

**STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION**

**IN THE MATTER OF:**

**CARINA TECHNOLOGY, INCORPORATED  
MAGNA VISTA GROUP, INCORPORATED  
JAY W. NEWKIRK  
PEGGY L. SAMMON  
RALPH G. PETROFF**

**RESPONDENTS**

**ADMINISTRATIVE ORDER  
NO. CD 2009- 00<sup>04</sup>**

**CEASE AND DESIST ORDER**

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

**RESPONDENTS**

1. **CARINA TECHNOLOGY, INCORPORATED ("CARINA TECH")** at all times relevant to the issuance of this Order, was a Delaware Corporation with a business address of 689 Discovery Drive Northwest, Huntsville, Alabama, 35806. **CARINA TECH** claims their primary purpose is to provide automated managed business solutions to other companies.

2. **MAGNA VISTA GROUP, INCORPORATED ("MAGNA VISTA")** at all times relevant to the issuance of this Order was a Alabama Corporation providing communication services to other corporations with a business address of 5510 Panorama Drive, Huntsville, Alabama, 35801.

3. **JAY W. NEWKIRK ("NEWKIRK")** at all times relevant to the issuance of this Order was the President and Chief Executive Officer of **CARINA TECH** with a business address of 689 Discovery Drive Northwest, Huntsville, Alabama, 35806.

4. **PEGGY L. SAMMON ("SAMMON")** at all times relevant to the issuance of this Order was a board member, the initial registered agent and one of the incorporators of **MAGNA VISTA** with a business address of 5510 Panorama Drive, Huntsville, Alabama, 35801.

5. **RALPH G. PETROFF ("PETROFF")** at all times relevant to the issuance of this Order was a board member and an incorporator of **MAGNA VISTA** with a business address of 5510 Panorama Drive, Huntsville, Alabama, 35801.

#### **STATEMENT OF FACTS**

6. Between April 2007 and June of 2007 an Alabama resident was approached by **SAMMON** and **NEWKIRK** to purchase stock in **CARINA TECH**. While attending marketing presentations pertaining to the benefits of investing in **CARINA TECH** the Alabama resident met with **PETROFF**. It was represented by **PETROFF** that he had been charged by **CARINA TECH'S** Advisory Board with the responsibility of seeking out new investors.

7. On October 11, 2007, acting on the instructions of **SAMMON**, thirteen Alabama residents established **CARINA PARTNERS** as a limited liability corporation. **CARINA PARTNERS** then pooled investor funds and borrowed money in the name of the limited liability corporation for the purpose of purchasing stock in **CARINA TECH**. On or about November 5, 2007, **CARINA PARTNERS, LLC**. purchased 300,000 shares of **CARINA TECH** stock in the amount of \$1,500,000.00. Bank records indicate that the investor funds were sent from the **CARINA PARTNERS, LLC** bank account held at Metro Bank in Pell City, Alabama to the **CARINA TECH** bank account held at Servisfirst Bank of Birmingham, Alabama.

8. The Commission is in possession of bank records dated November 30, 2007, that appear to represent a commission payment to **MAGNA VISTA** for soliciting and obtaining the investment from **CARINA PARTNERS, LLC**.

9. In addition, the Commission is in possession of correspondence, executed by **NEWKIRK**, indicating that **CARINA TECH** notified existing shareholders of its intention to issue a new Private Placement Memorandum in November 2009 and offer additional investment opportunities by investing additional money in **CARINA TECH**.

10. A review of the Alabama Secretary of State's website on July 28, 2009, revealed that **CARINA TECH** was initially incorporated in the State of Delaware on December 18, 2003, as Automated Managed Business Solutions, with a business address of 690-A Discovery Drive, Huntsville, Alabama 35806. On February 20, 2004, a filing for Certificate of Authority of a Foreign Corporation to transact business in the State of Alabama identified Clyde Luttrell as the corporation's Sole Director and President. Research also revealed the company filed to legally change its name to **CARINA TECH, INCORPORATED** on February 20, 2004.

11. Review of the Alabama Secretary of State's website further revealed that **MAGNA VISTA** is a Madison County, Alabama corporation as of October 18, 2004. Documents on file with the Secretary of State's office identify **SAMMON** and **PETROFF** as **MAGNA VISTA'S** initial Board of Directors and incorporators and listed the nature of the business to provide communications services.

12. A review of **CARINA TECH'S** website on July 27, 2009, revealed the company identified **NEWKIRK** as the Chairman of the Board of Directors as well as its President and Chief Executive Officer. The same website also identified **PETROFF** as a member of the company's Advisory Board.

13. On July 30, 2009, a review of the Commission's registration files disclosed no record of registration, or any perfected exemption from registration, in the state of

Alabama for the securities sold to the investors by the **RESPONDENTS**.

14. On July 30, 2009, a review of the Commission's registration files disclosed no record of registration for **SAMMON** or **PETROFF** as a Dealer, Agent, Investment Advisor or Investment Advisor Representative in the state of Alabama.

15. On December 03, 2009, a review of the Commission's registration files disclosed no record of registration for **NEWKIRK** as a Dealer, Agent, Investment Advisor or Investment Advisor Representative in the state of Alabama.

### **CONCLUSIONS OF LAW**

16. Section 8-6-2 (10), Code of Alabama 1975, enumerates "stock" as a security. The stock offered by **CARINA TECH** issued by **RESPONDENTS** is a security under the Act.

17. Under Section 8-6-2(2), Code of Alabama 1975, the definition of "agent" includes any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. By soliciting and effecting sales of stock in **CARINA TECH** to Alabama residents **SAMMON**, **PETROFF** and **NEWKIRK** are securities "agents" as defined in the Act.

18. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as a Dealer or Agent for securities unless he is registered under this article. **SAMMON**, **PETROFF** and **NEWKIRK** acted as agents of **CARINA TECH** while not being registered with the Commission in violation of the Act.

19. Section 8-6-4, Code of Alabama 1975 states: It is unlawful for any person to offer or sell any security in this state unless it is registered under the Act; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The securities offered and sold by the **RESPONDENTS** as mentioned

in item seventeen (17) of this Order were neither registered nor exempt from registration in Alabama at the time of solicitation and sale in violation of the Act.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the **RESPONDENTS** to make a timely request for hearing, or default of the **RESPONDENTS**, it is the intention of the Commission to impose sanctions upon the **RESPONDENTS**. Such sanctions may include, inter alia, an administrative assessment imposed on **RESPONDENTS**, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENTS**, and a permanent order to bar **RESPONDENTS** from participation in any securities related industry in the state of Alabama.

**ACCORDINGLY, IT IS HEREBY ORDERED** that **RESPONDENTS** immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, AL, this 5th day of January, 2010.

ALABAMA SECURITIES COMMISSION  
401 Adams Avenue, Suite 280  
Montgomery, AL 36104  
(334) 242-2984  
BY:

  
J. Randall McNeill  
Deputy Director

