



# 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

DATE: 10/5/00  
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## ACC TAKES ACTION AGAINST FRAUDULENT MINING INVESTMENTS

PHOENIX – The Arizona Corporation Commission (ACC) entered orders against Calumet Slag, Inc., an Arizona mining corporation and two of former officers, Jeffrey G. Crawford of Mesa, Arizona and Matthew Hunzinger of Glendale, Arizona for violating the Arizona Securities Act.

In a consent order, the ACC found that Calumet, through its former officers and directors, sold unregistered securities, acted as an unregistered dealer and salesman, and committed securities fraud. The order requires that Calumet cease from violating the Securities Act and disassociate itself from its former officers and directors. In separate consent orders, the ACC required Crawford to cease from violating the Securities Act, to pay restitution in the amount of \$400,000 and pay penalties in the amount of \$15,000. Hunzinger must also cease from violating the Securities Act, pay restitution in the amount of \$37,500 and pay penalties in the amount of \$10,000.

Calumet was incorporated in 1992 for the purpose of extracting precious metals, such as gold and silver, from a slag pile located in the Black Hills of South Dakota. Commencing in 1994, Calumet's principals began raising funds from investors purportedly to finance the company's operations. Neither the Calumet securities nor Calumet's principals were registered with the Securities Division during this time period.

The principals of Calumet, including Crawford and Hunzinger, represented to investors that there were

highly favorable assay reports concerning the value of the South Dakota slag pile. Yet, in 1994 at least one mining expert had found that there were no significant amounts of gold and silver contained in the slag pile. Nonetheless, Calumet representatives told potential investors that the slag pile was worth \$15,000,000. Calumet sales representatives also failed to disclose financial information about the company. By 1999, Calumet principals had raised at least \$580,000 from approximately 180 investors. Despite this influx of capital, the slag pile remains unprocessed and Calumet has no other material assets. Mark Sendrow, Director of the Arizona Corporation Commission's Securities Division, stated: "The Securities Division has seen many similar mining cases over the years. Investors need to check with the Securities Division to see if the offering is registered in Arizona. Most importantly, investors should be skeptical about any investment that is touted as a sure thing or guaranteed. Mining ventures ordinarily are very speculative investments and too often end in a total loss for investors."

Director Sendrow encourages the public to investigate before they invest and contact the Securities Division at (602) 542-4242, or call toll free 1-877-811-3878, or visit the Division web site at [www.ccsd.cc.state.az.us](http://www.ccsd.cc.state.az.us).

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