



COMMISSION NEWS

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

TO: EDITORS, NEWS DIRECTORS
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PRESCOTT VALLEY COMPANIES ORDERED TO HALT SALE OF UNREGISTERED SECURITIES

PHOENIX – Two Prescott Valley companies were cited by the Arizona Corporation Commission for the sale of unregistered securities, for unlicensed activity as a securities dealer and for fraudulent dealings with investors. A temporary Cease and Desist Order was issued to Aeromag Corporation and its president, Lexington Bartlett, and to its sister company, Aeromax, Inc. and its vice president, David Sears. The Cease and Desist Order requires the immediate halt of all unregistered and fraudulent securities activities. More than 160 Arizonans purchased some of the 634,236 shares of unregistered Aeromax stock sold between November 1994 and February 2001 at a cost of \$1 to \$5 per share.

The ACC alleges that Bartlett and Sears actively pursued new investors for the purchase of Aeromax stock and that “bonus” and “goodwill” stock shares were given away, thus diluting the value of all shares. The action also alleges that Bartlett and Sears failed to provide crucial financial information to its stockholders. Investors were further deceived with predictions of a 900% profit after an Initial Public Offering was made; however, the Securities Division of the Corporation Commission disclosed no evidence of such a transaction.

Bartlett and Sears have 20 days to request a hearing on the allegations.

Mark Sendrow, Director of the Commission’s Securities Division, confirmed the need for more public education to protect investors from fraud. “Before purchasing any type of security, contact the Arizona Corporation Commission to ensure that the stock is registered,” cautioned Sendrow.

The Arizona Corporation Commission's Securities Division may be contacted at 602-542-4242, toll free at 1-877-3878, by e-mail at accsec@ccsd.cc.state.az.us, or at its website: www.ccsd.cc.state.az.us.

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