matter of American National Mortgage Partners, L.L.C. et al., Docket No. S-03491A-02-0000.

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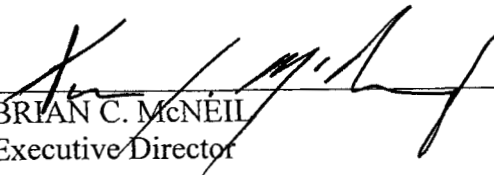
1 IT IS FURTHER ORDERED that this Order shall become effective immediately.

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

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5 CHAIRMAN COMMISSIONER

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7   
8 COMMISSIONER COMMISSIONER COMMISSIONER

9 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
10 Executive Director of the Arizona Corporation
11 Commission, have hereunto set my hand and caused the
12 official seal of the Commission to be affixed at the
13 Capitol, in the City of Phoenix, this 1st day of
14 June, 2006.

15 
16 BRIAN C. McNEIL
17 Executive Director

18 **DISSENT**

19 This document is available in alternative formats by contacting Linda Hogan, Executive Assistant
20 to the Executive Director, voice phone number 602-542-3931, E-mail lhogan@azcc.gov.

21 (wc)

Exhibit A

ARIZONA CORPORATION COMMISSION

Wendy Coy, #013195
1300 West Washington, 3rd 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)	STIPULATION FOR ENTRY OF
)	JUDGMENT
v.)	
)	RE: ROBERT K. REHM
AMERICAN NATIONAL MORTGAGE)	
PARTNERS, L.L.C., et al.)	(Assigned to the Honorable Timothy J. Ryan)
)	
Defendants.)	

Plaintiff, the Arizona Corporation Commission and Defendant Robert K. Rehm, 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.

JAMES KNELLER

By _____
James Kneller, Esq.
Attorney for Robert K. Rehm

1 Copies of the foregoing hand delivered
this ____ of _____, 2006

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

6 Copies of the foregoing mailed
this ____ of _____, 2006:

7 James P. Kneller, Esq.
8 7509 E. First St.
9 Scottsdale, Arizona 85251
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

10 Larry Wilk, Esq.
11 Jaburg & Wilk
3200 N. Central Ave. Suite 2000
12 Phoenix, Arizona 85012-2440
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

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

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

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

Phil and Tricia Vigarino
41916 N 45TH GLN
Phoenix, AZ 85086-1455

20 Larry and Sheila Dunning
21 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, 3rd 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)	JUDGMENT
10	v.)	RE: ROBERT K. REHM
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 Defendant Robert K. Rehm and good cause appearing:

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

18 IT IS FURTHER ORDERED that pursuant to A.R.S. § 44-2037, Rehm agrees to pay a
19 civil penalty of \$10,000. The civil penalty will be reduced to \$5,000 upon production of
20 documentation to the satisfaction of the Commission showing that Rehm has completely released
21 all his claims to restitution or other relief in the cases of *In re American National Mortgage*
22 *Partners, LLC*, United States Bankruptcy Court Cause no. 2-03-03803-PHX-SSC and *In re*
23 *ANMP 74th Street, LLC* United States Bankruptcy Court Cause no. 2-03-3799-PHX-GBN.

24 IT IS FURTHER ORDERED that the Commission and Rehm shall bear his own
25 attorneys’ fees and costs.
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IT IS FURTHER ORDRED that interest shall accrue on all monies due and owing 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