

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

APR 28 2000

DOCKETED BY [Signature]

CARL J. KUNASEK  
Chairman  
JIM IRVIN  
Commissioner  
WILLIAM A. MUNDELL  
Commissioner

In the matter of  
  
IRA M. LAVENDER  
4011 Crown Point Dr. V-6  
San Diego, CA 92109  
and  
1950 E. Hackamore St.  
Mesa, AZ 85203,  
  
Respondent.

)  
) DOCKET NO. S-03381A-00-0000  
)  
) ORDER OF RELIEF AND CONSENT  
) TO SAME  
)  
) DECISION NO. 62495

I.

INTRODUCTION

Respondent IRA M. LAVENDER elects to permanently waive his right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona (the Act) with respect to this Order of Relief and Consent To Same; admits the jurisdiction of the Arizona Corporation Commission (Commission); admits the Findings of Fact and Conclusions of Law contained in this Order; and consents to entry of this Order by the Commission.

II.

FINDINGS OF FACT

1. IRA M. LAVENDER ("LAVENDER") is an Arizona resident whose last known address is 4011 Crown Point Dr. V-6, San Diego, CA 92109 and who maintains a residence at 1950 E. Hackamore St., Mesa, AZ 85203.

1           2.     Beginning on or around January 1999, LAVENDER began offering and selling  
2 commodity investment contracts to various individuals within or from Arizona.

3           3.     LAVENDER contacted potential investors through random meetings and through  
4 family and friends.

5           4.     LAVENDER told potential investors that he had perfected a method of trading in  
6 commodities that guaranteed success with no risk. An investor's principal was never at risk,  
7 because certain stops would be in place as a "safety net."

8           5.     LAVENDER told potential investors that he was authoring a book on his methods,  
9 and that an investor would be able to make "millions" from these methods. LAVENDER stated  
10 that utilizing the methods in his book would require only 15 minutes per day of an investor's time.  
11 However, LAVENDER proposed to investors that LAVENDER would invest on their behalf for  
12 50% of the profits.  
13

14           6.     LAVENDER promised at least one investor that he would be able to double the  
15 investor's money in 90 days.

16           7.     When an individual decided to invest, LAVENDER would have them fill out forms  
17 in order to open an account with Ira Epstein & Company ("Epstein"), an introducing broker located  
18 at 223 W. Jackson Blvd., 7<sup>th</sup> Fl., Chicago, Illinois 60606. LAVENDER provided the investor with  
19 other information from Epstein, such as how to open an account, and basic trading vocabulary.  
20

21           8.     LAVENDER also had investors sign a Power of Attorney, giving LAVENDER full  
22 discretion over the investor's account at Epstein.

23           9.     After opening an account, LAVENDER began making trades. Some investors  
24 received monthly account statements from E D & F Man International, Inc., Epstein's trading  
25 broker, located in New York City.  
26





1 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondent LAVENDER shall  
2 permanently cease and desist from the conduct alleged herein, including managing or trading  
3 commodities accounts for the benefit of investors.

4 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondent LAVENDER  
5 shall pay restitution in the amount of \$175,500, plus interest at the rate of 10% per annum from the  
6 date of initial investment, subject to any legal setoffs, such amount to be paid by certified check  
7 payable to the Arizona Attorney General, upon entry of this Order. Such amount shall be placed in  
8 an interest bearing trust account, maintained and controlled by the Arizona Attorney General. The  
9 Arizona Attorney General shall disburse available funds on a pro rata basis to the investors as  
10 reflected in the records of the Division. If any disbursement check issued by the Arizona Attorney  
11 General either is not deliverable or has not cleared the trust account within 90 days of the date of  
12 issuance, the funds related to such check shall revert to the state of Arizona, payable to the State  
13 Treasurer for the general fund of the state of Arizona.  
14

15 IT IS FURTHER ORDERED that any amounts unpaid upon entry of this Order shall accrue  
16 interest at the statutory rate of ten percent (10%) per annum pursuant to A.A.C. R14-4-308, until  
17 restitution is paid in full.

18 IT IS FURTHER ORDERED that Respondent LAVENDER shall pay an administrative  
19 penalty of \$10,000, by certified check payable to the Treasurer of the State of Arizona, upon entry  
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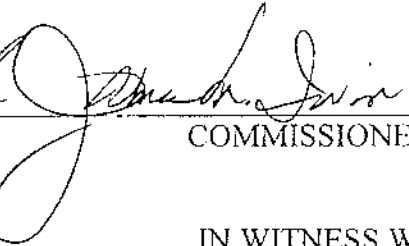
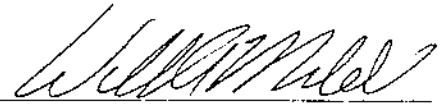
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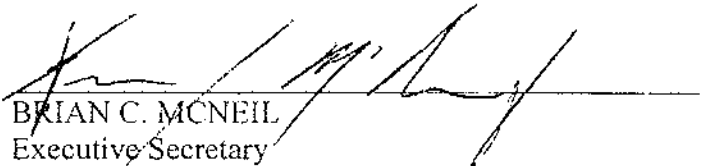
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1 of this Order IT IS FURTHER ORDERED that this Order shall become effective immediately  
2 upon the date set forth below.

3 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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5     
6 CHAIRMAN COMMISSIONER COMMISSIONER

7 IN WITNESS WHEREOF, I BRIAN C. MCNEIL,  
8 Executive Secretary of the Arizona Corporation  
9 Commission, have hereunto set my hand and caused  
10 the official seal of the Commission to be affixed at the  
11 Capitol, in the City of Phoenix, this 28<sup>th</sup> day of  
12 April, 2000.

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14 BRIAN C. MCNEIL  
15 Executive Secretary

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DISSENT  
(SF)

CONSENT TO ENTRY OF ORDER BY THE COMMISSION  
AND WAIVER OF HEARING

1  
2 IRA M. LAVENDER acknowledges that he has been fully advised of his right to a hearing  
3 to present evidence and call witnesses. IRA M. LAVENDER waives all hearing procedures and  
4 the right to appeal provided by the Securities Act of Arizona with respect to this Order of Relief  
5 and Consent to Same ("Order".)

6 IRA M. LAVENDER admits the jurisdiction of the Arizona Corporation Commission ("the  
7 Commission") with respect to the matters set forth in this Order.

8 IRA M. LAVENDER admits the Findings of Fact and Conclusions of Law contained in this  
9 Order.

10 IRA M. LAVENDER states that his consent to entry of this Order is a voluntary act and  
11 that no promise was made nor coercion used to induce IRA M. LAVENDER to enter into it.

12 IRA M. LAVENDER consents to the entry of this Order.

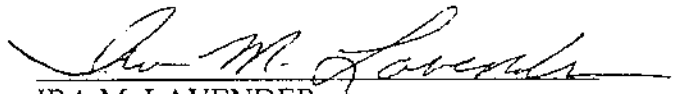
13 IRA M. LAVENDER declares that his consent to entry of this Order is a voluntary act and  
14 that he was not induced to enter into it by coercion nor by any promise by the Commission not  
15 expressly stated in this Order.

16 IRA M. LAVENDER understands that this Order does not preclude any other agency,  
17 officer of the State of Arizona or its subdivisions, from initiating other administrative, civil or  
18 criminal proceedings against him, now or in the future, that may be related to the matters addressed  
19 by this Order.

20 IRA M. LAVENDER agrees not to take any action or to make or permit to be made, any  
21 public statement denying, directly or indirectly, any Findings of Fact or Conclusions of Law in the  
22 Order or creating the impression that the Order is without factual basis. If IRA M. LAVENDER  
23 breaches this agreement, the Commission may move to vacate this Order and restore this case to i  
24 active docket.  
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26

1 IRA M. LAVENDER further understands that if another agency or officer of this or another  
2 state or the federal government or any foreign jurisdiction requests investigative or other  
3 information from the Commission relating to this matter, the Commission shall cooperate fully  
4 with such requests. Likewise, the Commission may refer any information or evidence gathered in  
5 connection with this matter to any person or entity having appropriate jurisdiction.

6 While this Order settles all pending matters between IRA M. LAVENDER and the  
7 Commission, IRA M. LAVENDER understands that this Order does not preclude the Commission  
8 from instituting other administrative proceedings, now or in the future, based on facts not presently  
9 known by the Commission or matters that are not covered by this Order.  
10

11   
12 IRA M. LAVENDER

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14 SUBSCRIBED TO AND SWORN BEFORE me this 24<sup>th</sup> day of February, 2000.

15  
16   
17 NOTARY PUBLIC

18 My Commission Expires: May 13, 2001

