

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 3, 2007

COMMONWEALTH OF VIRGINIA, ex rel.

2007-03-28 2:11

STATE CORPORATION COMMISSION

v.

CHRISTOPHER ANTHONY CORSO, SR.  
and  
CAC CAPITAL CORPORATION,  
Defendants

CASE NO. SEC-2006-00085

FINAL ORDER

On December 4, 2006, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Christopher Anthony Corso ("Corso") and CAC Capital Corporation ("CAC") (collectively "Defendants"). The Rule alleged that: (i) Corso and CAC willfully provided the Commission with false and misleading information by failing to disclose criminal convictions, including felonies, when filing Corso's Form U-4 for continued registration as an agent of a broker-dealer in Virginia in violation of § 13.1-516 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia; (ii) CAC filed a Form BD on February 9, 2005, for registration within the Commonwealth of Virginia, which showed Corso as having no criminal record when Corso had nine (9) criminal convictions predating the registration date in violation of the Commission's Securities Rule ("Rule") 21 VAC 5-20-10 CAC; (iii) CAC failed to update its registration to accurately reflect Corso's criminal history, contrary to the Central Registration Depository system ("CRD") requirements and in violation of Rule 21 VAC 5-20-40; (iv) Corso filed a Form U-4 on May 26, 2005, for registration as a broker-dealer agent within the Commonwealth of Virginia, which reported Corso to have no criminal record when Corso had nine (9) criminal convictions predating the application for registration in violation of Rule VAC 5-20-90; and (v) Corso failed to update his registration to accurately reflect his criminal history,

contrary to the CRD requirements and in violation of Rule VAC 5-20-120. This Rule directed the Defendants to file a pleading responsive to the Rule on or before January 8, 2007.

The Rule assigned the matter to a Hearing Examiner, scheduled an evidentiary hearing for February 8, 2007, and ordered the Defendants to appear at the hearing to show cause why they should not be penalized pursuant to § 13.1-521 of the Act for the alleged violations of the Act as set forth in the Rule.

On February 7, 2007, counsel for the Division of Securities and Retail Franchising filed a Motion for Default Judgment alleging that the Defendants had failed to file an answer or other responsive pleading by the date set forth in the Rule. An affidavit from Investigator Matthew Long, with attached exhibits supporting the allegations, accompanied the Motion for Default Judgment.

On February 8, 2007, the matter was heard by Alexander F. Skirpan, Hearing Examiner. Counsel appearing at the hearing was Mary Beth Williams, Esquire, for Commission Staff. Although the Defendants received notice of the hearing and were properly served, the Defendants failed to appear at the hearing. The testimony of Matthew Long, in the form of an affidavit and attached exhibits supporting the allegations, was marked as an exhibit and admitted into the record. Counsel for the Staff moved for a default judgment based on the Defendants' failure to file a responsive pleading and appear at the hearing.

On February 21, 2007, the Hearing Examiner issued his Report. In his Report, he found that based on the evidence presented: (1) the Defendants were in default; (2) Defendant Corso should be fined \$15,000; and (3) Defendant CAC should be fined \$15,000. The Hearing Examiner recommended that the Commission enter a Judgment Order that adopts the findings in

his Report and dismisses the case from the Commission's docket of active cases. There were no comments filed on the Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Hearing Examiner's ruling, and the applicable statutes, is of the opinion and finds that: (1) the Division established by clear and convincing evidence that the Defendants violated the statutes and regulations as set forth in the Rule; and (2) the Hearing Examiner's findings and recommendations are reasonable and should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the February 21, 2007, Hearing Examiner's Report are hereby adopted;

(2) In accordance with the Commission's regulatory duties and powers and pursuant to § 13.1-421 of the Act, judgment is entered for the Commonwealth and against the Defendants, and a civil penalty of \$15,000 shall be imposed on each of the Defendants for the violations of the Act as described herein;

(3) Pursuant to § 13.1-519 of the Act, the Defendants are hereby enjoined from any further violations of the Act; and

(4) The papers filed herein shall be placed in the Commission's file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission, by CERTIFIED MAIL, RETURN RECEIPT REQUESTED to: Anthony Corso, Sr., 3728 Duck Creek, Garland, Texas 75043; CAC Capital Corporation c/o Anthony Corso Sr., 5711 Preston Oaks, Suite 1728, Dallas, Texas 75254; CAC Capital Corporation c/o Anthony Corso Sr., 3728 Duck Creek, Garland, Texas 75043; and the Commission's Office of General Counsel and the Division of Securities and Retail Franchising.