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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

Arizona Corporation Commission

DOCKETED

DEC - 6 2007

DOCKETED BY

In the matter of)
COCKRELL INVESTMENT RESOURCE)
ASSOCIATES, LLC, CRD# 143337)
14780 W. Mountain View, Suite 211)
Surprise, AZ 85374)
DAVID A. COCKRELL, CRD# 2622463,)
and JANE DOE COCKRELL, husband and)
wife)
Respondents.)

DOCKET NO. S-20556A-07-0597

DECISION NO. 70066

**ORDER TO CEASE AND DESIST, ORDER
FOR ADMINISTRATIVE PENALTIES AND
CONSENT TO SAME
RE: COCKRELL INVESTMENT
RESOURCE ASSOCIATES, LLC and
DAVID A. COCKRELL**

Respondents COCKRELL INVESTMENT RESOURCE ASSOCIATES, LLC ("CIRA, LLC") and DAVID A. COCKRELL ("Cockrell") (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 To Cease And Desist, Order for Administrative Penalties and Consent to Same ("Order"). Respondents 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.

I.

FINDINGS OF FACT

1. CIRA, LLC, CRD# 143337, is an Arizona licensed investment adviser since April 11, 2007. CIRA, LLC, is also a licensed insurance producer in Arizona.

1 2. Cockrell, CRD# 2622463, is an Arizona licensed investment adviser representative
2 since April 11, 2007. Cockrell is also a licensed insurance producer in Arizona.

3 3. Respondents maintain two websites that are accessible by the general public, at
4 www.dacockrell.com and <http://www.mystocktimer.com>.

5 4. From approximately July 2007 until October 24, 2007, Respondents' websites
6 contained animated audio-visual testimonials by purported clients of CIRA, LLC or Cockrell,
7 touting or praising the services rendered by Respondents.

8 5. The testimonials shown on Respondents' websites feature customers who had
9 purchased fixed annuities from Cockrell before he was licensed as an investment adviser
10 representative. These customers are not currently and were never investment advisory customers
11 of Respondents. CIRA, LLC was not operating or licensed as an investment adviser at the time
12 that Cockrell sold insurance products to the featured customers.

13 6. From approximately July 2007 until October 24, 2007, Respondents' websites
14 contained a description of Respondents' recommendations, which were advertised as based upon
15 an investment philosophy that included "[m]aking consistent 10% to 30% gains on every position
16 will enhance what you are already doing."

17 7. Respondents' websites advertised purported past specific recommendations in the
18 form of a chart of buy and sell transactions in stocks of unidentified companies, showing
19 substantial purported profits and minimal losses, in the form of percentages.

20 8. According to Cockrell, during the time period before Respondents removed the
21 testimonials and specific performance recommendations from their websites on October 24, 2007,
22 only one prospective client contacted Respondents as a result of their website advertising, and
23 Respondents provided no investment advisory services and received no compensation from that
24 customer.

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II.

CONCLUSIONS OF LAW

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

2. Respondent violated A.R.S. § 44-3241(4) by:

a. Using advertisements that referred to testimonials concerning the investment adviser or investment adviser representative or concerning any advice, analysis, report, or other service rendered by such investment adviser or investment adviser representative, as defined by A.A.C. Rule R14-6-208(A)(1); and

b. Using advertisements that referred to past specific recommendations of the investment adviser or investment adviser representative that were or would have been profitable to any person, as defined by A.A.C. Rule R14-6-208(A)(2).

3. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-3292.

4. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-3296.

III.

ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents' 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. § 44-3292, that Respondents, and any of
2 Respondents' agents, employees, successors and assigns, permanently cease and desist from
3 violating the Investment Management Act.

4 IT IS FURTHER ORDERED that Respondents comply with the attached Consent to Entry
5 of Order.

6 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-3296, that Respondents, jointly and
7 severally, shall pay administrative penalties in the amount of \$2,000.00. Payment shall be made to
8 the "State of Arizona." Payment shall be made in full on the date of this Order.

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

12 IT IS FURTHER ORDERED, that if any Respondent fails to comply with this order, the

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1 Commission may bring further legal proceedings against such Respondent, including application
2 to the superior court for an order of contempt.

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

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

5
6 *Lance S. Glenn*

7 CHAIRMAN

COMMISSIONER

8
9 *Jeffrey W. Hatch-Deller*

COMMISSIONER

[Signature]

COMMISSIONER

[Signature]

COMMISSIONER

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11 IN WITNESS WHEREOF, I, DEAN S. MILLER, Interim
12 Executive Director of the Arizona Corporation
13 Commission, have hereunto set my hand and caused the
14 official seal of the Commission to be affixed at the
15 Capitol, in the City of Phoenix, this 6th day of
16 December, 2007.

[Signature]

17 DEAN S. MILLER

Interim Executive Director

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19 _____
DISSENT

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21 _____
DISSENT

22 This document is available in alternative formats by contacting Linda Hogan, ADA Coordinator,
23 voice phone number 602-542-3931, e-mail lhogan@azcc.gov.

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25 (ptj)

CONSENT TO ENTRY OF ORDER

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2 1. Respondents COCKRELL INVESTMENT RESOURCE ASSOCIATES, LLC, an
3 Arizona limited liability company (“CIRA, LLC”) and DAVID A. COCKRELL (“Cockrell”), an
4 individual (collectively “Respondents”), admit the jurisdiction of the Commission over the subject
5 matter of this proceeding. Respondents acknowledge that they have been fully advised of their
6 right to a hearing to present evidence and call witnesses and Respondents knowingly and
7 voluntarily waive any and all rights to a hearing before the Commission and all other rights
8 otherwise available under Article 7 of the Investment Management Act and Title 14 of the Arizona
9 Administrative Code. Respondents acknowledge that this Order To Cease And Desist, Order for
10 Administrative Penalties and Consent to Same (“Order”) constitutes a valid final order of the
11 Commission.

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

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

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

21 5. Respondents neither admit nor deny the Findings of Fact and Conclusions of Law
22 contained in this Order. Respondents agree that they shall not contest the validity of the Findings
23 of Fact and Conclusions of Law contained in this Order in any present or future administrative
24 proceeding before the Commission.

25 6. By consenting to the entry of this Order, Respondents agree not to take any action
26 or to make, or permit to be made, any public statement denying, directly or indirectly, any Finding

1 of Fact or Conclusion of Law in this Order or creating the impression that this Order is without
2 factual basis. Respondents will undertake steps necessary to assure that all of their agents and
3 employees understand and comply with this agreement.

4 7. While this Order settles this administrative matter between Respondents and the
5 Commission arising out of the facts contained in this Order, Respondents understand that this
6 Order does not preclude the Commission from instituting other administrative or civil proceedings
7 based on violations that are not addressed by this Order.

8 8. Respondents understand that this Order does not preclude the Commission from
9 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
10 that may be related to the matters addressed by this Order.

11 9. Respondents understand that this Order does not preclude any other agency or
12 officer of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal
13 proceedings that may be related to matters addressed by this Order.

14 10. Respondents consent to the entry of this Order and agree to be fully bound by its
15 terms and conditions.

16 11. Respondents acknowledge and understand that if they fail to comply with the
17 provisions of the order and this consent, the Commission may bring further legal proceedings
18 against them, including application to the superior court for an order of contempt.

19 12. Respondents understand that default shall render them liable to the Commission for
20 its costs of collection and interest at the maximum legal rate.

21 13. Respondents agree and understand that if they fail to make any payment as required
22 in the Order, any outstanding balance shall be in default and shall be immediately due and payable
23 without notice or demand. Respondents agree and understand that acceptance of any partial or late
24 payment by the Commission is not a waiver of default by Commission.

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