

1 **BEFORE THE ARIZONA STATE BOARD**
2 **OF TECHNICAL REGISTRATION**

3
4 In the Matter of:

Docket No. P17-050

5 **CRAIG L. PARKINSON**

6 Geologist

Registration No. 30843,

7 Respondent.

**CONSENT AGREEMENT/
ORDER**

8
9 In the interest of a prompt and judicious resolution of the above-captioned matter before
10 the Arizona State Board of Technical Registration ("Board") and consistent with the public
11 interest, statutory requirements, and the responsibilities of the Board, and pursuant to A.R.S. §
12 32-101 *et seq.*, and A.A.C. R4-30-120(G), Craig L. Parkinson ("Respondent") and the Board
13 enter into the following Consent Agreement/ Order (Agreement") as a final disposition of this
14 matter.

14 **RECITALS**

15 1. Respondent has read and understands this Consent Agreement and has had the
16 opportunity to discuss this Consent Agreement with an attorney, or has waived the opportunity to
17 discuss this Consent Agreement with an attorney.

18 2. Respondent understands that he has the right to a public administrative hearing
19 concerning this case. He further acknowledges that at such formal hearing he could present
20 evidence and cross-examine witnesses. By entering into this Consent Agreement, Respondent is
21 voluntarily, knowingly, and irrevocably waiving his right to such an administrative hearing, as
22 well as rights or rehearing, review, reconsideration, appeal, judicial review, or judicial action
concerning this case.

23 3. Respondent affirmatively agrees that this Consent Agreement shall be irrevocable.

24 4. Respondent acknowledges and agrees that, upon signing this Consent Agreement and
25 returning an original or copy of this document to the Board's Executive Director or Counsel, he
26 may not revoke his acceptance of the Consent Agreement or make any modifications to the

1 document regardless of whether the Consent Agreement has been signed on behalf of the Board.
2 Any modification to this original document is ineffective and void unless mutually agreed by the
3 parties in writing.

4 5. Respondent understands that any part of this Consent Agreement may be considered in
5 any future disciplinary action by the Board against Respondent.

6 6. The Consent Agreement, any record prepared in this matter, all investigative materials
7 prepared or received by the Board and all related exhibits and materials, are public records (as
8 defined in A.R.S. § 41-151.18) upon acceptance by the Board of this Consent Agreement and
9 may be retained in the Board's files pertaining to this matter.

10 7. Respondent understands this Consent Agreement deals with Board case number P17-050
11 involving allegations that Respondent engaged in conduct that would subject him to discipline
12 under the Board's statutes and rules. The investigation into these allegations against Respondent
13 shall be concluded upon the Board's adoption of this Consent Agreement.

14 8. Respondent understands that this Consent Agreement does not constitute a dismissal or
15 resolution of any other matters currently pending before the Board, if any, and does not
16 constitute any waiver, express or implied, of the Board's statutory authority or jurisdiction
17 regarding any other pending or future investigation, action or proceeding.

18 9. Respondent also understands that acceptance of this Consent Agreement does not
19 preclude any other agency, subdivision, or officer of this State from instituting any other civil or
20 criminal proceedings with respect to the conduct that is the subject of this Consent Agreement.

21 10. This Consent Agreement is subject to the approval of the Board and is effective only
22 when accepted by the Board and signed on behalf of the Board. In the event that the Board does
23 not approve this Consent Agreement, it is withdrawn and shall be of no evidentiary value and
24 shall not be relied upon nor introduced in any action by any party.

25 11. If a court of competent jurisdiction rules that any part of this Consent Agreement is void
26 or otherwise unenforceable, the remainder of the Consent Agreement shall remain in full force
and effect.

12. Respondent agrees that the Board will adopt the following Findings of Fact, Conclusions
of Law and Order.

1 **FINDINGS OF FACT**

2 13. The Board is the duly constituted authority for the regulation and control of the practice
3 of Engineering in the State of Arizona.

4 14. Respondent is the holder of Registration No. 30843 to practice as a geologist in the State
5 of Arizona.

6 15. On or about September 7, 2016, the Securities and Exchange Commission ("SEC") filed
7 a Complaint alleging material misrepresentations and omissions in the unregistered offer and sale
8 of securities in the United States District Court for the District of Idaho naming multiple
9 defendants, including Respondent. The Complaint alleged the causes of action arose, in part,
10 through the offer and sale of promissory notes to investors who believed the defendants would
11 use the money to pay routine costs to locate long-term financing to establish mining claims.
12 Investors were told investment principal and interest were secured by a mining claim valued at
13 \$6.8 billion. This valuation was allegedly based upon geological and valuation reports prepared
14 by Respondent. The SEC Complaint alleged, in part, that Respondent:

- 15 a. Issued a report that resulted in false and misleading statements being made
16 to investors;
- 17 b. Failed to obtain test results for samples allegedly shipped to an assay
18 laboratory;
- 19 c. Failed to properly conduct his own calculations to determine how many
20 tons of silica could be mined;
- 21 d. Inappropriately relied upon a letter provided by a self-professed marketing
22 expert in evaluating the sales price of silica in 2010; and
- 23 e. Failed to submit assay samples to a laboratory in determining the value of
24 a mine claim.

25 16. On or about March 9, 2016, Respondent filed a Consent in the Federal case in which he
26 neither admitted nor denied the allegations in the Complaint, but consented to entry of final

1 judgment against him with regards to the claims against him.

2 17. On or about September 13, 2016, the court entered a Final Judgment accepting
3 Respondent's Consent and imposing sanctions including disgorgement of \$10,000, representing
4 profits gained as a result of the conduct alleged in the Complaint, together with prejudgment
5 interest in the amount of \$1,354.32 and a civil penalty of \$40,000.

6 18. On or about November 2, 2016, Board staff received notice of this federal case through a
7 complaint that Respondent may have violated Board statutes and rules through violation of
8 Federal Securities laws and regulations.

9 19. As a result of investigation, on or about January 24, 2017, the Board voted the matter to a
10 Complaint/ Notice of Hearing at the Office of Administrative Hearings for revocation of
11 Respondent's license.

12 **CONCLUSIONS OF LAW**

13 20. The Board has jurisdiction over the subject matter and over Respondent and Respondent
14 Firm pursuant to A.R.S. § 32-101, *et seq.*

15 21. The conduct and circumstances in the Factual Allegations above constitute multiple bases
16 for revocation pursuant to A.R.S. § 32-128(C)(4) as relates to A.A.C. R4-30-301(2) through
17 issuance of a report that Respondent knew or was reckless in not knowing contained false or
18 misleading representations.

19 22. The conduct and circumstances in the Factual Allegations above constitute a basis for
20 revocation pursuant to A.R.S. § 32-128(C)(4) as it relates to A.A.C. R4-30-301(2) through
21 failure to properly conduct calculations regarding how many tons of silica could be mined.

22 23. The conduct and circumstances in the Factual Allegations above constitute a basis for
23 revocation pursuant to A.R.S. § 32-128(C)(4) as it relates to A.A.C. R4-30-301(2) through
24 failure to perform any independent market analysis of the sales price of silica.

25 24. The conduct and circumstances in the Factual Allegations above constitute a basis for
26 revocation pursuant to A.R.S. § 32-128(C)(4) as it relates to A.A.C. R4-30-301(2) through
issuance of a report without obtaining test results.

1 25. The conduct and circumstances in the Factual Allegations above constitute multiple bases
2 for revocation pursuant to A.R.S. § 32-128(C)(4) as relates to A.A.C. R4-30-301(6) through
3 failure to conduct tests and analysis to verify the accuracy of work done by others prior to
4 issuance of a report.

5 26. The conduct and circumstances in the Factual Allegations above constitute multiple bases
6 for revocation pursuant to A.R.S. § 32-128(C)(4) as relates to A.A.C. R4-30-301(6) through
7 failure to conduct tests and analysis to verify the accuracy of work done by others prior to
8 issuance of a report.

9 27. The conduct and circumstances in the Factual Allegations above constitute multiple bases
10 for revocation pursuant to A.R.S. § 32-128(C)(4) as relates to A.A.C. R4-30-301(6) through
11 failure to obtain test results prior to issuance of a report.

12 28. The conduct and circumstances in the Factual Allegations above constitute multiple bases
13 for revocation pursuant to A.R.S. § 32-128(C)(4) as relates to A.A.C. R4-30-301(6) through
14 failure to conduct calculations to determine how many tons of silica could be mined.

15 29. The conduct and circumstances in the Factual Allegations above constitute multiple bases
16 for revocation pursuant to A.R.S. § 32-128(C)(4) as relates to A.A.C. R4-30-301(6) through
17 failure to perform independent market analysis of the sales price of silica.

18 **ORDER**

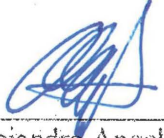
19 Based upon the adopted modified Findings of Fact and adopted Conclusions of Law, the
20 Board issues the following Order:

21 1. **RELINQUISHMENT/ SURRENDER:** As of the Effective Date of this Order,
22 Respondent's Registration No. 30843 to practice as a geologist in the State of Arizona is
23 relinquished/ surrendered. Respondent shall deliver any individual registration certificate to the
24 Board within 10 days of the Effective Date of this Order. Starting from the effective date of this
25 Order, Respondent is prohibited from holding out with the Board unless and until Respondent
26 achieves licensure pursuant A.R.S. § 32-101 *et seq.*

1 2. **EFFECTIVE DATE:** This Order is effective on the date the Consent Agreement is
2 signed by the Board and Respondent. If the Consent Agreement is signed by different parties on
3 different dates, the later date is the effective date.

4 3. **COSTS AND FEES:** Respondent is responsible for reimbursing the Board for attorney's
5 fees and investigative costs in the amount of \$1,599.23 (one thousand five hundred ninety-nine
6 dollars and twenty-three cents), which must be paid to the Board in full within 3 months of the
7 date of this agreement.

8
9 ACCEPTED and ORDERED this 1st day of September, 2018.

10
11 
12 _____
13 Dr. Alejandro Angel
14 CE, PhD, PE, PTOE
15 Chairman
16 Arizona State Board of
17 Technical Registration

18 ACCEPTED this 16 day of August, 2018.

19
20 
21 _____
22 Craig Parkinson, Respondent
23
24
25
26

1 **ORIGINAL** of the foregoing filed
2 this ____ day of _____, 2018, with:

3 The Arizona State Board of Technical Registration
4 1110 W. Washington Street
5 Suite 240
6 Phoenix, Arizona 85007

7 **COPY** of the foregoing mailed by
8 Both Certified and First Class Mail
9 this same date to:

10 Craig L. Parkinson
11 Parkinson Geological Services
12 PO Box 1141
13 Penn Valley, CA 95946

14 **COPY** of the foregoing
15 emailed this same date to:

16 Craig@parkinsongeologic.com
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