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BEFORE THE ARIZONA CORPORATION CO

COMMISSIONERS

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

Arizona Corporation Commission
DOCKETED

APR 21 2009

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In the matter of:
DAVID W. COLE and SIIRI COLE, husband
and wife
HIGHLINE ESTATES, LLC, an Arizona
limited liability company
MUTUAL FINANCIAL SERVICES, LLC
(d/b/a MFS Real Estate Division and MFS
Investments), an Arizona limited liability
company
DREAM CRAFT, LLC, an Arizona limited
liability company
SCOT A. OGLESBY (d/b/a Arizona Asset
Management) and LORI ANN OGLESBY,
husband and wife
RANDY K. WARD (CRD# 4137944) (d/b/a
Arizona Asset Management) and SHARON
WARD, husband and wife
Respondents.

DOCKET NO. S-20656A-09-0074

**ORDER TO CEASE AND DESIST, ORDER
FOR RESTITUTION, FOR
ADMINISTRATIVE PENALTIES AND
CONSENT TO SAME BY:
DAVID W. COLE
SIIRI COLE
HIGHLINE ESTATES, LLC
MUTUAL FINANCIAL SERVICES, LLC
DREAM CRAFT, LLC**

DECISION NO. 70967

Respondents DAVID W. COLE ("COLE"), SIIRI COLE ("Respondent Spouse"),
HIGHLINE ESTATES, LLC, an Arizona limited liability company, ("HIGHLINE"), MUTUAL
FINANCIAL SERVICES, LLC (d/b/a MFS Real Estate Division and MFS Investments), an Arizona
limited liability company, ("MFS"), and DREAM CRAFT, LLC, an Arizona limited liability
company, ("DREAM CRAFT") 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 for Restitution, and Order for Administrative
Penalties ("Order"). Respondents COLE, Respondent Spouse, HIGHLINE, MFS and DREAM
CRAFT admit the jurisdiction of the Arizona Corporation Commission ("Commission"); neither

1 admit nor deny the Findings of Fact and Conclusions of Law contained in this Order; and consent
2 to the entry of this Order by the Commission.

3 **I.**

4 **FINDINGS OF FACT**

5 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
6 Arizona Constitution and the Securities Act.

7 2. DAVID W. COLE ("COLE") is an individual who at all relevant times resides in
8 Arizona.

9 3. SIIRI COLE was at all relevant times the spouse of COLE. SIIRI COLE is joined in
10 this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital
11 community. At all times relevant, COLE was acting for his own benefit, and for the benefit or in
12 furtherance of the marital community.

13 4. HIGHLINE ESTATES, LLC ("HIGHLINE") is an Arizona limited liability
14 company organized on or about May 9, 2005. According to Commission records, COLE was
15 HIGHLINE's sole manager from May 9, 2005 until July 2, 2006. Mutual Financial Services, LLC
16 (d/b/a MFS Real Estate and MFS Investments) ("MFS") became HIGHLINE's sole manager from
17 July 3, 2006 until the present.

18 5. MFS is an Arizona limited liability company organized on or about January 18,
19 2000. According to Commission records, MFS is solely managed by Dream Craft Homes, LLC
20 ("DREAM CRAFT").

21 6. DREAM CRAFT is an Arizona limited liability company organized on or about July
22 3, 2006. According to Commission records, COLE and others are members of DREAM CRAFT.

23 7. Scot A. Oglesby (d/b/a Arizona Asset Management) ("Oglesby") is an individual
24 who at all relevant times resides in Arizona.

25 8. Randy K. Ward (CRD# 4137944) (d/b/a Arizona Asset Management) ("Ward") is an
26 individual who at all relevant times resides in Arizona. Ward has not been a registered salesman
since December 2005.

1 9. COLE, HIGHLINE, MFS, and DREAM CRAFT may be collectively referred to as
2 "Respondents."

3 10. SIIRI COLE may be referred to as "Respondent Spouse."

4 11. Beginning in or around June 2006 until in or around February 2008, HIGHLINE,
5 MFS, COLE, Oglesby, and Ward offered and sold in Arizona at least \$688,761.53 in securities in
6 the form of notes (hereinafter "Investments") to at least 18 investors, the majority of which reside
7 in Arizona.

8 12. Beginning in or around 2004, COLE formed a relationship with Oglesby as both
9 COLE and Oglesby had offices in the same building. At the time Oglesby was a salesperson with a
10 company called Easy Street Financial Group, Inc. ("Easy Street"). Oglesby told COLE he could
11 raise money for COLE's real estate projects.

12 13. Beginning in or around 2006, COLE sought to raise capital in order to fund
13 HIGHLINE. HIGHLINE was to build single family housing units on four undeveloped parcels of
14 land, subdivided into 65 lots, in Phoenix (hereinafter "HIGHLINE Project")

15 14. COLE was in charge of the HIGHLINE Project, but COLE had limited experience
16 in real estate development.

17 15. Beginning in or around 2006, COLE approached Oglesby to sell the Investments as
18 a product to investors. Investor funds were pooled to fund the construction of the infrastructure of
19 the land and the construction of the houses.

20 16. COLE met with Oglesby and Ward, who worked with Oglesby at Arizona Asset
21 Management, to discuss raising funds for the HIGHLINE Project. After at least a few meetings
22 with COLE, Oglesby and Ward agreed to locate investors to raise money by offering and selling
23 the Investments.

24 17. In May and June 2006, Oglesby and Ward signed employment applications with
25 MFS. MFS, through COLE, signed employment agreements with Oglesby and Ward. Oglesby
26 and Ward were compensated by MFS for selling the Investments. According to COLE, Oglesby
and Ward were paid a six percent commission on the amount raised.

1 18. COLE, on behalf of HIGHLINE and MFS, hired Oglesby and Ward without
2 conducting a background check or asking about any prior securities violations. Oglesby, Easy
3 Street and another were subject to a Nevada Secretary of State Cease and Desist Order on
4 November 24, 2004 regarding Nevada securities violations for selling unregistered securities in the
5 form of certificates of deposits. Ward, Easy Street and others were subject to a California
6 Department of Corporations Desist and Refrain Order on April 3, 2003 regarding California
7 securities violations for selling unregistered securities in the form of certificates of deposit.
8 Oglesby and Ward did not disclose these orders to the investors.

9 19. COLE developed and provided the HIGHLINE Investment documents to Oglesby
10 and Ward. The Investment documents named HIGHLINE as the borrower. According to the
11 Investment documents, the Investment provided for a 24-month term at 9.5% interest per year with
12 interest paid monthly. The Investment listed as security a corporate guarantee and deed of trust.
13 The Investment included terms that the deed of trust would be filed no later than six months from
14 the date of the agreement. It also stated that the investor's deed would be subordinate to any other
15 deed of trust as HIGHLINE so designates without obtaining permission from the investor. COLE,
16 on behalf of HIGHLINE, signed the Investments.

17 20. The investors in HIGHLINE were elderly and unsophisticated. At least one investor
18 prematurely cashed in an annuity and was charged an early withdrawal penalty to invest in
19 HIGHLINE. Another investor cashed in an annuity and sold a farm to raise money for the
20 investment.

21 21. Oglesby and Ward told investors that the HIGHLINE investment paid 9.5% interest
22 each year for a two-year period, which was higher than the rates the investors would get in a CD or
23 an annuity. Oglesby and Ward told investors HIGHLINE would pay investors a monthly interest
24 payment.

25 22. Oglesby and Ward had the investors sign the Investment documents but did not give
26 them a copy.

1 23. Oglesby and Ward did not ask the investors about their financial condition and their
2 ability to withstand the loss.

3 24. Oglesby and Ward told investors that the Investment was safe because it was
4 secured by real estate. However, HIGHLINE, Oglesby and Ward failed to disclose to investors
5 whether their deeds of trust would be first deeds of trust or be filed after another deed of trust,
6 failed to disclose that the property was already encumbered by a mortgage, and failed to disclose
7 the subordination paragraph which allowed HIGHLINE to place investors ahead of other investors
8 at HIGHLINE's discretion.

9 25. Oglesby met with at least one investor that had previously invested with Oglesby
10 while Oglesby was with Easy Street. Oglesby told the investor about HIGHLINE. One investor
11 met with COLE to further discuss the Investment. COLE showed the investor a real estate
12 magazine showing the types of houses that would be built. The investor cashed out their annuity
13 and sold a farm to invest in HIGHLINE.

14 26. HIGHLINE, Oglesby and Ward failed to provide any detail regarding financial
15 information of the development to the investors. At least one investor received a "current projected
16 land value" of the HIGHLINE project. The projected land equity, after development and land
17 acquisition costs, was \$3,150,000. The investors did not receive any financial information on
18 HIGHLINE.

19 27. The Investment documents listed either Oglesby or Ward as the MFS
20 Representative. COLE, on behalf of HIGHLINE, signed the Investment documents received by the
21 investors.

22 28. Oglesby and Ward delivered the investor checks and the Investment documents
23 signed by the investors to COLE.

24 29. After investing, some of the investors received a letter from COLE, as President of
25 MFS, on MFS letterhead welcoming them to the private lending program, which was the
26 HIGHLINE Investment. COLE enclosed a lenders' certificate showing HIGHLINE as the
borrower of funds and provided to the investors a copy of the Investment documents they signed.

1 COLE signed as the HIGHLINE representative. In at least one instance, one lenders' certificate
2 indicated that MFS was offering the Investment. In at least another instance, the lenders'
3 certificate indicated MFS was brokering the Investment. At least one investor received a loan
4 receipt from MFS, with Oglesby signing as the representative.

5 30. HIGHLINE, MFS, COLE, Oglesby, and Ward failed to disclose risks of investment,
6 including, but not limited to: that HIGHLINE was a new company with limited resources, that
7 COLE had limited experience in real estate development, that the HIGHLINE project was not fully
8 funded, whether or not HIGHLINE had pre-sold homes, that the investors did not have first deeds
9 of trust on the property, the economic risks relating to the ability of HIGHLINE to repay the
10 investors, and that the investors could lose all or part of their investment.

11 31. During the time Oglesby was selling the Investments, the Commission took action
12 against Oglesby, Easy Street and others by filing a Notice of Opportunity for Hearing Regarding
13 Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and
14 for Other Administrative Action ("Notice") on September 5, 2006 for violations of Arizona
15 securities laws related to unregistered securities in the form of investment contracts offered by or
16 through Easy Street. HIGHLINE, Oglesby and Ward continued to offer and sell the Investments
17 but did not disclose the Commission Notice to the investors. COLE did not know about the Notice.

18 32. On October 19, 2006, Oglesby signed an Order to Cease and Desist, Order for
19 Restitution, Order for Administrative Penalties and for Other Administrative Action and Consent to
20 the Same: Scot Alan Oglesby and Lori Ann Oglesby ("Order") resolving the Commission Notice.
21 Oglesby stopped selling the Investments in or around October 2006. However, HIGHLINE and
22 Ward continued selling the Investments.

23 33. Although HIGHLINE, MFS, COLE, Oglesby and Ward represented that the deeds
24 of trust would be filed within six months of signing the loan agreement, HIGHLINE recorded a
25 majority of the investors' deeds of trust in April 2008, which in at least one case was nearly two
26 years after the investment was made.

1 34. Although HIGHLINE, MFS, COLE, Oglesby and Ward represented that the
 2 investors would receive monthly interest payments, HIGHLINE did not pay all investors a monthly
 3 interest payment. At least one investor was never paid a monthly interest payment. Another
 4 investor had to contact COLE to receive the monthly interest payment, but did not receive the first
 5 monthly payment until about a year after investing. In yet another instance, an investor received
 6 several monthly interest payments, but then the payments stopped.

7 35. The majority of funds raised from the sale of the Investments were transferred from
 8 HIGHLINE to other entities controlled by or through COLE. This was not disclosed to the
 9 investors.

10 36. At all times relevant, HIGHLINE, COLE, MFS, Oglesby, and Ward were not
 11 registered with the Commission as dealers or salesmen.

12 37. At all times relevant, the Investments were not registered with the Commission.

13 38. HIGHLINE, COLE, MFS, Oglesby and Ward raised \$688,761.53 from 18 investors,
 14 15 of which are Arizona residents, returned \$37,191.17, for a total of \$651,570.36 that is owed to
 15 investors.

16 **II.**

17 **CONCLUSIONS OF LAW**

18 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
 19 Arizona Constitution and the Securities Act.

20 2. HIGHLINE, MFS and COLE offered or sold securities within or from Arizona,
 21 within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

22 3. HIGHLINE, MFS and COLE violated A.R.S. § 44-1841 by offering or selling
 23 securities that were neither registered nor exempt from registration.

24 4. HIGHLINE, MFS, and COLE violated A.R.S. § 44-1842 by offering or selling
 25 securities while neither registered as dealers or salesmen nor exempt from registration.

26 5. Respondents violated A.R.S. § 44-1991 by making untrue statements or misleading
 omissions of material facts. The conduct included:

- 1 a. Ward failed to disclose to at least one investor the California Department of
2 Corporations Desist and Refrain Order against Ward for violations of
3 California's securities laws;
- 4 b. Oglesby failed to disclose to at least one investor the Nevada Secretary of State
5 Cease and Desist Order against Oglesby for violations of Nevada's securities
6 laws;
- 7 c. Oglesby failed to disclose to at least one investor the Commission action against
8 OGLESBY for violations of Arizona's securities laws;
- 9 d. HIGHLINE, MFS, COLE, Oglesby and Ward failed to disclose to at least one
10 investor the risks of the investment, including but not limited to: that HIGHLINE
11 was a new company with limited resources, that the HIGHLINE project was not
12 fully funded, that COLE had limited experience in real estate development,
13 whether or not HIGHLINE had pre-sold homes, the economic risks relating to
14 the ability of HIGHLINE to repay the investors, and that the investors could lose
15 all or part of their investment;
- 16 e. HIGHLINE, MFS, Oglesby and Ward misrepresented to at least one investor that
17 the investors' deeds of trust would be filed within 6 months of investing when in
18 fact a majority of the deeds were filed in or around April 2008, which in some
19 cases was nearly two years after investing;
- 20 f. HIGHLINE, MFS, COLE, Oglesby and Ward misrepresented to investors that
21 they would receive monthly interest payments when in fact at least one investor
22 did not receive any interest payments, at least one investor did not receive
23 monthly interest payments until a year after investing, and at least one investor
24 received several monthly interest payments and then the payments stopped; and
- 25 g. Oglesby and Ward misrepresented to at least one investor that the investment
26 was safe because each investor would receive a deed of trust but Oglesby and
Ward did not tell at least one investor that the property was already encumbered

1 by a mortgage, did not tell them whether their deed of trust was a first deed or
 2 would be filed after another deed of trust, and that the subordination paragraph in
 3 the loan agreement enabled HIGHLINE to change an investor's priority position
 4 at HIGHLINE's discretion.

5 6. MFS directly or indirectly controlled persons within the meaning of A.R.S. § 44-
 6 1999, including but not limited to HIGHLINE, Oglesby and Ward. Therefore, MFS
 7 is jointly and severally liable under A.R.S. § 44-1999 to the same extent as
 8 HIGHLINE, Oglesby and Ward for their violations of A.R.S. § 44-1991.

9 7. DREAM CRAFT directly or indirectly controlled persons or entities within the
 10 meaning of A.R.S. § 44-1999, including but not limited to HIGHLINE, MFS,
 11 Oglesby, and Ward. Therefore, DREAM CRAFT is jointly and severally liable
 12 under A.R.S. § 44-1999 to the same extent as HIGHLINE, MFS, Oglesby and Ward
 13 for their violations of A.R.S. § 44-1991.

14 8. COLE directly or indirectly controlled persons or entities within the meaning of
 15 A.R.S. § 44-1999, including but not limited to HIGHLINE, MFS, DREAM CRAFT,
 16 Oglesby, and Ward. Therefore, COLE is jointly and severally liable under A.R.S. §
 17 44-1999 to the same extent as HIGHLINE, MFS, DREAM CRAFT, Oglesby and
 18 Ward for their violations of A.R.S. § 44-1991.

19 9. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S.
 20 § 44-2032.

21 10. Respondents' conduct is grounds for an order of restitution pursuant to A.R.S. § 44-
 22 2032.

23 11. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-
 24 2036.

25 12. Respondent COLE acted for the benefit of his marital community and, pursuant to
 26 A.R.S. §§ 25-214 and 25-215, this Order of restitution and administrative penalties is a debt of the
 community.

III.**ORDER**

1
2
3 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents'
4 consent to the entry of this Order, attached and incorporated by reference, the Commission finds that
5 the following relief is appropriate, in the public interest, and necessary for the protection of
6 investors:

7 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents, and any of
8 Respondents' agents, employees, successors and assigns, permanently cease and desist from
9 violating the Securities Act.

10 IT IS FURTHER ORDERED that Respondents and Respondent Spouse comply with the
11 attached Consent to Entry of Order.

12 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondents and the
13 marital community of COLE and Respondent Spouse shall, jointly and severally, pay restitution to
14 the Commission in the amount of \$651,570.36. Payment shall be made in full on the date of this
15 Order. Any amount outstanding shall accrue interest at the rate of 10% per annum from the date of
16 this Order until paid in full. Payment shall be made to the "State of Arizona" to be placed in an
17 interest-bearing account controlled by the Commission. The Commission shall disburse the funds
18 on a pro-rata basis to investors shown on the records of the Commission. Any restitution funds
19 that the Commission cannot disburse because an investor refuses to accept such payment shall be
20 disbursed on a pro-rata basis to the remaining investors shown on the records of the Commission.
21 Any funds that the Commission determines it is unable to or cannot feasibly disburse shall be
22 transferred to the general fund of the state of Arizona.

23 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents and the
24 marital community of COLE and Respondent Spouse, shall jointly and severally, pay an
25 administrative penalty in the amount of \$50,000.00. If the restitution is paid in full within one year
26 from the date of this Order, then the penalty amount shall be reduced to \$25,000.00. Payment shall
be made to the "State of Arizona." Any amount outstanding shall accrue interest at the rate of 10%

1 per annum from the date of this Order until paid in full. The payment obligations for these
2 administrative penalties shall be subordinate to any restitution obligations ordered herein and shall
3 become immediately due and payable only after restitution payments have been paid in full or
4 upon Respondents' default with respect to Respondents' restitution obligations.

5 For purposes of this Order, a bankruptcy filing by any of the Respondents shall be an act of
6 default. If any Respondent does not comply with this Order, any outstanding balance may be
7 deemed in default and shall be immediately due and payable.

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1 IT IS FURTHER ORDERED, that if any Respondent fails to comply with this order, the
2 Commission may bring further legal proceedings against that Respondent, including an application
3 to the superior court for an order of contempt.

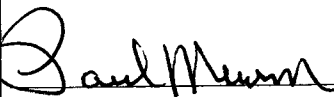
4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

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

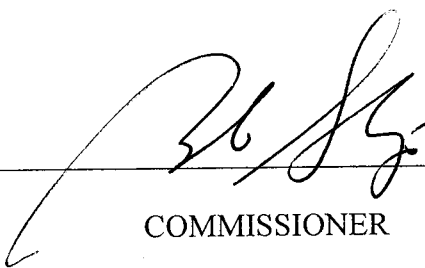
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8 CHAIRMAN

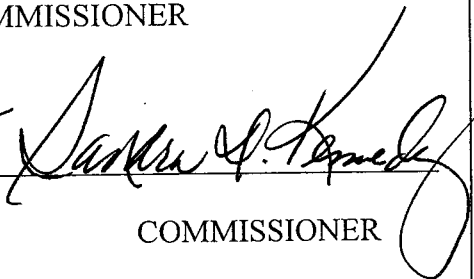
COMMISSIONER

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11 COMMISSIONER

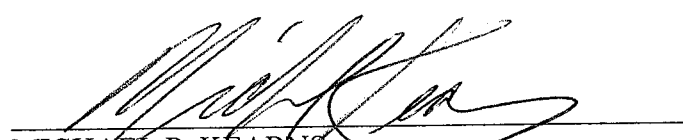


COMMISSIONER



COMMISSIONER

13 IN WITNESS WHEREOF, I, MICHAEL P. KEARNS,
14 Interim 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 21ST day of
APRIL, 2009.

18 
19 MICHAEL P. KEARNS
20 INTERIM EXECUTIVE DIRECTOR

21 _____
22 DISSENT

23 _____
24 DISSENT

25 This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator,
26 voice phone number 602-542-3931, e-mail sbernal@azcc.gov.

(AV)

CONSENT TO ENTRY OF ORDER

1
2 1. Respondents DAVID W. COLE (“COLE”), SIIRI COLE (“Respondent Spouse”),
3 HIGHLINE ESTATES, LLC, an Arizona limited liability company, (“HIGHLINE”), MUTUAL
4 FINANCIAL SERVICES, LLC (d/b/a MFS Real Estate Division and MFS Investments), an Arizona
5 limited liability company, (“MFS”), and DREAM CRAFT, LLC, an Arizona limited liability
6 company, (“DREAM CRAFT”) admit the jurisdiction of the Commission over the subject matter of
7 this proceeding. Respondents and Respondent Spouse acknowledge that Respondents and
8 Respondent Spouse have been fully advised of their right to a hearing to present evidence and call
9 witnesses and they knowingly and voluntarily waive any and all rights to a hearing before the
10 Commission and all other rights otherwise available under Article 11 of the Securities Act and
11 Title 14 of the Arizona Administrative Code. Respondents acknowledge that this Order to Cease
12 and Desist, Order of Restitution and Order for Administrative Penalties (“Order”) constitutes a
13 valid final order of the Commission.

14 2. Respondents and Respondent Spouse knowingly and voluntarily waive any right
15 under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or
16 extraordinary relief resulting from the entry of this Order.

17 3. Respondents and Respondent Spouse acknowledge and agree that this Order is
18 entered into freely and voluntarily and that no promise was made or coercion used to induce such
19 entry.

20 4. Respondents and Respondent Spouse have been represented by an attorney in this
21 matter. Respondents and Respondent Spouse have reviewed this order with their attorney, Alan S.
22 Baskin, Esq., and understand all terms it contains. Respondents and Respondent Spouse
23 acknowledge that their attorney has apprised them of their rights regarding any conflicts of interest
24 arising from multiple representation. Respondents and Respondent Spouse acknowledge that they
25 have each given their informed consent to such representation.

26 5. Respondents and Respondent Spouse neither admit nor deny the Findings of Fact
and Conclusions of Law contained in this Order. Respondents and Respondent Spouse agree that

1 they shall not contest the validity of the Findings of Fact and Conclusions of Law contained in this
2 Order in any present or future administrative proceeding before the Commission.

3 6. By consenting to the entry of this Order, Respondents and Respondent Spouse agree
4 not to take any action or to make, or permit to be made, any public statement denying, directly or
5 indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that
6 this Order is without factual basis. Respondents and Respondent Spouse will undertake steps
7 necessary to assure that all of their agents and employees understand and comply with this
8 agreement. Nothing in this paragraph shall preclude Respondents and Respondent Spouse from
9 defending themselves in any administrative, civil or criminal proceedings to which the
10 Commission is not a party.

11 7. While this Order settles this administrative matter between Respondents,
12 Respondent Spouse, and the Commission, Respondents and Respondent Spouse understand that
13 this Order does not preclude the Commission from instituting other administrative or civil
14 proceedings based on violations that are not addressed by this Order.

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

18 9. Respondents and Respondent Spouse understand that this Order does not preclude
19 any other agency or officer of the state of Arizona or its subdivisions from instituting
20 administrative, civil, or criminal proceedings that may be related to matters addressed by this
21 Order.

22 10. Respondents agree that Respondents will not apply to the state of Arizona for
23 registration as a securities dealer or salesman or for licensure as an investment adviser or
24 investment adviser representative until such time as all restitution and penalties under this Order
25 are paid in full.
26

1 11. Respondents agree that Respondents will not exercise any control over any entity
2 that offers or sells securities or provides investment advisory services within or from Arizona until
3 such time as all restitution and penalties under this Order are paid in full.

4 12. Respondents agree that Respondents will not sell any securities in or from Arizona
5 without being properly registered in Arizona as a dealer or salesman, or exempt from such
6 registration; Respondents will not sell any securities in or from Arizona unless the securities are
7 registered in Arizona or exempt from registration; and Respondents will not transact business in
8 Arizona as an investment adviser or an investment adviser representative unless properly licensed
9 in Arizona or exempt from licensure.

10 13. Respondents and Respondent Spouse agree that they will continue to cooperate with
11 the Securities Division including, but not limited to, providing complete and accurate testimony at
12 any hearing in this matter and cooperating with the state of Arizona in any related investigation or
13 any other matters arising from the activities described in this Order. This provision shall not
14 constitute a waiver of Respondents' state and federal rights against self-incrimination.

15 14. Respondent DAVID W. COLE and Respondent Spouse acknowledge that any
16 restitution or penalties imposed by this Order are obligations of Respondent DAVID W. COLE, as
17 well as the marital community.

18 15. Respondents and Respondent Spouse consent to the entry of this Order and agree to
19 be fully bound by its terms and conditions.

20 16. Respondents and Respondent Spouse acknowledge and understand that if
21 Respondents or Respondent Spouse fail to comply with the provisions of the order and this
22 consent, the Commission may bring further legal proceedings against them, including application
23 to the superior court for an order of contempt.

24 17. Respondents and Respondent Spouse understand that default shall render
25 Respondents and the marital community of Respondent Spouse liable to the Commission for its
26 costs of collection and interest at the maximum legal rate.

1 18. Respondents and Respondent Spouse agree and understand that if Respondents or
2 Respondent Spouse fail to make any payment as required in the Order, any outstanding balance
3 shall be in default and shall be immediately due and payable without notice or demand.
4 Respondents and Respondent Spouse agree and understand that acceptance of any partial or late
5 payment by the Commission is not a waiver of default by Commission.

6 19. DAVID W. COLE represents that he is a member of DREAM CRAFT, LLC.
7 DREAM CRAFT, LLC is the sole manager of MUTUAL FINANCIAL SERVICES (d/b/a MFS
8 Real Estate and MFS Investments). MUTUAL FINANCIAL SERVICES (d/b/a MFS Real Estate
9 and MFS Investments) is the sole manager of HIGHLINE ESTATES, LLC. DAVID W. COLE
10 represents he has been authorized by DREAM CRAFT, LLC, HIGHLINE ESTATES, LLC, and
11 MUTUAL FINANCIAL SERVICES, (d/b/a MFS Real Estate and MFS Investments) to enter into
12 this Order for and on behalf of each of them.

13 

14 DAVID W. COLE

15
16 STATE OF ARIZONA)
17) ss
18 County of *Maricopa*)

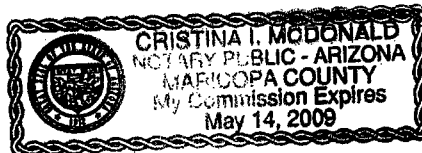
19 SUBSCRIBED AND SWORN TO BEFORE me this 26th day of March, 2009.

20 

21 NOTARY PUBLIC

22 My commission expires:

23 May 14, 2009



Siiri Cole

SIIRI COLE

STATE OF ARIZONA)
) ss
County of *Maricopa*)

SUBSCRIBED AND SWORN TO BEFORE me this 26th day of March, 2009.

Cristina McDonald

NOTARY PUBLIC

My commission expires:

May 14, 2009



DREAM CRAFT, LLC, an Arizona limited liability company

By: *David W. Cole*

David W. Cole

Its: Member

STATE OF ARIZONA)
) ss
County of *Maricopa*)

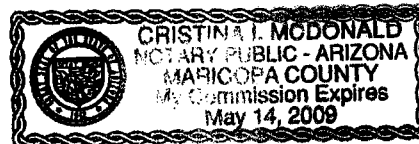
SUBSCRIBED AND SWORN TO BEFORE me this 26th day of March, 2009.

Cristina McDonald

NOTARY PUBLIC

My commission expires:

May 14, 2009



MUTUAL FINANCIAL SERVICES, LLC
(d/b/a MFS Real Estate and MFS
Investments), an Arizona limited liability
company

By: Dream Craft, LLC, an Arizona limited
liability company
Its: Manager

By: 
Its: Manager/Member

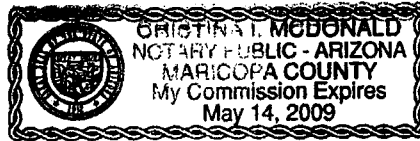
STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 26th day of March, 2009.


NOTARY PUBLIC

My commission expires:

May 14, 2009



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HIGHLINE ESTATES, LLC, an Arizona limited liability company

By: Mutual Financial Services (d/b/a MFS Real Estate and MFS Investments), an Arizona limited liability company

Its: Manager

By: 
Its: Manager/Member

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 26th day of March, 2009.


NOTARY PUBLIC

My commission expires:
May 14, 2009

