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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

Arizona Corporation Commission
DOCKETED

MAR 27 2008

DOCKETED BY ne

In the matter of:
Lingerie Nights DVD Magazine, L.L.C., an
Arizona limited liability company,
Raymond Javier Duran and
Jane Doe Duran, husband and wife,
Richard B. Cuen and
Jane Doe Cuen, husband and wife,
Respondents.

DOCKET NO. S-20574A-08-0023

DECISION NO. 70215

**ORDER TO CEASE AND DESIST, ORDER
FOR ADMINISTRATIVE PENALTY AND
CONSENT TO SAME BY:**

**LINGERIE NIGHTS DVD MAGAZINE,
L.L.C.;**

RAYMOND JAVIER DURAN;

-AND-

RICHARD B. CUEN

Respondents Lingerie Nights DVD Magazine, L.L.C., Raymond Javier Duran and Richard B. Cuen ("Respondents") elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order To Cease And Desist, Order for Administrative Penalty and Consent to Same ("Order"). Respondents admit the jurisdiction of the Arizona Corporation Commission ("Commission"); neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

I.**FINDINGS OF FACT**

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3 1. Lingerie Nights DVD Magazine, L.L.C. ("LINGERIE NIGHTS") is an Arizona
4 limited liability company with a principal place of business located in Avondale, Arizona.

5 2. Raymond Javier Duran ("DURAN") is an unmarried man who resides in
6 Avondale, Arizona. DURAN is a member and president of LINGERIE NIGHTS.

7 3. Richard B. Cuen ("CUEN") is an unmarried man who resides in Avondale,
8 Arizona. CUEN is the owner, chief executive officer, statutory agent and a member of LINGERIE
9 NIGHTS.

10 4. Respondents LINGERIE NIGHTS, DURAN and CUEN may be referred to
11 collectively as "RESPONDENTS."

12 5. Beginning in September 2007, RESPONDENTS offered an investment opportunity
13 to the general public by advertising on an Internet website known as Craig's List/Phoenix ("Craig's
14 List").

15 6. At all times relevant, RESPONDENTS represented to offerees and investors that
16 their business is based on the creation and distribution of a "monthly lifestyle" magazine on DVD
17 called Lingerie Nights DVD Magazine (the "Magazine"). RESPONDENTS represented that they
18 will visit a different city each month to host a lingerie-themed club event and model casting.
19 RESPONDENTS' written solicitation materials state that the Magazine's monthly content will
20 include 7 (seven) new aspiring models from a different city each month, and non-nude video shoots
21 and audio interviews of the models. Information regarding RESPONDENTS' Magazine venture is
22 identified on their internet website, www.LingerieNightsDVD.com ("Website").

23 7. RESPONDENTS represented to a potential investor that they were seeking four
24 "silent investors" to invest \$2,500 each, or one investor to invest \$10,000 to fund their business
25 enterprise. RESPONDENTS further represented that the investment was passive, and would not
26 require any work on the part of the investor.

1 8. RESPONDENTS provided to at least one potential investor written solicitation
2 materials that stated they were seeking investor capital of \$20,000 (i.e., “two \$10,000 investments
3 or one \$20,000 investment”).

4 9. RESPONDENTS represented to a potential investor that the profit from their
5 investment would be based on: (1) lifetime royalty shares for each DVD produced and sold by
6 RESPONDENTS; and (2) paid subscriptions to their Website.

7 **II.**

8 **CONCLUSIONS OF LAW**

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

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

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

15 4. Respondents violated A.R.S. § 44-1842 by offering or selling securities while
16 neither registered as dealers or salesmen nor exempt from registration.

17 5. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S.
18 § 44-2032.

19 6. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-
20 2036.

21 **III.**

22 **ORDER**

23 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents'
24 consent to the entry of this Order, attached and incorporated by reference, the Commission finds
25 that the following relief is appropriate, in the public interest, and necessary for the protection of
26 investors:

1 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents, and any of
2 Respondents' agents, employees, successors and assigns, permanently cease and desist from
3 violating the Securities Act.

4 IT IS FURTHER ORDERED that Respondents comply with the attached Consent to Entry
5 of Order.

6 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents shall, jointly
7 and severally pay an administrative penalty in the amount of \$2,500. Payment shall be made to the
8 "State of Arizona." Any amount outstanding shall accrue interest at the rate of 10% per annum
9 from the date of this Order until paid in full.

10 For purposes of this Order, a bankruptcy filing by any of the Respondents shall be an act of
11 default. If any Respondent does not comply with this Order, any outstanding balance may be
12 deemed in default and shall be immediately due and payable.

13 IT IS FURTHER ORDERED, that if any Respondent fails to comply with this order, the
14 Commission may bring further legal proceedings against that Respondent, including application to
15 the superior court for an order of contempt.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION



CHAIRMAN



COMMISSIONER



COMMISSIONER

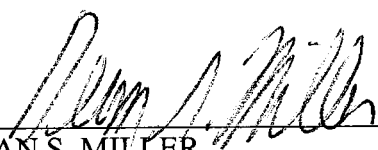


COMMISSIONER



COMMISSIONER

IN WITNESS WHEREOF, I, DEAN S. MILLER, Interim 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 27th day of March, 2008.



DEAN S. MILLER
Interim Executive Director

DISSENT

DISSENT

This document is available in alternative formats by contacting Linda Hogan, ADA Coordinator, voice phone number 602-542-3931, e-mail lhogan@azcc.gov.

(MD)

CONSENT TO ENTRY OF ORDER

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2 1. Respondents Lingerie Nights DVD Magazine, L.L.C., Raymond Javier Duran and
3 Richard B. Cuen (collectively, "Respondents") admit the jurisdiction of the Commission over the
4 subject matter of this proceeding. Respondents acknowledge that Respondents have been fully
5 advised of Respondents' right to a hearing to present evidence and call witnesses and Respondents
6 knowingly and voluntarily waives any and all rights to a hearing before the Commission and all
7 other rights otherwise available under Article 11 of the Securities Act. Respondents acknowledge
8 that this Order To Cease And Desist, Order for Administrative Penalty and Consent to Same
9 ("Order") constitutes a valid final order of the Commission.

10 2. Respondents knowingly and voluntarily waive any right under Article 12 of the
11 Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief
12 resulting from the entry of this Order.

13 3. Respondents acknowledge and agree that this Order is entered into freely and
14 voluntarily and that no promise was made or coercion used to induce such entry.

15 4. Respondents understand and acknowledge that Respondents have a right to seek
16 counsel regarding this Order, and that Respondents have had the opportunity to seek counsel prior
17 to signing this Order. Respondents acknowledge and agree that, despite the foregoing,
18 Respondents freely and voluntarily waive any and all right to consult or obtain counsel prior to
19 signing this Order.

20 5. Respondents neither admit nor deny the Findings of Fact and Conclusions of Law
21 contained in this Order. Respondents agree that Respondents shall not contest the validity of the
22 Findings of Fact and Conclusions of Law contained in this Order in any present or future
23 administrative proceeding before the Commission or any other state agency concerning the denial
24 or issuance of any license or registration required by the state to engage in the practice of any
25 business or profession.

1 6. By consenting to the entry of this Order, Respondents agrees not to take any action
2 or to make, or permit to be made, any public statement denying, directly or indirectly, any Finding
3 of Fact or Conclusion of Law in this Order or creating the impression that this Order is without
4 factual basis. Respondents will undertake steps necessary to assure that all of Respondents' agents
5 and employees understand and comply with this agreement.

6 7. While this Order settles this administrative matter between Respondents and the
7 Commission, Respondents understand that this Order does not preclude the Commission from
8 instituting other administrative or civil proceedings based on violations that are not addressed by
9 this Order.

10 8. Respondents understand that this Order does not preclude the Commission from
11 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
12 that may be related to the matters addressed by this Order.

13 9. Respondents understand that this Order does not preclude any other agency or
14 officer of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal
15 proceedings that may be related to matters addressed by this Order.

16 10. Respondents agree that Respondents will not apply to the state of Arizona for
17 registration as a securities dealer or salesman or for licensure as an investment adviser or
18 investment adviser representative until such time as all penalties under this Order are paid in full.

19 11. Respondents agree that Respondents will not exercise any control over any entity
20 that offers or sells securities or provides investment advisory services within or from Arizona until
21 such time as all penalties under this Order are paid in full.

22 12. Respondents agree that Respondents will not sell any securities in or from Arizona
23 without being properly registered in Arizona as a dealer or salesman, or exempt from such
24 registration; Respondents will not sell any securities in or from Arizona unless the securities are
25 registered in Arizona or exempt from registration; and Respondents will not transact business in
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1 Arizona as an investment adviser or an investment adviser representative unless properly licensed
2 in Arizona or exempt from licensure.

3 13. Respondents agree that Respondents will continue to cooperate with the Securities
4 Division including, but not limited to, providing complete and accurate testimony at any hearing in
5 this matter and cooperating with the state of Arizona in any related investigation or any other
6 matters arising from the activities described in this Order.

7 14. Respondents consent to the entry of this Order and agree to be fully bound by its
8 terms and conditions.

9 15. Respondents acknowledge and understand that if Respondents fail to comply with
10 the provisions of the order and this consent, the Commission may bring further legal proceedings
11 against Respondents, including application to the superior court for an order of contempt.

12 16. Respondents understand that default shall render Respondents liable to the
13 Commission for its costs of collection and interest at the maximum legal rate.

14 17. Respondents agree and understand that if Respondents fails to make any payment as
15 required in the Order, any outstanding balance shall be in default and shall be immediately due and
16 payable without notice or demand. Respondents agree and understand that acceptance of any
17 partial or late payment by the Commission is not a waiver of default by Commission.

18 18. Respondent Richard B. Cuen is the owner, chief executive officer, statutory agent and
19 a managing member of Lingerie Nights DVD Magazine, L.L.C. ("Lingerie Nights"), and he has been
20 authorized by Lingerie Nights to enter into this Order for and on behalf of it.

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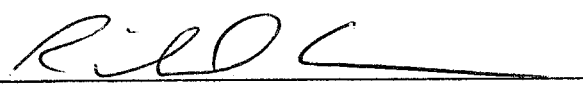
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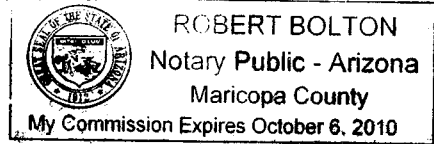

Richard B. Cuen, a single man


STATE OF ARIZONA)
) ss
County of *Maricopa*)

SUBSCRIBED AND SWORN TO BEFORE me this 19th day of February, 2008.


NOTARY PUBLIC

My commission expires:
October 6, 2010



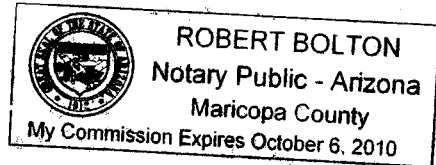

Raymond Javier Duran, a single man

STATE OF ARIZONA)
) ss
County of *Maricopa*)

SUBSCRIBED AND SWORN TO BEFORE me this 19 day of February, 2008.


NOTARY PUBLIC

My commission expires:
October 6, 2010



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Lingerie Nights DVD Magazine, L.L.C., an Arizona limited liability company

By: *[Signature]*
Richard B. Cuen

Its: Owner, Chief Executive Officer, Managing Member and Statutory Agent

STATE OF ARIZONA)
) ss
County of *Maricopa*)

SUBSCRIBED AND SWORN TO BEFORE me this 19th day of February, 2008.

[Signature]
NOTARY PUBLIC

My commission expires:
October 6, 2010

