

1 WAYNE STRUMPFER
Acting California Corporations Commissioner
2 ALAN S. WEINGER (86717)
Acting Deputy Commissioner
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6 Attorneys for Complainant
California Corporations Commissioner

7
8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10 In the Matter of the) OAH No. L-2006010092
11 DESIST AND REFRAIN ORDER)
12 Issued To:)
13 Steve O. Cooper, Sr., Peggy Sue Cooper,) RESPONDENTS STEVE O. COOPER, SR.
14 Michael E. Stevenson, M. E. Stevenson, Inc.,) AND PEGGY SUE COOPER'S
15 Respondents.) STIPULATION TO ORDER TO DESIST AND
16) REFRAIN FROM THE MAKING OF
17) MISREPRESENTATIONS AND
18) OMISSIONS IN THE OFFER OR SALE OF
19) SECURITIES
20)
21)
22)

23 IT IS HEREBY STIPULATED BY AND BETWEEN THE RESPONDENTS STEVE O.
24 COOPER, SR., AND PEGGY SUE COOPER AND WAYNE STRUMPFER, ACTING
25 COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA
26 ("COMMISSIONER"), AS FOLLOWS:

27 WHEREAS, on November 18, 2005, the COMMISSIONER issued a Desist and Refrain
28 Order ("Order") against STEVE O. COOPER, SR. AND PEGGY SUE COOPER for making
misrepresentations and omissions of material fact in the offer or sale of securities in an investment
club offered in the name of SOCM Enterprises, Inc.

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1 WHEREAS, STEVE O. COOPER, SR. AND PEGGY SUE COOPER timely requested a
2 hearing on the Order, as permitted by law, and hereby acknowledge and agree that the
3 COMMISSIONER is ready, willing and able to grant a hearing in relation to the Order, that said
4 Respondents have a right to such a hearing to challenge the Order, and that Respondents hereby
5 voluntarily waive their rights to such a hearing in the interest of avoiding the expense, time and
6 uncertainty of such a hearing.

7
8 WHEREAS, STEVE O. COOPER, SR. AND PEGGY SUE COOPER, without admitting or
9 denying any of the findings contained within the Order or this Stipulation, hereby agree and stipulate
10 to the Order, including but not limited to the opinions and findings made by the COMMISSIONER,
11 and without specifically admitting or denying such findings, including but not limited to the
12 following:

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14 1. STEVE O. COOPER, SR. is a resident of San Diego County and is the founder and
15 pastor of Nu-Way Christian Ministries, Inc., a non-denominational church with locations in San
16 Diego and Temecula.

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18 2. PEGGY SUE COOPER is a resident of San Diego County.

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20 3. SOCM Enterprises, Inc. is a California corporation that was formed by STEVE O.
21 COOPER, SR. on December 8, 2004. STEVE O. COOPER, SR. is its President and Chief Executive
22 Officer. PEGGY SUE COOPER was the Secretary and Treasurer of SOCM Enterprises, Inc. from its
23 inception to September 9, 2005.

24
25 4. In or about April of 2005, STEVE O. COOPER, SR. and Michael E. Stevenson
26 (“Stevenson”) formed a so-called “investment club” offered in the name of SOCM Enterprises, Inc.,
27 of which each would be a co-director. They created agreements for the club by adapting forms
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1 downloaded from the Internet site of a securities broker-dealer and made promises of returns to
2 investment club members from trading of options.

3
4 5. SOCM Enterprises, Inc., STEVE O. COOPER, SR. AND PEGGY SUE COOPER
5 solicited investors, including but not limited to members of the congregation of Nu-Way Christian
6 Ministries, Inc., to join the investment club. Initially, SOCM Enterprises, Inc., STEVE O. COOPER,
7 SR. AND PEGGY SUE COOPER promised prospective club members yields of three percent per
8 month for investments of \$2,000 to \$5,000, and five percent per month for investments of amounts
9 over \$5,000. In or about the beginning of August 2005, however, SOCM Enterprises, Inc., STEVE
10 O. COOPER, SR. AND PEGGY SUE COOPER started telling prospective and existing investors that
11 they would be receiving three percent rather than five percent per month, regardless of the amount
12 they invested.

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14 6. STEVE O. COOPER, SR. and Stevenson agreed that investment funds paid to SOCM
15 Enterprises, Inc. by club members would be transferred to M.E. Stevenson, Inc., for trading. M.E.
16 Stevenson Inc. is a Nevada corporation formed on May 28, 2004 by Michael E. Stevenson who is
17 also the corporation's President. STEVE O. COOPER, SR. and Stevenson agreed that the option
18 trading would be performed by a syndicate comprised of M.E. Stevenson, Inc. and SOCM
19 Enterprises, Inc., but that Stevenson would be the only person responsible for selecting and placing
20 trades on behalf of the investment club.

21
22 7. Pursuant to a two-page "Syndicate Agreement" that was signed by STEVE O.
23 COOPER, SR. and Stevenson on May 8, 2005, STEVE O. COOPER, SR. and Stevenson agreed that
24 any profits that were earned from Stevenson's trading of options with investment club funds, above
25 the earnings promised to club members, would be split equally between their two corporations every
26 month. They further agreed that every month each of them could elect either to withdraw or reinvest
27 their half of the profits, or any portion of those profits, as each of them preferred. Investment club
28 members were not informed of the "Syndicate Agreement" or of the fact that STEVE O. COOPER,

1 SR. and Stevenson had an agreement to split any profits the investment club obtained from option
2 trading in excess of members' earnings.

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4 8. On August 15, 2005 the COMMISSIONER issued another desist and refrain order to
5 SOCM Enterprises, Inc., STEVE O. COOPER, SR. and PEGGY SUE COOPER which found that
6 they had engaged in violations of Corporations Code section 25110 and which required them to desist
7 and refrain from further offers or sales of investment club memberships.

8
9 WHEREAS, the investment club interests are securities in the form of investment contracts,
10 which are subject to qualification under the California Corporate Securities Law of 1968 which have
11 been offered without being qualified, in violation of section 25110 of the California Corporations
12 Code. STEVE O. COOPER, SR. and PEGGY SUE COOPER further stipulate and agree that each,
13 along with SOCM Enterprises, Inc., has offered and sold securities in an investment club found by
14 the Commissioner to have been sold by means of misrepresentations of material fact and by means of
15 communications which have omitted material facts necessary in order to make the statements made,
16 in the light of the circumstances under which they were made, not misleading, in violation of section
17 25401 of the Corporate Securities Law of 1968. They further agree with and acknowledge, without
18 admitting or denying, the finding that failed to inform prospective investment club members that any
19 club earnings in excess of the monthly earnings promised to members will be split equally each
20 month between SOCM Enterprises, Inc. and M.E. Stevenson, Inc.

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22 WHEREAS, STEVE O. COOPER, SR. and PEGGY SUE COOPER represent they are in
23 compliance with the Order and that they have ceased from offering and selling securities in the
24 investment club and from making any misrepresentations of material fact and by means of
25 communications which have omitted material facts necessary in order to make the statements made,
26 in the light of the circumstances under which they were made, not misleading. The Commissioner
27 has not verified whether STEVE O. COOPER, SR. and PEGGY SUE COOPER are in fact in
28 compliance with the Order as represented by STEVE O. COOPER, SR. and PEGGY SUE COOPER.

1 WHEREFORE, STEVE O. COOPER, SR. and PEGGY SUE COOPER stipulate and agree to
2 the finality of the COMMISSIONER'S Order. STEVE O. COOPER, SR. and PEGGY SUE
3 COOPER understand and agree not to represent that this Stipulation is a settlement or a withdrawal
4 of the COMMISSIONER'S Order. STEVE O. COOPER, SR. and PEGGY SUE COOPER further
5 understand and agree that the Order remains in full effect, and that they cannot deny the violations
6 cited in the COMMISSIONER'S Order or make any statement or representation that is inconsistent
7 with this Stipulation or the Order. STEVE O. COOPER, SR. and PEGGY SUE COOPER further
8 understand and agree that if either violates the Order, this Stipulation does not prevent the
9 Department of Corporations from taking future action, and that if either violates this Stipulation, this
10 Stipulation is null and void.

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12 Dated: 2/28/06

13 WAYNE STRUMPFER
14 Acting California Corporations Commissioner

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16 By: ALAN S. WEINGER
17 Acting Deputy Commissioner

18
19 Dated: 2/27/06

20 By: STEVE O. COOPER, SR.,
21 an individual

22 Dated: 2/24/06

23 By: PEGGY SUE COOPER,
24 an individual

25 Dated: 2-13-06

26 By: ERWIN J. SHUSTAK
27 Approved as to Form
28 Attorneys for Respondents STEVE O. COOPER, SR.
and PEGGY SUE COOPER

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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Steve O. Cooper, Sr., President and CEO
Peggy Sue Cooper, Secretary and CFO
SOCM Enterprises, Inc.
1836 Parkland Way
San Diego, California 92114

Michael E. Stevenson, President and CEO
M.E. Stevenson, Inc.
1000 E. William St.
Carson City, Nevada 89701

Michael E. Stevenson, President and CEO
M.E. Stevenson, Inc.
27131 Sapphire Street
Menifee, California 92584

Yemi Ogunbase, Secretary
M.E. Stevenson, Inc.
549 Graves Avenue #11
El Cajon, California 92020

DESIST AND REFRAIN ORDER

(For violations of section 25110, 25230 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Steve O. Cooper, Sr. (“Steve Cooper”) is a resident of San Diego County. He is the founder and pastor of Nu-Way Christian Ministries Inc., a non-denominational church with locations at 3081 54th Street in San Diego and 27576 Commerce Center Drive, Suite 111-112 in Temecula.

1 2. Peggy Sue Cooper (“Peggy Cooper”) is a resident of San Diego County.
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3 3. SOCM Enterprises, Inc. is a California corporation that was formed by Steve Cooper on
4 December 8, 2004. Steve Cooper is its President and Chief Executive Officer (CEO). Peggy Cooper
5 was the Secretary and Treasurer of SOCM Enterprises, Inc. from its inception to September 9, 2005.
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8 4. Michael E. Stevenson (“Stevenson”) is a resident of Menifee, California.
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10 5. M.E. Stevenson, Inc. is a Nevada corporation that was formed on May 28, 2004. Michael
11 E. Stevenson is the founder and President of M.E. Stevenson, Inc.
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13 6. Yemi Ogunbase is the Secretary of M.E. Stevenson, Inc.
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15 7. In or about April of 2005, Steve Cooper and Stevenson agreed to form a so-called
16 “investment club” of which they would be co-directors. They created agreements for the club by
17 adapting forms they downloaded from the Internet site of a securities broker-dealer. They agreed that
18 the investment club would be offered in the name of SOCM Enterprises, Inc. and would promise its
19 members investment returns from trading of options.
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21 8. SOCM Enterprises, Inc., Steve Cooper and Peggy Cooper solicited investors, including but
22 not limited to members of the congregation of Nu-Way Christian Ministries Inc., to join the
23 investment club. Initially, SOCM Enterprises, Inc., Steve Cooper and Peggy Cooper promised
24 prospective club members yields of 3% per month for investments of \$2,000 to \$5,000, and 5% per
25 month for investments of amounts over \$5,000. In or about the beginning of August, 2005, however,
26 SOCM Enterprises, Inc., Steve Cooper and Peggy Cooper started telling prospective and existing
27 investors that they would be receiving 3% rather than 5% per month, regardless of the amount they
28 invested.

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2 9. Steve Cooper and Stevenson agreed that investment funds paid to SOCM Enterprises, Inc.
3 by club members would be transferred to M.E. Stevenson, Inc. for trading. They agreed that the
4 option trading would be performed by a “syndicate” comprised of M.E. Stevenson, Inc. and SOCM
5 Enterprises, Inc. but that Stevenson would be the only person responsible for selecting and placing
6 trades on behalf of the investment club. Stevenson began trading on behalf of the investment club in
7 April of 2005 and continued through at least September of 2005. Yemi Ogunbase provided market
8 trend information that Stevenson used as a factor in his trading decisions.

9
10 10. Pursuant to a two-page “Syndicate Agreement” that was signed by Steve Cooper and
11 Stevenson on May 8, 2005, Steve Cooper and Stevenson agreed that any profits that were earned
12 from Stevenson’s trading of options with investment club funds, above the earnings promised to club
13 members, would be split equally between their two corporations every month. They further agreed
14 that every month each of them could elect either to withdraw or reinvest their half of the profits, or
15 any portion of those profits, as each of them preferred. Investment club members were not informed
16 of the “Syndicate Agreement” or of the fact that Steve Cooper and Stevenson had an agreement to
17 split any profits the investment club obtained from option trading in excess of members’ earnings.

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19 11. Interests in the investment club offered by SOCM Enterprises, Inc., Steve Cooper, Peggy
20 Cooper, M.E. Stevenson, Stevenson and Ogunbase are securities in the form of investment contracts.
21 The Department of Corporations has not issued a permit or other form of qualification authorizing the
22 offer or sale of interests in the investment club offered by SOCM Enterprises, Inc., Steve Cooper,
23 Peggy Cooper, M.E. Stevenson, Inc., Stevenson and Ogunbase. On August 15, 2005 the California
24 Corporations Commissioner issued a desist and refrain order to SOCM Enterprises, Inc., Steve
25 Cooper and Peggy Cooper which found that they had engaged in violations of Corporations Code
26 section 25110 and which required them to desist from further offers or sales of investment club
27 memberships.

1 Based upon the foregoing findings the California Corporations Commissioner is of the
2 opinion that the investment club interests offered by Michael E. Stevenson, M.E. Stevenson, Inc. and
3 Yemi Ogunbase are securities in the form of investment contracts which are subject to qualification
4 under the California Corporate Securities Law of 1968 which have been and are being offered
5 without being qualified, in violation of section 25110 of the California Corporations Code. Pursuant
6 to section 25532 of the Corporate Securities Law of 1968, M.E. Stevenson, Inc., Michael E.
7 Stevenson and Yemi Ogunbase are hereby ordered to desist and refrain from the further offer or sale
8 in the State of California of securities in the form of investment contracts unless and until
9 qualification has been made pursuant to the Corporate Securities Law of 1968 or unless exempt.
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11 The California Corporations Commissioner is of the further opinion that Michael E.
12 Stevenson and M.E. Stevenson, Inc. have conducted business in California as investment advisers
13 without having first applied for and secured a certificate authorizing them to do so, in violation of
14 Corporations Code section 25230. Pursuant to section 25532 of the Corporate Securities Law of
15 1968, Michael E. Stevenson and M.E. Stevenson, Inc. are hereby ordered to desist and refrain from
16 charging compensation for managing or providing advice concerning securities and/or securities
17 portfolios or as to the advisability of investing in, purchasing or selling securities and/or securities
18 portfolios unless and until they have been appropriately licensed or unless exempt.
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20 The California Corporations Commissioner is also of the opinion that SOCM Enterprises,
21 Steve O. Cooper, Sr., Peggy Cooper, Michael E. Stevenson, M.E. Stevenson, Inc. and Eric Ogunbase
22 have offered and sold securities in the form of investment club interests by means of
23 misrepresentations of material fact and by means of communications which have omitted material
24 facts necessary in order to make the statements made, in the light of the circumstances under which
25 they were made, not misleading, in violation of section 25401 of the Corporate Securities Law of
26 1968. They have failed to inform prospective investment club members that any club earnings in
27 excess of the monthly earnings promised to members will be split equally each month between
28 SOCM Enterprises, Inc. and M.E. Stevenson, Inc. Pursuant to section 25532 of the Corporate

1 Securities Law of 1968, SOCM Enterprises, Steve O. Cooper, Sr., Peggy Cooper, Michael E.
2 Stevenson, M.E. Stevenson, Inc. and Eric Ogunbase are hereby ordered to desist and refrain from
3 offering or selling or buying or offering to buy any security in the State of California, including but
4 not limited to investment club interests, by means of any written or oral communication which
5 includes an untrue statement of a material fact or omits to state a material fact necessary in order to
6 make the statements made, in the light of the circumstances under which they were made, not
7 misleading.

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9 This Order is necessary, in the public interest, for the protection of investors and consistent
10 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

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12 Dated: November 18, 2005
13 Los Angeles, California

14 WAYNE STRUMPFER
15 Acting California Corporations Commissioner

16 By _____
17 ALAN S. WEINGER
18 Acting Deputy Commissioner

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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Steve O. Cooper, Sr., President and CEO
Peggy Sue Cooper, Secretary and CFO
SOCM Enterprises, Inc.
1836 Parkland Way
San Diego, California 92114

DESIST AND REFRAIN ORDER
(For violations of section 25110 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Steve O. Cooper, Sr. (“Steve Cooper”) is a resident of San Diego County. He is the founder and pastor of Nu-Way Christian Ministries Inc., a non-denominational church with locations at 3081 54th Street in San Diego and 27576 Commerce Center Drive, Suite 111-112 in Temecula.

2. Peggy Sue Cooper (“Peggy Cooper”) is a resident of San Diego County.

3. SOCM Enterprises, Inc. is a California corporation that was formed by Steve Cooper on December 8, 2004. Steve Cooper is its president and CEO. Peggy Cooper is its secretary and chief financial officer.

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1 4. SOCM Enterprises, Inc., Steve Cooper and Peggy Cooper are soliciting investors,
2 including but not limited to members of the congregation of Nu-Way Christian Ministries Inc., to join
3 an “investment club.” Initially SOCM Enterprises, Inc., Steve Cooper and Peggy Cooper promised
4 yields of 3% per month for investments of \$2,000 to \$5,000, and 5% per month for investments of
5 amounts over \$5,000. In or about the beginning of August, 2005, however, SOCM Enterprises, Inc.,
6 Steve Cooper and Peggy Cooper started telling prospective and existing investors that they are going
7 to be receiving 3% rather than 5% per month, no matter the amount of their investment. SOCM
8 Enterprises, Inc., Steve Cooper and Peggy Cooper represent to investors that the returns are earned
9 from trading, primarily of options, by a “syndicate” called M.E. Stevenson, Inc.

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11 5. Interests in the investment club offered by SOCM Enterprises, Inc., Steve Cooper and
12 Peggy Cooper are securities in the form of investment contracts.

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14 6. The Department of Corporations has not issued a permit or other form of qualification
15 authorizing the offer or sale of interests in the investment club offered by SOCM Enterprises, Inc.,
16 Steve Cooper and Peggy Cooper.

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18 Based upon the foregoing findings, the California Corporations Commissioner is of the
19 opinion that the investment club interests offered by SOCM Enterprises, Inc., Steve O. Cooper, Sr.
20 and Peggy Cooper are securities in the form of investment contracts which are subject to qualification
21 under the California Corporate Securities Law of 1968 which have been and are being offered
22 without being qualified, in violation of section 25110 of the California Corporations Code. Pursuant
23 to section 25532 of the Corporate Securities Law of 1968, SOCM Enterprises, Inc., Steve O. Cooper,

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1 Sr. and Peggy Cooper are hereby ordered to desist and refrain from the further offer or sale in the
2 State of California of securities in the form of investment contracts unless and until qualification has
3 been made pursuant to the Corporate Securities Law of 1968 or unless exempt.

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Dated: August 15, 2005
Los Angeles, California

WAYNE STRUMPFER
Acting California Corporations Commissioner

By _____
ALAN S. WEINGER
Acting Deputy Commissioner