



# COMMISSION NEWS

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ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

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TO: EDITORS, NEWS DIRECTORS  
FOR: IMMEDIATE RELEASE

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## **THE STATE SEEKS CONTEMPT SANCTIONS AGAINST PHOENIX COUPLE FOR VIOLATING COURT ORDER**

Phoenix--On April 21, 2000, the Arizona Corporation Commission and the Arizona Attorney General's office filed an Application for Order to Show Cause alleging that William and Barbara McRae violated a July 25, 1996 judgment issued against them by the Maricopa County Superior Court, based upon their involvement in the offer and sale of investments in oil and gas wells.

According to the Order, the 1996 Judgment permanently enjoined the McRaes and others from violations of the registration and anti-fraud provisions of the Arizona Securities Act and ordered the McRaes and others to pay over \$2 million in restitution and a \$100,000 civil penalty. The State's Application states that only \$10,000 in restitution has been paid to date.

The Application for Order to Show Cause alleges that in the fall of 1997, William and Barbara McRae began offering and selling investments in oil and gas wells through a program similar to the one that resulted in the 1996 injunction against them. In the 1997 offering, the McRaes allegedly raised at least \$1 million from at least 13 investors. The State contends that the 1997 offering violates the 1996 Judgment. The State is seeking a contempt order against the McRaes which includes restitution and a possible jail sentence.

The public can contact the Securities Division at (602) 542-4242 or visit their web site at [www.ccsd.cc.state.az.us](http://www.ccsd.cc.state.az.us).

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