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BEFORE THE ARIZONA CORPORATION COMMISSION

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2009 FEB 18 P 4: 10

Arizona Corporation Commission

DOCKETED

KRISTIN K. MAYES, Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

FEB 18 2009

DOCKETED BY [Signature]

In the matter of:  
STEVE JOHN ROGAN, a married man,  
CAROL ANN RICHEY, a married woman,  
DEM BONZ BARBECUE RESTAURANTS,  
L.L.C., an Arizona limited liability company,  
PIAZZ, L.L.C., an Arizona limited liability  
company,  
Respondents.

DOCKET NO. S-20654A-09-0068  
**TEMPORARY ORDER TO CEASE AND  
DESIST AND NOTICE OF  
OPPORTUNITY FOR HEARING**

**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 STEVE JOHN ROGAN, CAROL ANN RICHEY, DEM BONZ BARBECUE RESTAURANTS, L.L.C. and PIAZZ, L.L.C. are engaging in or are about to engage in acts and practices that constitute violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act ("Securities Act"), and that the public welfare requires immediate action.

The Division further alleges CAROL ANN RICHEY as a person controlling DEM BONZ BARBECUE RESTAURANTS, L.L.C. through PIAZZ, L.L.C. within the meaning of A.R.S. § 44-1999, so that she is jointly and severally liable under A.R.S. § 44-1999 to the same extent as DEM BONZ BARBECUE RESTAURANTS, L.L.C AND PIAZZ, L.L.C for violations of the Securities Act.

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1 The Division further alleges as follows:

2 **I. JURISDICTION**

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

5 **II. RESPONDENTS**

6 2. STEVE JOHN ROGAN is an individual who, at all times relevant hereto, resided in  
7 Maricopa County, Arizona.

8 3. CAROL ANN RICHEY is an individual who, at all times relevant hereto, resided in  
9 Maricopa County, Arizona.

10 4. STEVE JOHN ROGAN and CAROL ANN RICHEY are husband and wife. At all  
11 times relevant, STEVE JOHN ROGAN ("ROGAN") and CAROL ANN RICHEY ("RICHEY")  
12 have been acting for their own benefit and for the benefit or in furtherance of their marital  
13 community.

14 5. DEM BONZ BARBECUE RESTAURANTS, L.L.C. ("DEM BONZ") is an Arizona  
15 limited liability company formed on or about June 27, 2008. Until January 27, 2009, ROGAN and  
16 RICHEY were the only members of DEM BONZ. DEM BONZ maintains an address of 8912 E.  
17 Pinnacle Peak Rd. #174, Scottsdale, Arizona 85255.

18 6. On January 27, 2009, articles of amendment executed by RICHEY were filed with  
19 the Arizona Corporation Commission for DEM BONZ. According to the articles of amendment,  
20 effective January 21, 2009, ROGAN and RICHEY were replaced as limited liability members of  
21 DEM BONZ with PIZAZZ, L.L.C.

22 7. PIZAZZ, L.L.C. ("PIAZZ") is an Arizona limited liability company formed on or  
23 about December 4, 2008. RICHEY is identified as the statutory agent and sole member of PIZAZZ  
24 with an address of 8912 E. Pinnacle Peak Rd. #174, Scottsdale, Arizona 85255.

25 8. At all times relevant, ROGAN conducted business through DEM BONZ and  
26 represented himself to be a co-owner and co-founder of DEM BONZ.



1 18. ROGAN's e-mail reply to the PAI stated that the "buildout" was already complete  
2 and that his experience and commitment would be the "security" in the investment.

3 19. ROGAN's e-mail reply to the PAI indicated that he still had an opening for an  
4 "additional" investor.

5 20. The business plan refers to the location for DEM BONZ as Frank Lloyd Wright and  
6 100<sup>th</sup> Street in Scottsdale. The address for the purported location of DEM BONZ is 14144 N. 100<sup>th</sup>  
7 Street in Scottsdale.

8 21. The business plan sets forth that the founders, ROGAN and RICHEY, have invested  
9 over \$150,000 to date in the venture. The amount alleged to have been expended is itemized in the  
10 business plan under a category titled "Initial Capitalization." The amounts included under the  
11 initial capitalization category include: \$116,500 for "buildout" expenditures related to such things  
12 as framing, drywall, electric, plumbing, grease trap, flooring, painting, counters, cabinets and gas  
13 piping; \$18,300 for equipment and fixtures expenditures; and \$19,500 for administrative and  
14 technical expenditures.

15 22. The business plan identifies key personnel as being ROGAN – founder/chef,  
16 RICHEY – cofounder/director of marketing and Ralph Richey, MBA – financial controller.

17 23. On February 2, 2009, in an attempt to gather additional information about the  
18 investment, the PAI placed a call to the number provided by ROGAN in his e-mail to the PAI. The  
19 person answering the call confirmed that he was ROGAN. ROGAN informed the PAI that he was  
20 opening one restaurant that he referred to as the "flagship" and that he was looking at the  
21 possibility of at least one other location in Tempe.

22 24. ROGAN also informed the PAI that he expected to be able to open the Scottsdale  
23 location within 2-4 weeks of receiving the \$85,000.

24 25. ROGAN further represented to the PAI that he could expect to begin receiving a  
25 payout within one month after opening and should receive a 100% return on the investment within  
26 four years of making the \$85,000 initial investment.





1 **VII. TEMPORARY ORDER**

2 **Cease and Desist from Violating the Securities Act [or IM Act]**

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

5 IT IS ORDERED, pursuant to A.R.S. § 44-1972(C) and A.A.C. R14-4-307, that  
6 Respondents, RICHEY and their agents, servants, employees, successors, assigns, and those persons  
7 in active concert or participation with Respondents and/or RICHEY CEASE AND DESIST from  
8 any violations of the Securities Act.

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

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

12 **VIII. REQUESTED RELIEF**

13 The Division requests that the Commission grant the following relief:

14 1. Order Respondents and RICHEY to permanently cease and desist from violating the  
15 Securities Act, pursuant to A.R.S. § 44-2032; and

16 2. Order Respondents and RICHEY to take affirmative action to correct the conditions  
17 resulting from Respondents' acts, practices, or transactions, including a requirement to make  
18 restitution pursuant to A.R.S. § 44-2032; and

19 3. Order Respondents and RICHEY to pay the state of Arizona administrative penalties  
20 of up to five thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S.  
21 § 44-2036; and

22 4. Order that the marital community of ROGAN and RICHEY be subject to any order  
23 of restitution, rescission, administrative penalties, or other appropriate affirmative action pursuant to  
24 A.R.S. § 25-215; and

25 5. Order any other relief that the Commission deems appropriate.  
26

1 **IX. HEARING OPPORTUNITY**

2 Each respondent may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. Rule 14-4-  
3 307. **If a respondent requests a hearing, the requesting respondent must also answer this**  
4 **Temporary Order and Notice.** A request for hearing must be in writing and received by the  
5 Commission within 20 days after service of this Temporary Order and Notice. The requesting  
6 respondent must deliver or mail the request for hearing to Docket Control, Arizona Corporation  
7 Commission, 1200 West Washington, Phoenix, Arizona 85007. Filing instructions may be obtained  
8 from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at  
9 [www.azcc.gov/divisions/hearings/docket.asp](http://www.azcc.gov/divisions/hearings/docket.asp).

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

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

20 Persons with a disability may request a reasonable accommodation such as a sign language  
21 interpreter, as well as request this document in an alternative format, by contacting Shaylin A.  
22 Bernal, ADA Coordinator, voice phone number 602/542-3931, e-mail [sabernal@azcc.gov](mailto:sabernal@azcc.gov).  
23 Requests should be made as early as possible to allow time to arrange the accommodation.

24 **X. ANSWER REQUIREMENT**

25 Pursuant to A.A.C. R14-4-305, if a respondent requests a hearing, the requesting  
26 respondent must deliver or mail an Answer to this Temporary Order and Notice to Docket Control,



1 Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30  
2 calendar days after the date of service of this Temporary Order and Notice. Filing instructions  
3 may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet  
4 web site at [www.azcc.gov/divisions/hearings/docket.asp](http://www.azcc.gov/divisions/hearings/docket.asp).

5 Additionally, the answering respondent must serve the Answer upon the Division.  
6 Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-  
7 delivering a copy of the Answer to the Division at 1300 West Washington, 3<sup>rd</sup> Floor, Phoenix,  
8 Arizona, 85007, addressed to William W. Black.

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

13 When the answering respondent intends in good faith to deny only a part or a qualification  
14 of an allegation, the respondent shall specify that part or qualification of the allegation and shall  
15 admit the remainder. Respondents waive any affirmative defense not raised in the Answer.

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

18 BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 18<sup>th</sup> day of  
19 February, 2009.



20  
21 Mark Dinell  
Assistant Director of Securities  
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