

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF: )  
 )  
CORPORATE PROPERTY ASSOCIATES 15 INC. ) CONSENT ORDER  
 ) NO. CO-2010- 0022  
 )  
RESPONDENT )

**CONSENT 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 accepting of subscription funds, within or from the state of Alabama, into an escrow arrangement during a period of time in which the effectiveness of a registration statement was still pending in the state of Alabama, has determined as follows:

**RESPONDENT**

1. Corporate Property Associates 15 Inc. (“CPA 15”) is a Maryland corporation and a real estate investment trust (“REIT”) with a business address of 50 Rockefeller Plaza, New York, NY 10020.

**STATEMENT OF FACTS**

2. CPA 15 conducted a registered offering of its common stock that concluded in 2002. The initial offering of CPA 15 shares was declared effective by the Securities and Exchange Commission (the “SEC”) on November 7, 2001, and was closed to new investors in November 2002, having sold out its initial registration of 40 million shares. A registration statement for a second offering of an additional 69 million shares of the common stock of CPA 15 (“Phase II”) was filed with the SEC on October 11, 2002 and was declared effective by the SEC on March 19, 2003.

3. During the period from November 2002 through March 2003, CPA 15 accepted subscriptions pursuant to the Phase II offering into an escrow account, including subscriptions from Alabama residents. Based on records provided by Respondent, there were 102 sales to Alabama residents

totaling \$2,410,690.00. Subscriptions accepted during the period between filing of the registration statement for the Phase II offering and its effectiveness were subject to cancellation and refund at the discretion of the subscribing investor.

4. The Respondent represented to the Commission that outside counsel provided incorrect legal advice to CPA 15 that it was permissible to solicit new purchasers in the Phase II offering using the preliminary prospectus filed with the registration statement relating thereto, and to accept investor funds into CPA 15's escrow account under the terms and conditions governing that escrow account.

5. CPA 15 learned during the course of the Commission's inquiry into the Phase II offering that it is the Commission's position (consistent with the SEC) that, contrary to the legal advice referred to above, accepting subscription funds into an escrow account under the terms applicable to the Phase II offering constituted a "sale" for purposes of the Act.

6. During the Commission's inquiry into the Phase II offering, CPA 15 provided information indicating that the returns actually received by investors in CPA 15 common stock who purchased during the pendency of effectiveness of the registration statement exceeded the statutory rate of return available to them had they exercised any available rights of rescission.

### **CONCLUSIONS OF LAW**

7. Section 8-6-2(10), Code of Alabama 1975, defines any stock contract as a security. The Phase II offering of common stock is a security under the Act.

8. Section 8-6-2(8) of the Act provides in part as follows: "'Sale' and 'sell' includes every contract of sale of, contract to sell, or disposition of a security or interest in a security for value." The Commission interprets this definition to include escrow arrangements such as that employed in the Phase II offering, and Respondent accedes to this interpretation.

9. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful to offer or sell any security unless it is registered under the Act, the security is exempt from registration pursuant to Section 8-6-10 or the transaction is exempt under Section 8-6-11. The securities offered and sold by Respondent prior to the effectiveness of the registration statement pertaining thereto were not registered in the state of Alabama, nor were they the subject of any perfected exemption.

10. Section 8-6-15 (a) of the Act provides that the Commission may, in its discretion, make such investigations as may be deemed necessary to, among other things, aid in the enforcement of the Act.

**WHEREAS, RESPONDENT** has fully cooperated with the Commission's investigation, and provided all the information requested by the Commission, and

**WHEREAS, RESPONDENT** neither admits nor denies any allegations of wrongdoing set forth above, and wishes to continue to cooperate fully with the Commission to resolve these issues by consenting to this Order, and

**WHEREAS, RESPONDENT** recognizes that the Commission relied upon information and assertions of **RESPONDENT** in its determination to consent to this Order, and that should the information provided or assertions made by the **RESPONDENT** prove to be incorrect or misrepresented, the Commission may seek such other administrative, civil or criminal remedies that may be available to it under the provisions of the Act, and

**WHEREAS, RESPONDENT** has voluntarily waived all rights to a hearing upon entry of this Order, and has consented to the entry of this Order as a compromise, and

**WHEREAS**, the Commission finds this Order necessary and appropriate in the public interest for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act, and

**ACCORDINGLY, IT IS HEREBY ORDERED:**

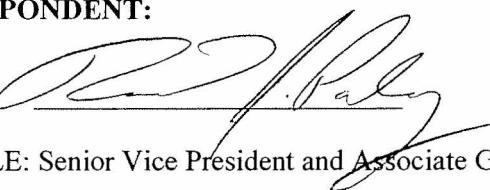
1. That **RESPONDENT** shall ensure that the remedial measures it has taken since the allegations described herein include proper procedures designed to preclude any future non-compliance with the Act.

2. That in accordance with Section 8-6-19(j)(1), Code of Alabama 1975, **RESPONDENT** shall pay to the **State of Alabama**, an administrative assessment in the total sum of \$7,500.00, said funds to be tendered in certified funds contemporaneously with the entry of this Order.

3. That in accordance with Section 8-6-19(k)(1), Code of Alabama 1975, **RESPONDENT** has agreed to pay to the **Alabama Securities Commission**, as partial reimbursement for the Commission's cost of investigating this matter, the sum of \$7,500.00, said funds to be tendered in certified funds contemporaneously with the entry of this Order.

**AGREED AND CONSENTED** to on the dates indicated:

**RESPONDENT:**

BY: 

TITLE: Senior Vice President and Associate General Counsel

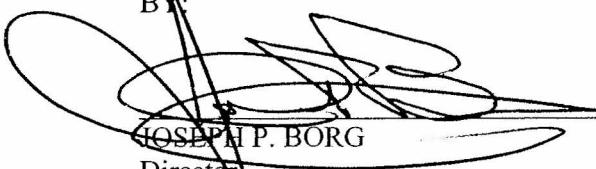
DATE: April 15, 2010

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**APPROVED AND AGREED** this 14th day of May, 2010

ALABAMA SECURITIES COMMISSION  
401 Adams Avenue, Suite 280  
Montgomery, AL 36130-4700  
(334) 242-2984

BY:

  
JOSEPH P. BORG  
Director