

BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE  
OF THE STATE OF IDAHO

STATE OF IDAHO, Department of	)	
Finance, Securities Bureau,	)	Docket No. 1999-7-70
	)	
Complainant,	)	AGREEMENT AND ORDER
	)	
vs.	)	
	)	
Charles Fitzgerald, Zane Jeppesen,	)	
and Beverly Hills Development	)	
Corporation,	)	
	)	
Respondents	)	
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The Director of the Department of Finance has instituted an investigation into the conduct of Respondents Charles Fitzgerald, Zane Jeppesen, and Beverly Hills Development Corporation. Pursuant to said investigation it appears to the Director that violations of the Idaho Securities Act, Idaho Code §30-1401 et seq. have occurred. The Director and Respondents have agreed to resolve this matter without a public hearing. Therefore, the Director deems it appropriate and in the public interest that this Agreement and Order be entered, and the Respondents consent to the entry of this Agreement and Order.

RESPONDENTS

1. Beverly Hills Development Corporation (" Beverly Hills" ) was incorporated in the state of California on February 2, 1999.

The corporation is a real estate development company located in Beverly Hills, California.

2. The articles of incorporation list Charles Fitzgerald (" Fitzgerald" ) as the Chief Executive Officer of Beverly Hills.

3. Zane Jeppesen (" Jeppesen" ) is a salesman for Beverly Hills.

4. Neither Fitzgerald nor Jeppesen, hold any professional licenses in Idaho.

FINDINGS OF FACT

5. Jeppesen, at the direction of Fitzgerald, has solicited investments in Idaho in the amount of \$294,000. The investments are evidenced by promissory notes. The notes are issued by Beverly Hills.

6. The promissory notes issued to Idaho investors constitute securities as defined in Idaho Code §30-1402(12).

FINDINGS OF VIOLATIONS

7. Idaho Code §30-1406 provides that it is unlawful for any

person to transact business in this state as a salesman unless he is registered under the Act, and it is unlawful for any issuer to employ a salesman unless the salesman is registered under the Act.

8. Respondents violated Idaho Code §30-1406 in that Jeppesen transacted business in Idaho when he was not licensed to do so.

9. Idaho Code §30-1416 states that it is unlawful for any person to sell or to offer to sell any security in this state, except those securities identified as exempt under §30-1434, or those sold in transactions exempt under §30-1435, Idaho Code, unless such security is registered by notification, coordination or qualification under this Act.

10. Respondents violated Idaho Code §30-1416 in that they sold unregistered securities in Idaho.

11. Idaho Code §30-1403(2) states that it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, to make any untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.

12. Respondents violated Idaho Code §30-1403(2) in that they did not disclose to Idaho investors that promissory notes were not registered as securities in Idaho, and that Respondents were not

licensed to sell securities in Idaho.

SANCTIONS

13. Respondents admit the allegations contained in this Agreement and Order.

14. Respondents agree to pay off the outstanding principal and interest balances to Idaho investors by ~~October~~ <sup>December</sup> 15, 1999. Respondents agree to certify to the Department that these payments have been made. Such certification shall be provided to the Department on or before ~~October~~ <sup>December</sup> 22, 1999.

15. Respondents agree to comply with all provisions of the Idaho Securities Act in the future.

16. Respondents agree to immediately discontinue all securities activities in Idaho until appropriate registration and licensing is obtained.

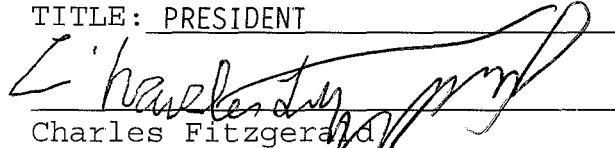
17. Respondents acknowledge and agree that Complainant may use the violations alleged herein against Respondents in any subsequent proceeding, in the event that Respondents violate this Order or the Idaho Securities Act during the twelve months following the execution of this Order.

DONE AND DATED at Boise, Idaho this \_\_\_\_\_ day of October,  
1999.

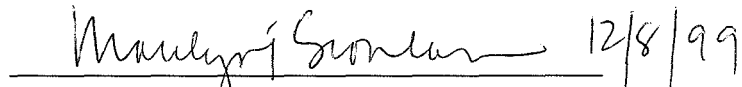
BEVERLY HILLS DEVELOPMENT CORPORATION

BY: CHARLES FITZGERALD

TITLE: PRESIDENT

  
Charles Fitzgerald

  
Zane Jeppesen

 12/8/99

MARILYN T. SCANLAN  
Bureau Chief, Securities Bureau  
Department of Finance  
State of Idaho

IT IS SO ORDERED This 16<sup>th</sup> day of December, 1999



GAVIN M. GEE  
Director  
Department of Finance

