

MIKE BEEBE
GOVERNOR

A. HEATH ABSHURE
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300
201 EAST MARKHAM STREET
LITTLE ROCK, ARKANSAS 72201-1692
TELEPHONE: (501) 324-9260
FACSIMILE: (501) 324-9268

ARKANSAS SECURITIES DEPARTMENT

Theodore Holder
Direct Dial: 501/324-8678
Email: ted.holder@mail.state.ar.us

FOR IMMEDIATE RELEASE

Date: March 18, 2009

Contact Person: Theodore Holder, Assistant Commissioner

ARKANSAS SECURITIES COMMISSIONER ISSUES TWO CEASE AND DESIST ORDERS, ONE STOPPING INSURANCE AGENT FROM ACTING AS AN UNREGISTERED INVESTMENT ADVISER AND THE OTHER STOPPING FRAUDULENT SALES OF UNREGISTERED SECURITIES

Arkansas Securities Commissioner A. Heath Abshure issued two cease and desist orders today. In the order issued against **James Robert Crawford, d/b/a Safety of Seniors**, Abshure ordered Crawford, a licensed insurance agent, to stop acting as an investment adviser without being registered as such with the Arkansas Securities Department (ASD). Commissioner Abshure relied on allegations of fact made by the staff of the Arkansas Securities Department (Staff) that Crawford had advised four Arkansas residents to sell some or all of their securities in order to invest in equity indexed annuities (EIAs) with him. In most cases Crawford recommended liquidating entire brokerage accounts, most of which were in individual retirement accounts (IRAs), but he also recommended keeping several securities, including stock of General Motors and some bank stock, which Crawford advised were "solid investments." Crawford facilitated the liquidation of securities accounts by providing his clients notes on what to do and even telephone scripts instructing his clients how to call their brokers or brokerage firms and liquidate their accounts. Abshure ordered Crawford to cease this activity until and unless Crawford becomes registered with the ASD as an investment adviser.

The second order was issued against **Steven Edward Gwin and First Nevada Marketing, Inc.** Relying on allegations of fact made by the Staff, Abshure found that Gwin sold unregistered securities as an unregistered agent of the issuer, First Nevada Marketing, Inc. (1NV) by means of securities fraud. Other allegations of fact show how the sale of this security was fraudulent: Gwin, who formerly had insurance licenses in Missouri and Arkansas, gained the trust of a number of northwest Arkansas retirees by selling them EIAs. Several years later, Gwin sold these residents securities guaranteeing them between 8 % to 18 % per annum based on a vague business involving short term trading that was never clearly explained. From 2004 through February, 2007, these eight investors invested approximately \$136,000 in 1NV. Gwin failed to inform any of the investors that he had a prior criminal conviction in federal court in Ohio for conspiracy to defraud for which he was sentenced to twenty months imprisonment and ordered to make restitution by releasing his interest in bonds and cash seized which totaled \$30,000, all of which was ordered "divided equally among the victims of the fraud." Gwin also failed to inform investors that their money was really not used in the way he described. Some of the money was used to convey the semblance of a legitimate business, including making payments to some investors in order to lull

them into a false sense of security, but most of the money was converted to Gwin's own use and spent for his personal expenses. The Staff found no evidence of any trading business. None of the victims have received the return promised, and none now know of Gwin's whereabouts.

"Both of these orders show the importance of being registered—the equivalent of being licensed—to sell securities or to render advice concerning the purchase or sale of securities," stated Assistant Commissioner Theodore Holder. "We encourage anyone who is being solicited to invest in anything that promises a return to ask the person making that offer if he or she is registered or licensed to make that solicitation. If you are told that what is being sold is not a security or that the offeror does not have to be registered, call us next. We might be able to save you some money," Holder stated.

The public is advised that these are continuing investigations. Should anyone have any further information about **James Robert Crawford, d/b/a Safety of Seniors**, please call Mr. Scott Freydl at 501-324-9266. Should anyone have any further information about **Steven Edward Gwin or First Nevada Marketing, Inc.**, call Mr. Holder at the direct dial number listed above. Both Mr. Freydl and Mr. Holder can also be reached at the 1-800 hotline number printed below

Copies of the orders can be obtained at the Arkansas Securities Department's website, listed below. Order No. S-08-074-09-CD01, *In the Matter of James Robert Crawford, d/b/a Safety of Seniors, Inc.*, and Order No. S-08-009-09-CD01, *In the Matter of First Nevada Marketing, Inc., and Steven Edward Gwin.*