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BEFORE THE ARIZONA CORPORATION COMMISSION

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Chairman
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Commissioner
MARC SPITZER
Commissioner

AZ CORP COMMISSION
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NEW

In the matter of:

) Docket No. S-03448A-01-0000

RONALD L. FANZO
d/b/a INTERMARC MARKETING
7127 East Becker Lane, Suite 90
Scottsdale, Arizona 85254

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

RONALD L. FANZO
d/b/a CASHFLOWS
14008 East Cameo Drive, #1
Fountain Hills, Arizona 85268

RONALD L. FANZO
14008 East Cameo Drive, #1
Fountain Hills, Arizona 85268

Respondents.

NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY

EACH RESPONDENT HAS 20 DAYS TO REQUEST A HEARING

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that RESPONDENT RONALD L. FANZO d/b/a INTERMARC MARKETING, RESPONDENT RONALD L. FANZO d/b/a CASHFLOWS, and RESPONDENT RONALD L. FANZO individually have engaged 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.

I.

JURISDICTION

1. The Commission has jurisdiction over this matter pursuant to Article XV of the

1 Arizona Constitution and the Securities Act.

2 **II.**

3 **RESPONDENTS**

4 2. RESPONDENT RONALD L. FANZO d/b/a INTERMARC MARKETING
5 (“INTERMARC”) is a sole proprietorship operated by RESPONDENT RONALD L. FANZO
6 (“FANZO”), doing business in and from Maricopa County, Arizona. Intermarc Marketing is a
7 registered trade name registered by RESPONDENT FANZO

8 3. RESPONDENT RONALD L. FANZO d/b/a CASHFLOWS (“CASHFLOWS”) is a
9 sole proprietorship operated by RESPONDENT FANZO, doing business in and from Maricopa
10 County, Arizona.

11 4. RESPONDENT FANZO is an individual and a resident of Maricopa County,
12 Arizona.

13 5. The respondents may be collectively referred to as “RESPONDENTS.”

14 **III.**

15 **FACTS**

16 6. RESPONDENT FANZO, through INTERMARC, has operated Internet websites
17 located at <http://www.intermarc-inc.com> and <http://ezpc718.cjb.net> (the “EZPC websites”). The
18 EZPC websites have offered an opportunity to purchase a computer and software, denominated a
19 “complete turnkey package” (the “EZPC system”) that purportedly would enable purchasers to
20 set up an Internet business immediately upon purchase of the system.

21 7. Purchasers of an EZPC system would execute promissory notes agreeing to pay
22 for the EZPC system.

23 8. RESPONDENT FANZO has represented that purchasers of EZPC systems often
24 were “high risk” borrowers who could not obtain financing for such a purchase other than
25 through the EZPC website.

26 9. RESPONDENTS FANZO, through CASHFLOWS, operates an Internet website

1 located at <http://flows.cjb.net>. That website offers for sale promissory note investments and
2 refers prospective purchasers to an e-mail address of RESPONDENT FANZO.

3 10. The promissory note investments offered by RESPONDENT FANZO through
4 CASHFLOWS have included the promissory notes generated through sale of the EZPC systems.
5 Upon information and belief, RESPONDENTS also are preparing to generate promissory notes
6 for sale in the course of other business ventures.

7 11. RESPONDENTS represent that purchasers of the promissory notes will realize a
8 return of at least 30%.

9 12. RESPONDENTS represent that the promissory notes are fully secured by
10 adequate collateral.

11 **IV.**

12 **VIOLATION OF A.R.S. § 44-1841**

13 **(Offer and Sale of Unregistered Securities)**

14 13. From on or about November 2000, RESPONDENTS offered or sold securities in the
15 form of promissory notes, within or from Arizona.

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

18 15. This conduct violates A.R.S. § 44-1841.

19 **V.**

20 **VIOLATION OF A.R.S. § 44-1842**

21 **(Transactions by Unregistered Dealers or Salesmen)**

22 16. RESPONDENTS offered or sold securities within or from Arizona while not
23 registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

24 17. This conduct violates A.R.S. § 44-1842.

25 ...

26 ...

1 VI.

2 VIOLATION OF A.R.S. § 44-1991

3 (Fraud in Connection with the Offer or Sale of Securities)

4 18. In connection with the offer or sale of securities within or from Arizona,
5 RESPONDENTS directly or indirectly: (i) employed a device, scheme or artifice to defraud; (ii)
6 made untrue statements of material fact or omitted to state material facts which were necessary in
7 order to make the statements made not misleading in light of the circumstances under which they
8 were made; or (iii) engaged in transactions, practices or courses of business which operated or
9 would operate as a fraud or deceit upon offerees and investors. RESPONDENTS' conduct includes,
10 but is not limited to, the following:

- 11 a) RESPONDENTS failed to disclose that the investments they sold were
12 required to be registered and were not registered;
- 13 b) RESPONDENTS failed to provide information to prospective purchasers of
14 the investments regarding the risks of their investments;
- 15 c) RESPONDENTS provided false assurances that each investor's return is
16 guaranteed and that each investment is completely safe and fully protected; and
- 17 d) RESPONDENTS stated that investors would receive a return of 30% on each
18 investment, when in fact there was no basis for such a statement.

19 19. This conduct violates A.R.S. § 44-1991.

20 VII.

21 TEMPORARY ORDER

22 Cease and Desist from Violating the Securities Act

23 THEREFORE, based on the above allegations, and because the Division has determined that
24 the public welfare requires immediate action

25 IT IS ORDERED, pursuant to A.R.S. §§ 44-2032, 44-1972 and A.A.C. R14-4-307, that the
26 RESPONDENTS, their agents, servants, employees, successors, assigns, and those persons in active

1 concert or participation with them CEASE AND DESIST from any violations of the Securities Act.

2 IT IS FURTHER ORDERED that this Temporary Order to Cease and Desist shall remain in
3 effect for 120 days unless sooner vacated, modified or made permanent by the Commission.

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

5 **VIII.**

6 **REQUESTED RELIEF**

7 The Division will request that the Commission grant the following relief against
8 RESPONDENTS:

9 1. Order RESPONDENTS to permanently cease and desist from violating the
10 Securities Act, pursuant to A.R.S. § 44-2032;

11 2. Order RESPONDENTS to take affirmative action to correct the conditions resulting
12 from their acts, practices or transactions, including a requirement to make restitution pursuant to
13 A.R.S. § 44-2032;

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

17 4. Order any other relief that the Commission deems appropriate.

18 **IX.**

19 **HEARING OPPORTUNITY**

20 RESPONDENTS may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C.
21 R14-4-307. A request for hearing must be in writing and received by the Commission within 20
22 days after service of this Temporary Order to Cease and Desist. Each RESPONDENT must deliver
23 or mail the request for hearing to Docket Control, Arizona Corporation Commission, 1200 West
24 Washington, Phoenix, Arizona 85007. A Docket Control cover sheet must also be filed with the
25 request for hearing. A cover sheet form and instructions may be obtained from
26 Docket Control at (602) 542-3477 or on the Commission's Internet web site at

1 www.cc.state.az.us/utility/forms/index.htm.

2 If a request for hearing is timely made, the Commission shall schedule a hearing to begin 5
3 to 15 days from the receipt of the request unless otherwise provided by law, stipulated by the parties,
4 or ordered by the Commission. After a hearing, the Commission may vacate, modify or make
5 permanent this Temporary Order, with written findings of fact and conclusions of law. A permanent
6 Order may include ordering restitution, assessing administrative penalties or other action.

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

10 Persons with a disability may request a reasonable accommodation such as a sign language
11 interpreter, as well as request this document in an alternative format, by contacting Shelly M.
12 Hood, ADA Coordinator, voice phone number (602) 542-3931, e-mail shood@cc.state.az.us.
13 Requests should be made as early as possible to allow time to arrange the accommodation.

14 BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 18th day of
15 July, 2001.


16 Mark Sendrow
17 Director of Securities
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