



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



SECURITIES DIVISION
1300 West Washington, Third Floor
Phoenix, AZ 85007
TELEPHONE: (602) 542-4242
FAX: (602) 594-7470
E-MAIL: securitiesdiv@azcc.gov

615

BRIAN C. McNEIL
EXECUTIVE DIRECTOR

ARIZONA CORPORATION COMMISSION

MEMORANDUM

TO: Jeff Hatch-Miller, Chairman
William A. Mundell
Marc Spitzer
Mike Gleason
Kristin K. Mayes

FROM: Matthew J. Neubert *MJN*
Director of Securities

DATE: February 14, 2006

RE: Proposed Order to Cease and Desist and Order for Administrative Penalties against Michael Giannantonio (a/k/a Michael David Turley), individually and doing business as Nitefire Entertainment, Karen Lynn Turley, spouse of Michael Giannantonio (a/k/a Michael David Turley), Nitefire Entertainment, a sole proprietorship, and SummitSTAR Entertainment, L.P., an Arizona limited partnership, d/b/a SummitSTAR Films and/or SummitSTAR Films & Entertainment (S-20433A-05-0887)

CC: Brian C. McNeil, Executive Director

RECEIVED
2006 FEB 15 1 P 4: 00
AZ CORP COMMISSION
DOCUMENT CONTROL

Attached is a proposed Default Order for Michael Giannantonio (a/k/a Michael David Turley), individually and doing business as Nitefire Entertainment, Karen Lynn Turley, spouse of Michael Giannantonio (a/k/a Michael David Turley) ("Giannantonio"), Nitefire Entertainment, a sole proprietorship, and SummitSTAR Entertainment, L.P., an Arizona limited partnership, d/b/a SummitSTAR Films and/or SummitSTAR Films & Entertainment (collectively, "Respondents"). The Order requires the Respondents to cease and desist their activity and pay an administrative penalty in the amount of \$25,000.

Beginning on or about June 11, 2005, Giannantonio, individually and through his businesses Nitefire Entertainment and SummitSTAR Entertainment L.P., solicited investments to be used for the production of an independent film entitled *The Stromboni's* through the use of an internet web-site located at www.strombonis.com. Based on the web-site, the Respondents sought to raise approximately \$2 million through the sale of investment interests in the net profits received from the release of the film in addition to other investment opportunities in their businesses.

The Order finds that the Respondents violated A.R.S. §44-1841 and §44-1842 by selling unregistered securities while being unlicensed.

Respondents, although properly served, have apparently chosen to disregard the Commission's Notice and have not requested a hearing on the matter nor filed an answer. The Securities Division recommends the Commission enter the proposed default order against the Respondents.

Originator: Julie Coleman

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

In the matter of:

) Docket No. S-20433A-05-0887

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

) DECISION NO. _____

) **ORDER TO CEASE AND DESIST AND
ORDER FOR ADMINISTRATIVE
PENALTIES AGAINST:**

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

) **MICHAEL GIANNANTONIO (a/k/a MICHAEL
DAVID TURLEY), individually and doing
business as NITEFIRE ENTERTAINMENT**

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

) **KAREN LYNN TURLEY, SPOUSE OF MICHAEL
GIANNANTONIO (a/k/a MICHAEL DAVID
TURLEY)**

) **NITEFIRE ENTERTAINMENT, a sole
proprietorship**

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

) **SUMMITSTAR ENTERTAINMENT L.P., an
Arizona limited partnership, doing
business as SUMMITSTAR FILMS and/or
SUMMITSTAR FILMS & ENTERTAINMENT**

Respondents.

On December 13, 2005, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Temporary Order to Cease and Desist and Notice of opportunity for Hearing ("Notice") with respect to Respondents Michael Giannantonio (a/k/a Michael David Turley), individually and doing business as NiteFire Entertainment, Karen Lynn Turley, spouse of Michael Giannantonio, NiteFire Entertainment, a sole proprietorship, SummitSTAR Entertainment L.P., an Arizona limited partnership, doing business as

1 SummitSTAR Films and/or SummitSTAR Films & Entertainment (collectively, "Respondents").
2 The Division served the Notice on the Respondents via personal service on December 14, 2005.
3 The Notice specified that the Respondents would be afforded an opportunity for an
4 administrative hearing regarding this matter upon filing a written request with Docket Control of
5 the Commission within ten days of receipt of the Notice. The Respondents failed to request a
6 hearing within the required time.

7 **I.**

8 **FINDINGS OF FACT**

9 1. Michael Giannantonio (a/k/a Michael David Turley) ("Giannantonio") is a married
10 person whose last know address is 14393 W. Poinsettia Dr Surprise, Arizona 85379.

11 2. At all relevant times, Giannantonio has transacted business under the name
12 Nitefire Entertainment, whose last known business address is PO Box 2273 Peoria, Arizona
13 85380-2273. Based on databases searches, Nitefire Entertainment is not registered with the
14 Arizona Secretary of State or Arizona Corporation Commission.

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

22 4. Pursuant to the records of the Arizona Secretary of State, Giannantonio is the
23 general partner of SummitSTAR Entertainment L.P.

24 5. Karen Lynn Turley ("Turley") was at all pertinent times the spouse of
25 Giannantonio. Karen Giannantonio is joined in this action under A.R.S. § 44-2031(C), solely for
26 purposes of determining the liability of the marital community.

1 6. At all relevant times, Giannantonio and Turley were acting for their own benefit and
2 for the benefit or in furtherance of the marital community.

3 7. From on or about June 11, 2005, Respondents have sought to raise capital for the
4 production of a film through the offer and sale of investment contracts in the net profits received
5 from the release of a film entitled *The Stromboni's*.

6 8. Respondents offered for sale securities through the use of the internet web-site
7 located at www.strombonis.com.

8 9. Respondents informed potential investors that 40 units were available for an initial
9 investment of \$50,000.00 per unit for a total of \$2 million. Each unit that is purchased through
10 the Respondents was to provide an investor a "guaranteed 1% return (per unit) from the net
11 profits" received from the release of the film.

12 10. Respondents informed prospective investors that an initial investment was "tax
13 deductible."

14 11. Respondents further advised prospective investors that while they cannot
15 guarantee that an investor will receive a return on their investment, to ensure that an investor's
16 interests are protected, an insurance bond, under which the investor would be named a
17 beneficiary, would be acquired and maintained.

18 12. In addition to the acquisition of investment units, Respondents solicited
19 opportunities for private investments ranging from \$1000.00 to \$500,000.00 to be used for the
20 production of the film. Dependent on the investment amount, a private investor would receive a
21 return on their investment in the form of a DVD copy of the movie to receiving a "producer"
22 nomination during the opening or ending credits of the movie.

23 13. In addition to the acquisition of investment units, Respondents solicited
24 opportunities for corporate investments and product placement. The minimum corporate
25 investment listed as of December 9, 2005 was \$50,000.00.

26 14. According to the web-site, the Respondents were engaging in the production of an

1 independent film which is apparently being filmed in the vicinity of Maricopa County. Based on
2 the web-site, as of July 11, 2005, the film was listed as being in "preproduction" and the process
3 of filming has started. Respondents informed prospective investors that they would have access
4 to the set and special passes to gain access during the filming.

5 15. As of December 9, 2005, Respondents informed potential investors that filming
6 has started and that the company is currently in a "development phase." Respondents advised
7 that this phase is used to facilitate obtaining working capital, registering trade names and taking
8 care of legal matters. According to the web-site, the "development" stage leads to
9 "preproduction" followed by production. Respondents advised potential investors that
10 production is sought for a time frame around March or April of 2006.

11 **III.**

12 **CONCLUSIONS OF LAW**

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

15 2. Respondents offered or sold securities within or from Arizona, within the meaning
16 of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

17 3. Respondents violated A.R.S. § 44-1841 by offering or selling securities that were
18 neither registered nor exempt from registration.

19 4. Respondents violated A.R.S. § 44-1842 by offering or selling securities while
20 neither registered as a dealer or salesman nor exempt from registration.

21 5. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S. §
22 44-2032.

23 6. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-
24 2036.

25 ...

26 ...

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

IV.

ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents, and their agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act. Respondents shall not sell any securities in or from Arizona without being registered in Arizona as dealers or salesmen, or exempt from such registration. Respondents shall not sell securities in or from Arizona unless the securities are registered in Arizona or exempt from registration.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that the Respondents shall, jointly and severally, pay an administrative penalty in the amount of TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$25,000.00), payable to the "State of Arizona." Payment shall be made in full by check or money order on the date of this Order. If any of the Respondents do not comply with this order for administrative penalties, any outstanding balance shall be deemed in default and shall be immediately due and payable without notice or demand. All outstanding administrative penalty amounts shall accrue interest at the rate of 10% per annum until paid in full.

...
...
...
...
...
...
...

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
Executive Director of the Arizona Corporation
Commission, have hereunto set my hand and caused the
official seal of the Commission to be affixed at the
Capitol, in the City of Phoenix, this _____ day of
_____, 2006.

BRIAN C. McNEIL
Executive Director

DISSENT

DISSENT

This document is available in alternative formats by contacting Linda Hogan, Executive Assistant
to the Executive Director, phone number (602) 542-3931, E-mail LHogan@azcc.gov.

(JC)