

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER



NICHOLAS C. TAYLOR
CHAIRMAN

JOHN R. MORGAN
DEPUTY SECURITIES COMMISSIONER

JOSE ADAN TREVINO
MEMBER

State Securities Board

MAIL: P.O. BOX 13167
AUSTIN, TEXAS 78711-3167

208 E. 10th Street, 5th Floor
Austin, Texas 78701
Phone (512) 305-8300
FAX (512) 305-8310
<http://www.ssb.state.tx.us>

KENNETH W. ANDERSON, JR.
MEMBER

SSB Docket No. 00-004

IN THE MATTER OF
MOUNTAIN STATES CAPITAL, INC.

§
§

Order No. FIN-1385

TO: Mountain States Capital, Inc.
2601 East Thomas Road
Suite 117
Phoenix, Az. 85016

ADMINISTRATIVE ORDER ASSESSING A FINE FOR THE SALE OF UNREGISTERED SECURITIES

Be it remembered that Mountain States Capital, Inc. ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and without admitting or denying them, the Findings of Fact and the Conclusions of Law contained herein, except the first Finding of Fact which is admitted.

FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to notice and hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2000) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon Supp. 2000) ("Administrative Procedure Act").
2. Respondent is a corporation incorporated in Arizona on March 13, 1997.
3. Respondent offered for sale and sold securities in Texas in the form of notes for the purpose of funding a loan pool for short-term inventory financing for independent automobile dealers by placing advertisements in publications of general circulation in Texas, including The Houston Chronicle.

4. Respondent has offered for sale and sold said securities at a time when said securities were not registered as required by Section 7 of the Texas Securities Act;

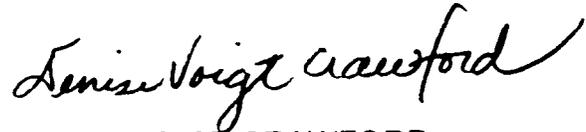
CONCLUSIONS OF LAW

1. Notes are securities as defined by § 4.A of the Texas Securities Act.
2. Respondent offered and sold securities as defined by § 4.E of the Texas Securities Act.
3. Pursuant to § 23-1 of the Texas Securities Act, a basis for the assessment of an administrative fine exists.

ORDER

1. It is further ORDERED that Respondent is ASSESSED AN ADMINISTRATIVE FINE in the amount of Thirty Thousand Dollars (\$30,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of Thirty Thousand Dollars (\$30,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.

SIGNED AND ENTERED THIS 21st day of January, 2000.



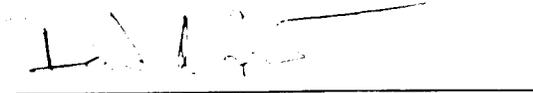
DENISE VOIGT CRAWFORD
Securities Commissioner

Respondents:



Mountain States Capital, Inc. by
Chad Collins, President

Approved as to Form:



David A. Grauer
Director, Enforcement Division



John R. Fahy
Assistant Director, Enforcement Division

ACKNOWLEDGEMENT

On the 21st day of January, 2000, Mountain States Capital, Inc. ("Respondent") by and through Chad Collins, its President, personally appeared before me, executed the foregoing Order and acknowledged that:

1. Chad Collins is duly authorized to enter into the foregoing Order on behalf of Respondent Mountain States;
2. Chad Collins has read the foregoing Order;
3. Respondent has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and without admitting or denying them, the Findings of Fact and the Conclusions of Law contained herein, except the first Finding of Fact which is admitted; and
5. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.

Kathy Craig
Notary Public in and for
the State of Arizona

[affix notary seal here]

My commission expires on: 11/24/2002

