

ORIGINAL



NEW APPLICATION

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

- JEFF HATCH-MILLER, Chairman
- WILLIAM A. MUNDELL
- MARC SPITZER
- MIKE GLEASON
- KRISTIN K. MAYES

In the matter of:

MICHAEL GIANNANTONIO (a/k/a MICHAEL DAVID TURLEY), individually and doing business as NITFIRE ENTERTAINMENT, and KAREN LYNN TURLEY, husband and wife
14393 W. Poinsettia Dr
Surprise, Arizona 85379

JOHN VOIGHT and JANE DOE VOIGHT, husband and wife
P.O. Box 2273
Peoria, Arizona 85380

NITFIRE ENTERTAINMENT, a sole proprietorship
P.O. Box 2273
Peoria, Arizona 85380

SUMMITSTAR ENTERTAINMENT L.P., an Arizona limited partnership, doing business as SUMMITSTAR FILMS and/or SUMMITSTAR FILMS & ENTERTAINMENT
P.O. Box 2273
Peoria, Arizona 85380

Respondents.

Docket No. S-20433A-05-0887

TEMPORARY ORDER TO CEASE AND DESIST AND NOTICE OF OPPORTUNITY FOR HEARING

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NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY
EACH RESPONDENT HAS 20 DAYS TO REQUEST A HEARING
EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that RESPONDENTS Michael Giannantonio (a/k/a Michael David Turley), individually and doing business as Nitefire Entertainment, and Karen Lynn Turley, husband and

1 wife, John Voight and Jane Doe Voight, husband and wife, Nitefire Entertainment, a sole
2 proprietorship, and SummitSTAR Entertainment L.P., an Arizona limited partnership doing business
3 as SummitSTAR Films and/or SummitSTAR Films & Entertainment, engaged in or are about to
4 engage in acts and practices that constitute violations of A.R.S. § 44-1841, *et seq.*, the Arizona
5 Securities Act (“Securities Act”), and that the public welfare requires immediate action.

6 **I.**

7 **JURISDICTION**

8 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
9 Arizona Constitution and the Securities Act.

10 **II.**

11 **RESPONDENTS**

12 2. Michael Giannantonio (a/k/a Michael David Turley) (“Giannantonio”) is a married
13 person whose last know address is 14393 W. Poinsettia Dr Surprise, Arizona 85379.

14 3. At all relevant times, Giannantonio has transacted business under the name
15 Nitefire Entertainment, whose last known business address is PO Box 2273 Peoria, Arizona
16 85380-2273. Based on databases searches, Nitefire Entertainment is not registered with the
17 Arizona Secretary of State or Arizona Corporation Commission.

18 4. SummitSTAR Entertainment L.P. is a limited partnership which was registered
19 with the Arizona Secretary of State on May 4, 2001 and whose last known business address is PO
20 Box 2273 Peoria, Arizona 85380-2273. At all relevant times, SummitSTAR Entertainment L.P.
21 has transacted business under the name SummitSTAR Films and/or SummitSTAR Films &
22 Entertainment. SummitSTAR Entertainment L.P., SummitSTAR Films, and SummitSTAR
23 Films & Entertainment may be referred to individually, or, collectively, as “SummitSTAR” as
24 the context so requires.

25 5. Pursuant to the records of the Arizona Secretary of State, Giannantonio is the
26 general partner of SummitSTAR Entertainment L.P.

1 6. Karen Lynn Turley (“Turley”) was at all pertinent times the spouse of
 2 Giannantonio. Karen Giannantonio is joined in this action under A.R.S. § 44-2031(C), solely for
 3 purposes of determining the liability of the marital community.

4 7. At all relevant times, Giannantonio and Turley were acting for their own benefit and
 5 for the benefit or in furtherance of the marital community

6 8. John Voight (“Voight”) whose last known address is PO Box 2273 Peoria, Arizona
 7 85380-2273.

8 9. Jane Doe Voight was at all pertinent times the spouse of Voight. Jane Doe Voight is
 9 joined in this action under A.R.S. § 44-2031(C), solely for purposes of determining the liability of
 10 the marital community.

11 10. At all relevant times, Voight and Jane Doe Voight were acting for their own benefit
 12 and for the benefit or in furtherance of the marital community

13 11. Giannantonio, Voight, Nitfire Entertainment, and SummitSTAR may be referred
 14 to individually or, collectively, as “RESPONDENTS” as the context so requires. Turley and
 15 Jane Doe Voight may be collectively referred to as “RESPONDENT SPOUSES.”

III.

FACTS

16 12. From on or about June 11, 2005, RESPONDENTS have been raising capital for the
 17 production of a film through the offer and sale of investment contracts in the net profits received
 18 from the release of a film entitled *The Stromboni’s*.

19 13. RESPONDENTS offer for sale securities through the use of the internet web-site
 20 located at www.strombonis.com.

21 14. RESPONDENTS inform potential investors that 40 units are available for an initial
 22 investment of \$50,000.00 per unit for a total of \$2 million. Each unit that is purchased through the
 23 RESPONDENTS provides an investor a “guaranteed 1% return (per unit) from the net profits”
 24 received from the release of the film.
 25
 26

1 15. RESPONDENTS inform prospective investors that an initial investment is “tax
2 deductible.”

3 16. RESPONDENTS further advise prospective investors that while they cannot
4 guarantee that an investor will receive a return on their investment, to ensure that an investor’s
5 interests are protected, an insurance bond, under which the investor will be named a beneficiary,
6 will be acquired and maintained.

7 17. In addition to the acquisition of investment units, RESPONDENTS solicit
8 opportunities for private investments ranging from \$1000.00 to \$500,000.00 to be used for the
9 production of the film. Dependent on the investment amount, a private investor would receive a
10 return on their investment in the form of a DVD copy of the movie to receiving a “producer”
11 nomination during the opening or ending credits of the movie.

12 18. In addition to the acquisition of investment units, RESPONDENTS solicit
13 opportunities for corporate investments and product placement. The minimum corporate
14 investment listed as of December 9, 2005 is \$50,000.00.

15 19. According to the web-site, RESPONDENTS are engaging in the production of an
16 independent film which is apparently being filmed in the vicinity of Maricopa County. Based on
17 the web-site, as of July 11, 2005, the film was listed as being in “preproduction” and the process
18 of filming has started. RESPONDENTS inform prospective investors that they will have access
19 to the set and special passes to gain access during the filming.

20 20. As of December 9, 2005, RESPONDENTS inform potential investors that filming
21 has started and that the company is currently in a “development phase.” RESPONDENTS advise
22 that this phase is used to facilitate obtaining working capital, registering trade names and taking
23 care of legal matters. According to the web-site, the “development” stage leads to
24 “preproduction” followed by production. RESPONDENTS advise potential investors that
25 production is sought for a time frame around March or April of 2006.

26

1 IV.

2 VIOLATION OF A.R.S. § 44-1841

3 (Offer and Sale of Unregistered Securities)

4 21. From on or about July 11, 2005, RESPONDENTS offered or sold securities in the
5 form of investment units within or from Arizona.

6 22. The securities referred to above were not registered pursuant to Articles 6 or 7 of the
7 Securities Act.

8 23. This conduct violates A.R.S. § 44-1841.

9 V.

10 VIOLATION OF A.R.S. § 44-1842

11 (Transactions by Unregistered Dealers or Salesmen)

12 24. From on or about July 11, 2005, RESPONDENTS offered or sold securities within
13 or from Arizona while not registered as dealers or salesmen pursuant to Article 9 of the Securities
14 Act.

15 25. This conduct violates A.R.S. § 44-1842.

16 VI.

17 TEMPORARY ORDER

18 Cease and Desist from Violating the Securities Act

19 THEREFORE, based on the above allegations, and because the Commission has determined
20 that the public welfare requires immediate action,

21 IT IS ORDERED, pursuant to A.R.S. §§ 44-2032 and A.A.C. R14-4-307, that the
22 RESPONDENTS, their agents, servants, employees, successors, assigns, and those persons in active
23 concert or participation with them CEASE AND DESIST from any violations of the Securities Act.

24 IT IS FURTHER ORDERED that this Temporary Order to Cease and Desist shall remain in
25 effect for 180 days unless sooner vacated, modified or made permanent by the Commission.

26 IT IS FURTHER ORDERED that this Order shall be effective immediately.

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VII.

REQUESTED RELIEF

The Division will request that the Commission grant the following relief against

RESPONDENTS:

1. Order RESPONDENTS to permanently cease and desist from violating the Securities Act pursuant to A.R.S. §44-2032;
2. Order RESPONDENTS to take affirmative action to correct the conditions resulting from their acts, practices or transactions, including a requirement to make restitution pursuant to A.R.S. §44-2032;
3. Order RESPONDENTS to pay the state of Arizona administrative penalties of up to five thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;
4. Order that the marital community of Giannantonio and Karen Giannantonio (a/k/a Karen Turley) be subject to any order of restitution, rescission, administrative penalties, or other appropriate affirmative action pursuant to A.R.S. § 25-215;
5. Order that the marital community of Voight and Jane Doe Voight be subject to any order of restitution, rescission, administrative penalties, or other appropriate affirmative action pursuant to A.R.S. § 25-215 and
6. Order any other relief that the Commission deems appropriate.

VIII.

HEARING OPPORTUNITY

RESPONDENTS, including RESPONDENT SPOUSES, may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. Rule 14-4-307. **If any respondent or respondent spouse requests a hearing, the respondent must also answer this Temporary Order and Notice.** A request for hearing must be in writing and received by the Commission within 20 days after service of this

1 Temporary Order to Cease and Desist. Each RESPONDENT must deliver or mail the request for
2 hearing to Docket Control, Arizona Corporation Commission, 1200 West Washington, Phoenix,
3 Arizona 85007. A Docket Control cover sheet must also be filed with the request for hearing. A
4 cover sheet form and instructions may be obtained from Docket Control at (602) 542-3477 or on the
5 Commission's Internet web site at www.cc.state.az.us/utility/forms/index.htm.

6 If a request for hearing is timely made, the Commission shall schedule a hearing to begin 10
7 to 30 days from the receipt of the request unless otherwise provided by law, stipulated by the parties,
8 or ordered by the Commission. **Unless otherwise ordered by the Commission, this Temporary**
9 **Order shall remain effective from the date a hearing is requested until a decision is entered.**
10 After a hearing, the Commission may vacate, modify or make permanent this Temporary Order,
11 with written findings of fact and conclusions of law. A permanent Order may include ordering
12 restitution, assessing administrative penalties or other action.

13 If a request for hearing is not timely made, the Division will request that the Commission
14 make permanent this Temporary Order, with written findings of fact and conclusions of law, which
15 may include ordering restitution, assessing administrative penalties or other relief.

16 Persons with a disability may request a reasonable accommodation such as a sign language
17 interpreter, as well as request this document in an alternative format, by contacting Linda Hogan,
18 Executive Assistant to the Executive Director, voice phone number 602/542-3931, e-mail
19 lhogan@azcc.gov. Requests should be made as early as possible to allow time to arrange the
20 accommodation.

21 **IX.**

22 **ANSWER REQUIREMENT**

23 Pursuant to A.A.C. R14-4-305, if any RESPONDENT or RESPONDENT SPOUSE
24 requests a hearing, the RESPONDENT or RESPONDENT SPOUSE must deliver or mail an
25 Answer to this Temporary Order and Notice to Docket Control, Arizona Corporation Commission,
26 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of

1 this Temporary Order to Cease and Desist and Notice of Opportunity for Hearing. A Docket
2 Control cover sheet must accompany the Answer. A cover sheet form and instructions may be
3 obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site
4 at www.cc.state.az.us/utility/forms/index.htm.

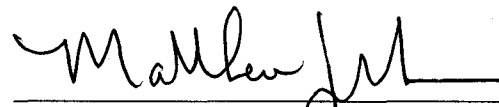
5 Additionally, the RESPONDENT OR RESPONDENT SPOUSE, must serve the Answer
6 upon the Division. Pursuant to A.A.C. R14-4-303, service upon the Division may be made by
7 mailing or by hand-delivering a copy of the Answer to the Division at 1300 West Washington, 3rd
8 Floor, Phoenix Arizona, addressed to Julie Coleman, Assistant Chief Counsel of Enforcement.

9 The Answer shall contain an admission or denial of each allegation in this Temporary
10 Order and Notice and the original signature of each RESPONDENT, RESPONDENT SPOUSE or
11 the RESPONDENT's attorney. A statement of a lack of sufficient knowledge or information shall
12 be considered a denial of an allegation. An allegation not denied shall be considered admitted.

13 When a RESPONDENT or RESPONDENT SPOUSE intends in good faith to deny only a
14 part or a qualification of an allegation, the RESPONDENT or RESPONDENT SPOUSE shall
15 specify that part or qualification of the allegation and shall admit the remainder. The
16 RESPONDENT or RESPONDENT SPOUSE waives any affirmative defense not raised in the
17 answer.

18 The officer presiding over the hearing may grant relief from the requirement to file an
19 Answer for good cause shown.

20 BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 13th day of
21 December, 2005.

22 
23 _____
24 Matthew Neubert
25 Director of Securities

26 (JC)