

Camargo

Arizona Corporation Commission  
BEFORE THE ARIZONA CORPORATION COMMISSION

JUL 24 2000

DOCKETED BY JM

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

In the matter of )  
CRAIG LYNN STOCKSLEGER ) DOCKET NO. S-03335A-99-0000  
1105 West Roma )  
Phoenix, Arizona 85013 ) DECISION NO. 62736  
CRD #2192723, )  
Respondent. ) **FINAL ORDER FOR RELIEF AND**  
**CONSENT TO SAME**

I.

INTRODUCTION

CRAIG LYNN STOCKSLEGER (Stocksleger), elects to permanently waive his rights to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. Section 44-1801, *et seq.* (the Act), with respect to this Final Order for Relief and Consent to Same (the Order); admits the jurisdiction of the Arizona Corporation Commission (Commission); neither admits nor denies the Findings of Fact and Conclusions of Law contained in the Order; and consents to entry of the Order by the Commission.

II.

FINDINGS OF FACT

1. Stocksleger's last known address is 1105 West Roma, Phoenix, Arizona 85013.
2. From February 1993 to December 1996 Stocksleger was associated with SunAmerica Securities, Inc., initially as a registered securities salesman, and from about October 1993 to December 1996 as a registered principal. Stocksleger was registered in Arizona in association with United Pacific Securities, Inc. ("UPSI") from November 1996 to November 1998, and in association with Sentra Securities Corporation from November 1998 to June 9, 1999. Stocksleger has not been a

1 registered securities salesman in Arizona since June 9, 1999. The Notice of Opportunity for Hearing  
2 in this matter was filed on December 29, 1999.

3 3. Stocksleger also holds an Arizona license to transact business as an insurance agent, a  
4 license which he has held since at least 1995. Stocksleger transacted business for both Jackson  
5 National Life Insurance Company ("Jackson National") and USG Annuity & Life Company ("USG").

6 4. From February 1993 to July 1993 Jonathan Paul Williams was associated with  
7 SunAmerica Securities, Inc., as a registered representative, and worked in the same office as  
8 Stocksleger, 4455 E. Camelback Road Suite 260D, Phoenix, Arizona 85018. Stocksleger and  
9 Williams have known one another since at least February 1993.

10 5. After leaving SunAmerica Securities, Inc., in September 1993, Williams became  
11 associated with Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill Lynch") as a registered  
12 representative. Williams was terminated for cause by Merrill Lynch in or about August 1995, for  
13 forging customers' names on federal tax forms. Since that time Williams has not been a registered  
14 securities salesman in Arizona. Williams has held an Arizona license to transact business as an  
15 insurance agent, since at least 1995. Williams transacted business for Jackson National, among other  
16 insurance companies.

17 6. During 1995, prior to his termination by Merrill Lynch, Williams was not permitted by  
18 Merrill Lynch rules to transact insurance business with Jackson National. During this period  
19 Stocksleger helped Williams to deceive Merrill Lynch by representing to Jackson National that he was  
20 the writing agent for annuities that had in fact been sold by Williams. Stocksleger received three  
21 commission checks payable to his order from Jackson National, totaling \$39,816.82, in June and  
22 August 1995, which he endorsed over to Williams, pursuant to this deceptive scheme.

23 7. From August 1995 through November 1997, Stocksleger shared office space with  
24 Williams at one or both of these addresses: 3443 N. Central Ave. Suite 916, Phoenix, Arizona 85012,  
25 and 2600 N. Central Ave. Suite 910, Phoenix, Arizona 85004.

26



1 Williams were not true. In June of 1996, Williams was not associated with SunAmerica as a registered  
2 representative, employee, agent, consultant, or in any other capacity. In addition, Williams has never  
3 been a licensed attorney in the State of Arizona. Stocksleger did not tell Carter that Williams had been  
4 terminated for cause from Merrill Lynch for forgery, although Stocksleger knew that was true.

5 16. Prior to or during the June 12, 1996 meeting, Stocksleger learned that Carter had  
6 liquidated over \$240,000 worth of securities and other assets, using Todd Cleaver as his securities broker.  
7 Stocksleger further learned that, upon Cleaver's advice, Carter had invested the proceeds obtained by  
8 liquidating his assets, in four annuity contracts with USG Annuity & Life Company ("USG"). These  
9 annuities bore USG policy numbers 417768, 422390, 425173, and 436010.

10 17. Also prior to or during the June 12, 1996 meeting, Stocksleger learned that Carter had  
11 been advised by Jerrold Pffingsten, a licensed insurance agent, to surrender a fifth annuity contract that  
12 Carter held with USG, policy number 274401. Pffingsten had further advised Carter that he should  
13 reinvest the proceeds of this annuity into an annuity contract with American National Life ("American  
14 National").

15 18. Stocksleger told Carter that Pffingsten was churning his account, that Cleaver had been  
16 fired from SunAmerica for dishonest conduct, and that Carter should discontinue his associations with  
17 both Pffingsten and Cleaver. In fact, Cleaver's association with SunAmerica had been terminated  
18 voluntarily, and Cleaver had not been terminated by SunAmerica for dishonest conduct.

19 19. Relying upon Stocksleger's advice, Carter terminated his relationships with Pffingsten and  
20 Cleaver. From June 1996 through December 1998, Carter trusted and relied upon Stocksleger with  
21 respect to the management of Carter's financial affairs. In addition, Carter trusted and relied upon  
22 Williams, who Carter at all times believed was working under Stocksleger's supervision and control,  
23 because Stocksleger had introduced Williams as his assistant.

24 20. Stocksleger visited Carter on several additional occasions during June 1996 through at  
25 least October 1997. On all or most of these occasions Stocksleger was accompanied by Williams.  
26

1                                    **Misappropriation of the American National Annuity Proceeds**

2            21.    In July or early August 1996, after Carter had purchased the American National annuity  
3 through Pffingsten, Stocksleger prepared one or more letters for Carter's signature to effect cancellation of  
4 the American National annuity pursuant to the contract's "free look" clause.

5            22.    When Carter received the return of his \$63,750 from American National, Carter endorsed  
6 the American National check and gave it to Stocksleger. Stocksleger promised that he would send this  
7 endorsed check to USG, and further promised that Carter's USG annuity policy number 274401 would be  
8 reinstated.

9            23.    Stocksleger did not send the American National check or its proceeds to USG. Instead,  
10 Stocksleger (or Williams or Dugan with Stocksleger's knowledge and consent) sent this \$63,750 check to  
11 Jackson National, together with three other checks belonging to Carter that will be identified below, in  
12 October 1996. The four checks totaled \$230,250.61.

13           24.    In or about August, 1996, Stocksleger told Carter that Stocksleger had sent the endorsed  
14 American National check to USG in order to reinstate USG annuity policy number 274401 on Carter's  
15 behalf, which was not true.

16                                    **Misappropriation of the Proceeds of the USG Annuities that**

17                                    **Carter Had Purchased Through Cleaver**

18           25.    On July 11, 1996 Carter sent to USG, surrender instructions and the policies for his four  
19 remaining USG annuities (numbers 417768, 422390, 425173 and 436010).

20           26.    USG sent a "conservation" letter to Carter urging him to reconsider his decision in light of  
21 the money he would lose to early surrender penalties, among other factors.

22           27.    According to USG records, Stocksleger called USG and represented to the company that  
23 he was working to "save the case," i.e., to persuade Mr. Carter not to surrender his USG annuities.

24           28.    Carter subsequently changed his mind and reversed his surrender instructions to USG, on  
25 or about July 23, 1996.

26

1           29.     In August 1996, Carter received from USG a notice, along with four checks dated August  
2 8, 1996, representing the surrender of his four remaining USG annuity investments. Carter had not  
3 authorized the surrender of these USG annuities.

4           30.     Upon receipt of these four August 8, 1996 USG checks, Carter contacted Stocksleger.  
5 Stocksleger subsequently told Carter that Stocksleger had contacted USG and that the checks had been  
6 issued by mistake. Stocksleger told Carter that USG would void the checks and reinstate Carter's  
7 annuities. The August 8, 1996 checks were voided by USG.

8           31.     In September 1996, someone sent instructions to USG purporting to be from Carter.  
9 These instructions again directed the surrender of Carter's remaining four USG annuities.

10          32.     Carter may have signed these September 11, 1996 surrender instructions, but Carter did  
11 not send the instructions to USG, nor did he authorize anyone to send them.

12          33.     Carter again received notice that his USG annuity accounts were being closed. Carter also  
13 received four checks from USG, dated September 24, 1996, representing the proceeds of surrendering the  
14 four annuities.

15          34.     According to Carter, he called Stocksleger about these checks, and Stocksleger and  
16 Williams then came to Carter's home.

17          35.     According to Carter, Stocksleger told Carter that he had spoken with USG and assured  
18 Carter that the issuance of these four checks was another mistake by USG that would be corrected. Carter  
19 gave the USG checks dated September 24, 1996 to Stocksleger. Stocksleger promised to send these  
20 checks back to USG for Carter.

21          36.     Carter's 1996 calendar contains the following entries: September 30, "USG checks/called  
22 Jon" and October 1, "Jon - USG money." Carter did not write Stocksleger's name on his 1996 calendar  
23 after September 11.

24          37.     Stocksleger did not send the September 24, 1996 checks belonging to Carter back to USG.

25          38.     Instead, Stocksleger (or Williams or Dugan with Stocksleger's knowledge and consent)  
26 sent three of the September 24, 1996 USG checks, totaling \$166,500.61, to Jackson National as part of

1 the premium that was paid on October 10, 1996, for a Jackson National annuity policy in Carter's name.  
2 The remainder of the premium for the Jackson National annuity came from the \$63,750 American  
3 National check that Carter had entrusted to Stocksleger in July or August 1996. The four checks totaled  
4 \$230,250.61.

5 39. Jackson National issued a single-premium annuity policy in Carter's name, in the amount  
6 of \$230,250.61, on or about October 10, 1996. Raymond Dugan was identified as the writing "agent"  
7 with respect to the issuance of this annuity.

8 40. Carter did not authorize the investment of his funds in this Jackson National annuity and  
9 had no knowledge that such an annuity policy existed. Carter had never heard of Jackson National.  
10 Further, Carter did not know Dugan and did not authorize Dugan to act as his agent.

11 41. On or about October 20, 1996, Jackson National issued a commission check payable to  
12 the order of Raymond E. Dugan, in the amount of \$29,301.64. This amount represented the total of the  
13 commissions payable with respect to the "James Carter" annuity (\$18,420.05) and an annuity policy  
14 issued to insure Jerry Clonce (\$10,881.59). The \$29,301.64 was deposited by Dugan into the Rose  
15 Agency account at Wells Fargo Bank on October 24, 1996.

16 42. On or about October 29, 1996, Dugan wrote a check on the Rose Agency account payable  
17 to the order of Craig Stocksleger, in the amount of \$28,400.00, writing the word "Commission" on the  
18 memo line. This check represented the pass-through of the bulk of the Carter and Clonce commissions to  
19 Stocksleger by Dugan. Stocksleger deposited this check into his account at Wells Fargo Bank on October  
20 29, 1996. Not later than this date, Stocksleger knew that over \$230,000 of Carter's funds had been  
21 moved to Jackson National, but Stocksleger did not discuss this fact with Carter. On or about October 31,  
22 1996, Stocksleger wrote a check payable to the order of Jon Williams in the amount of \$20,250.00;  
23 however this check does not indicate on its face what the payment was for.

24 43. On or about January 15, 1997, Stocksleger and/or Williams and/or Dugan sent Jackson  
25 National a letter purporting to be from Carter, exercising a "free look" right with respect to the Jackson  
26 National annuity. Carter did not write this letter. This letter was accompanied by an unsigned letter to

1 Jackson National purporting to be from Dugan, which represented to Jackson National that Dugan had  
2 mislaid Carter's annuity policy in his office and had failed to deliver the policy to Carter. The purported  
3 Dugan letter requested Jackson National to honor the "free look" exercise even though the deadline had  
4 long since passed, which the company did.

5 44. On or about January 20, 1997, Jackson National issued a single check payable to the order  
6 of James Carter in the amount of \$230,250.61.

7 45. Carter never received the Jackson National check. Stocksleger and/or Williams  
8 intercepted the Jackson National check.

9 47. On February 10, 1997, Williams opened an account at Charles Schwab, account number  
10 9432-0451, through a Phoenix branch of Schwab, in the names of Jon Williams and James Carter,  
11 JTWROS.

12 48. On February 19, 1997 the Jackson National check in the amount of \$230,250.61 was  
13 endorsed with Carter's name and deposited in Schwab account number 9432-0451, either by Stocksleger  
14 or by Williams.

15 49. Carter did not endorse the Jackson National check and had no knowledge of its existence.

16 50. Carter did not authorize the deposit of his funds into account number 9432-0451 or any  
17 other account at Schwab, and had no knowledge that such an account existed.

18 51. Carter did not authorize Williams or Stocksleger to deposit his funds into an account in the  
19 joint names of Carter and Williams.

20 52. Williams took \$36,023.85 from the Schwab account for his own use, as follows: (A)  
21 \$35,000 by "e.schwab" check drawn on the account by Williams, made payable to Bank One, endorsed  
22 by Williams, on May 13, 1997, and (B) \$1,023.85 by Charles Schwab check made payable to Williams  
23 and Carter jointly, endorsed by Williams and deposited in Williams's account at Bank One, on August 6,  
24 1997.





1           61.     Stocksleger told Carter that the "arbitration" had been resolved by compromise.  
 2 Stocksleger further told Carter that as part of this alleged compromise, Carter's money remained invested  
 3 at USG in five annuities, with the original annuity policy numbers. The five annuities purportedly  
 4 included number 274401, which Stocksleger misrepresented had been reinstated by USG after  
 5 Stocksleger had sent the \$63,750 American National check to USG, as discussed above.

6           62.     Stocksleger further told Carter that he could get his money back from USG, but that if he  
 7 wanted to withdraw it from USG prior to November 1, 2001 the amount he would receive would be  
 8 \$240,441.19 after early surrender penalties. Stocksleger further told Carter that if he would leave his  
 9 money at USG until November 1, 2001 he would be entitled to receive the sum of \$359,523.83, including  
 10 his original principal, cancellation of early surrender charges, and interest.

11           63.     None of these representations by Stocksleger about the "arbitration" were true. There was  
 12 no arbitration, Stocksleger had not sent the \$63,750 American National check to USG, annuity number  
 13 274401 had not been reinstated by USG after its early surrender by Carter, and the terms of Carter's  
 14 remaining four annuity contracts had not been modified in any respect at Stocksleger's request.

15           64.     In 1997 Carter received four BankOne Official Checks that had been purchased by  
 16 Williams Stocksleger, Inc., as follows:

	<u>Amount</u>	<u>Date of check</u>
17		
18	a.     \$ 2,681	August 14, 1997
19	b.     \$10,000	August 27, 1997
20	c.     \$11,280	October 9, 1997
21	d.     \$38,000	October 28, 1997

22 Williams Stocksleger, Inc., was an Arizona corporation formed on or about November 21, 1996, by Jon  
 23 Williams as sole incorporator. It was dissolved on or about March 10, 1998, for failure to file its annual  
 24 report with the Commission. The address of the corporation was 3443 N. Central Ave., #916, Phoenix,  
 25  
 26

1 Arizona, an office that was shared by Williams and Stocksleger. The Division found no evidence that  
2 Stocksleger held signatory power over any of the corporation's bank accounts at BankOne.

3 65. Stocksleger told Carter that the funds paid to him by these BankOne Official Checks, were  
4 a partial return of Carter's money from USG pursuant to the fictitious "arbitration settlement."

5 66. Stocksleger told Carter that the total of these checks would be deducted from the amount  
6 Carter was otherwise to have received from USG on November 1, 2001 pursuant to the fictitious  
7 "arbitration settlement."

8 67. In fact, there was no arbitration settlement, and USG was not the source of the funds paid  
9 to Carter by these four checks.

10 68. In fact, by the time Stocksleger made these representations to Carter, Williams had  
11 completely depleted the Schwab account that contained Carter's money, by incurring trading losses,  
12 commissions and margin interest, and by withdrawing funds for Williams's own use.

#### 13 Misappropriation of Two Bearer Bonds

14 69. In March or April 1997 Carter told Stocksleger that Carter's bank had begun to charge  
15 him a fee of \$40 to cash the interest coupons (totaling just over \$300) on two municipal bonds that Carter  
16 owned. Carter told Stocksleger that he did not want to pay this fee.

17 70. In April 1997 Stocksleger and Williams visited Carter at his home.

18 71. Stocksleger told Carter that Stocksleger could collect the municipal bond interest for  
19 Carter free of fees, because Stocksleger was a registered securities salesman affiliated with a broker-  
20 dealer firm.

21 72. Carter handed his two bearer bonds to Stocksleger and Williams.

22 73. The bonds that Carter entrusted to Stocksleger and Williams were Yuma County, Arizona,  
23 Hospital District general obligation bonds, dated May 1, 1978, bearing a coupon interest rate of 6.35%,  
24 maturing November 15, 2007, callable on or after May 15, 1989, cusip number 988593BR9, certificate  
25 numbers 242 and 1565, with a face value of \$5,000 each, totaling \$10,000.  
26



1 to defraud; (ii) made untrue statements of material fact, or omitted to state material facts necessary in  
2 order to make the statements made, not misleading in light of the circumstances under which they  
3 were made; and (iii) engaged in transactions, practices or courses of business which operated or would  
4 operate as a fraud or deceit. Stocksleger's conduct includes but is not limited to, the following acts  
5 which constitute violations of A.R.S. Section 44-1991:

- 6
- 7 a) In order to cause Carter to distrust Pfingsten and Cleaver and to trust himself and  
8 Williams, Stocksleger misrepresented Williams's credentials, omitted to state that  
9 Williams had been terminated for cause from Merrill Lynch for forgery, and told  
10 Carter that Cleaver had been fired from SunAmerica for dishonesty, which was not  
11 true.
- 12 b) Stocksleger persuaded Carter to cancel the American National annuity, and  
13 Stocksleger took possession of the American National check, which had been  
14 endorsed by Carter, but did not send the check to USG as he had promised.
- 15 c) In order to conceal the misappropriation of the proceeds of the American National  
16 annuity, Stocksleger told Carter that Stocksleger had sent the \$63,750 American  
17 National check to USG and that USG annuity number 274401 had been reinstated  
18 on Carter's behalf; these representations were not true.
- 19 d) Stocksleger took possession of, or knew that Williams had taken possession of, at  
20 least three of the USG checks representing proceeds of USG annuities that Carter  
21 had purchased through Cleaver, but Stocksleger did not send the checks back to  
22 USG and knew that Williams did not send the checks to USG.
- 23 e) In order to conceal the misappropriation of the proceeds of the American National  
24 annuity and of the proceeds of the USG annuities, Stocksleger told Carter there  
25 had been an "arbitration settlement," which required Carter to leave his money  
26 invested at USG until at least November 1, 2001, and Stocksleger continued to  
make misrepresentations to Carter about this fictitious arbitration settlement from  
at least August 1996 through October 1997.
- f) Stocksleger's misrepresentations, breach of trust and active concealment as alleged  
in subparagraphs (a) through (e) were part of a device, scheme or artifice, the  
purpose of which was to obtain control of Carter's funds and use them to trade  
securities.
- g) Stocksleger's misrepresentations and active concealment as alleged in  
subparagraphs (a) through (e), constituted material misrepresentations and/or  
material omissions.



1 through to him, together with interest at the statutory rate of 10% per annum on all unpaid amounts  
2 accruing from the date of entry of the Order. Restitution funds shall be paid to the Arizona Attorney  
3 General and shall be deposited into an interest-bearing account. The restitution plus interest may be paid  
4 in installments, as provided in paragraph 4 below.

5 3. IT IS FURTHER ORDERED pursuant to A.R.S. § 44-2036 that Stocksleger shall pay  
6 administrative penalties of \$5,000 together with interest at the statutory rate of 10% per annum on all  
7 unpaid amounts accruing from the date of entry of the Order, to the "Arizona State Treasurer" for deposit  
8 in the General Fund of Arizona. The penalties plus interest may be paid in monthly installments, as  
9 provided in paragraph 4 below.

10 4. IT IS FURTHER ORDERED, that Stocksleger may pay the restitution and penalties  
11 ordered as follows: \$5,000 upon entry of this Order, and no less than \$500.00 per month on or before the  
12 1st day of each month beginning August 1, 2000, until paid in full. All amounts received will be applied  
13 first to restitution and interest thereon until restitution has been paid in full. Failure to make any payment  
14 as provided under this Order shall be deemed a default, and all amounts ordered as restitution and penalties  
15 shall become immediately due and payable.

16 5. IT IS FURTHER ORDERED that if Stocksleger fails to fully comply with the terms of this  
17 Order, including the payment due dates, the amount of the administrative penalties will be increased to  
18 \$10,000.

19 6. IT IS FURTHER ORDERED pursuant to A.R.S. § 44-1962 that Stocksleger's securities  
20 salesman registration is revoked upon entry of this Order.

21 ...

22 ...

23 ...

24 ...

25 ...

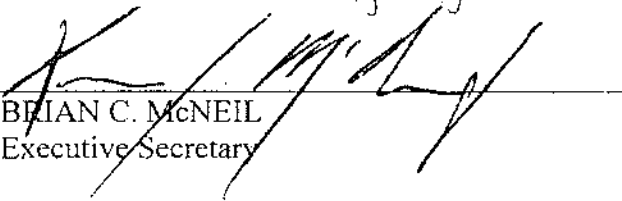
26 ...

1 7. IT IS FURTHER ORDERED that this Order shall become effective immediately upon the  
2 date set forth below.

3  
4  
5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

6  
7  
8     
9 CHAIRMAN COMMISSIONER COMMISSIONER

10 IN WITNESS WHEREOF, I, Brian C. McNeil, Executive  
11 Secretary of the Arizona Corporation Commission, have  
12 hereunto set my hand and caused the official seal of the  
13 Commission to be affixed at the Capitol, in the City of  
14 Phoenix, this 24<sup>th</sup> day of July, 2000.

15   
16 BRIAN C. McNEIL  
17 Executive Secretary

18  
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23  
24  
25  
26  
DISSENT  
(AJL)

This document is available in alternative formats by contacting Cynthia Mercurio-Sandoval, ADA  
Coordinator, voice phone number 602/542-0838, E-mail csandoval@cc.state.az.us.



1        CONSENT BY CRAIG LYNN STOCKSLEGER TO THE ENTRY, BY THE CORPORATION  
2        COMMISSION, OF A FINAL ORDER FOR RELIEF AND WAIVER OF HEARING

3  
4        1.        Respondent, CRAIG LYNN STOCKSLEGER (Stocksleger) admits the jurisdiction of  
5 the Arizona Corporation Commission (Commission) over the subject matter of this proceeding, and  
6 acknowledges that he has been fully advised of his right to a hearing to present evidence and call  
7 witnesses. Stocksleger knowingly and voluntarily waives all rights to a hearing before the  
8 Commission and all other procedures otherwise available under Article 11 of the Securities Act of  
9 Arizona (Act), Chapter 12 of Title 44 of the Arizona Revised Statutes, and Title 14 of the Arizona  
10 Administrative Code. Stocksleger acknowledges that the accompanying Final Order for Relief and  
11 Consent to Same (Order) constitutes a valid final order duly rendered by the Commission.

12        2.        Stocksleger knowingly and voluntarily waives any right he may have under Article 12  
13 of the Act to judicial review by any court by way of suit, appeal or extraordinary relief resulting from  
14 the entry of the Order.

15        3.        Stocksleger acknowledges and agrees that he enters into the Order freely and  
16 voluntarily and that no promise was made nor any coercion used to induce Stocksleger to enter into it.

17        4.        Stocksleger acknowledges that he has been represented by counsel in this matter, and  
18 that he has reviewed the Order with his attorney and understands all the terms and obligations contained  
19 in the Order.

20        5.        Stocksleger, solely for purposes of this proceeding, neither admits nor denies the  
21 Findings of Fact and Conclusions of Law contained in the Order. Stocksleger agrees that he shall not  
22 challenge their validity in any present or future administrative proceedings before the Commission  
23 concerning the denial or issuance of any licenses or registrations.

24        6.        Nothing in this Order affects Stocksleger's right to take positions in contested  
25 proceedings in which the Commission is not a party, or the decision-maker.  
26

1           7.       Stocksleger consents to the entry of the Order and agrees to be fully bound by its terms  
2 and conditions. Stocksleger further acknowledges that should he fail to comply with any and all  
3 provisions of the Order, the Commission may enforce the Order in Superior Court pursuant to A.R.S.  
4 § 44-2036(C). In addition, the Commission may impose additional sanctions and costs and seek other  
5 appropriate relief subject to Stocksleger's right to a hearing pursuant to the Act.

6           8.       Stocksleger further understands that default will render him liable to the Commission  
7 for its costs of collection and interest at the maximum legal rate.

8           9.       Stocksleger agrees that as a part of the settlement reached herein, he will not apply for  
9 registration as a securities dealer or salesperson, or for licensure as an investment adviser or investment  
10 adviser representative, under the Securities Act of Arizona or the Investment Management Act of  
11 Arizona, at any time in the future.

12          10.       Stocksleger acknowledges that the Order resolves only alleged administrative violations  
13 of the Act and that nothing contained in the Order purports to resolve any other issues which may exist  
14 between Stocksleger and the State. Nothing in the Order shall be construed to restrict or preclude any  
15 other agency or officer of the State of Arizona or its subdivisions from initiating other civil or criminal  
16 proceedings against Stocksleger, now or in the future, that may be related to the matter addressed by  
17 the Order and the Consent. Nothing in the Order shall be construed to restrict the State's right in a  
18 future proceeding to bring an action against Stocksleger from or related to facts not set forth in the  
19 Order.

20          11.       Stocksleger acknowledges that he has been informed and understands that the  
21 Commission or its designee, at the Commission's sole and exclusive discretion, may refer or grant  
22 access to this matter, or any information or evidence gathered in connection with this matter, to any  
23 person or entity having appropriate administrative, civil or criminal jurisdiction. Stocksleger  
24 acknowledges that no representations regarding the above have been made so as to induce him to enter  
25 ...  
26

1 into this Order, including the fact that no promise or representation has been made by the Commission  
2 or its designee or staff with regard to any potential criminal liability or immunity from any potential  
3 criminal liability.

4  
5  
6 Craig L. Stocksleger  
7 Craig Lynn Stocksleger  
8

9 SUBSCRIBED TO AND SWORN BEFORE me this 13 day of June, 2000, by  
10 CRAIG LYNN STOCKSLEGER.

11  
12 Ronald R. Clark  
13 NOTARY PUBLIC

14 My Commission Expires:



