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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

OCT 12 2010

COMMISSIONERS

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

DOCKETED BY *nr*

In the matter of)
STEVEN DALE MORREY, a married man,)
individually and doing business as Mayet,)
Inc., an unincorporated entity,)
JENNIFER MORREY, a married woman,)
and)
MAYET HOLDINGS, LLC, a Utah limited)
liability company, doing business as Mayet)
Holdings Ltd.)
Respondents.)

DOCKET NO. S-20754A-10-0322

DECISION NO. 71915

**ORDER TO CEASE AND DESIST, ORDER
FOR ADMINISTRATIVE PENALTIES AND
CONSENT TO SAME
BY: RESPONDENTS STEVEN DALE
MORREY, JENNIFER MORREY AND
MAYET HOLDINGS, LLC**

Respondents STEVEN DALE MORREY, JENNIFER MORREY and MAYET HOLDINGS, LLC ("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 Penalties and Consent to Same ("Order"). Respondents admit the jurisdiction of the Arizona Corporation Commission ("Commission"); admit only for purposes of this proceeding and any other proceeding in which the Commission or any other agency of the state of Arizona is a party the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

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I.

FINDINGS OF FACT

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3 1. STEVEN DALE MORREY ("S. MORREY"), at all relevant times, was an Arizona
4 resident located in Mesa, Arizona. S. MORREY was listed as the registered agent and manager of
5 MAYET HOLDINGS, LLC.

6 2. JENNIFER MORREY ("J. MORREY"), at all relevant times, was an Arizona
7 resident located in Mesa, Arizona. According to the offering documents and emails, the pledge
8 forms and the checks were to be sent to J. MORREY.

9 3. S. MORREY and J. MORREY are husband and wife. At all relevant times,
10 Respondents S. MORREY and J. MORREY acted for their own benefit and for the benefit or in
11 furtherance of their marital community.

12 4. MAYET HOLDINGS, LLC, ("MAYET HOLDINGS") was organized in Utah as a
13 limited liability company on July 15, 2010.

14 5. STEVEN DALE MORREY, JENNIFER MORREY and MAYET HOLDINGS may
15 be referred to collectively as "Respondents."

16 6. On June 23, 2010, S. MORREY advertised for investors on an internet website
17 known as Craigslist/Phoenix.

18 7. A potential Arizona investor responded electronically to the Craigslist
19 advertisement. S. MORREY emailed the offeree and attached a document titled "Talking Points:
20 Mayet" ("Talking Points") that explained the details of the "High Risk Investment" advertised. The
21 Talking Points stated that it is a "marketing document intended to engage potential investor
22 interest." The Talking Points stated that once an "official prospectus" was completed, it would be
23 sent to the offerees and investors.

24 8. The Talking Points stated that Mayet Inc. "is a company currently being founded
25 whose primary purpose is to be the exclusive provider of a new automated trading platform called
26 Mayet ATP." The Talking Points further stated that "Mayet is designed to apply advanced

1 waveform analysis techniques to the financial markets. The purpose of the analysis is to predict
2 the length and breadth of trends of individual securities in those markets, in real time.”

3 9. The Talking Points disclosed that the “Mayet fund is an investment pool that is
4 managed exclusively by the Mayet ATP software for the benefit of the Mayet shareholders.”

5 10. According to the Talking Points, S. MORREY sought “Qualified Investors” to
6 purchase stock in Mayet, Inc. The Talking Points further stated that the “[t]he initial issue is
7 expected to consist of 100,000 shares at \$10 per share. The minimum pledge is 10 shares.” The
8 Talking Points also stated that once a pledge form was returned, the prospectus would be provided
9 as soon as it is completed. The pledge forms were to be returned to “Mayet c/o Jennifer Morrey” at
10 her address in Mesa, Arizona.

11 11. In subsequent emails, S. MORREY clarified that Mayet, Inc. would be structured as
12 a limited liability company therefore does not have “shares in a traditional sense. . . . it does have
13 member owners.” Further, S. MORREY stated that the formation of the limited liability company
14 would be “very similar to a traditional stock based corp where ownership percentage is based on
15 the investment in the initial capitalization phase. No stocks would be issued, however.” S.
16 MORREY stated that the investors would be member owners however; the investors would not
17 take an active role in the entity.

18 12. S. MORREY stated in a follow-up email that profits would be paid directly to the
19 “owner/members.” Further, S. MORREY stated that “the ‘investment pool’ would no longer be a
20 fund in the traditional sense, it would be a DPP [direct participation program] . . . similar to how
21 investment clubs manage their assets.”

22 13. In a subsequent telephone conversation with an offeree, S. MORREY stated that the
23 ATP program was generating an average of about ten percent (10%) a month. The investment was
24 expected to last about two years. The investors could expect a return on investment to average
25 about ten percent (10%) a month for two years plus a twenty five percent (25%) premium at the
26 end of the two years.

1 14. The Talking Points further stated that those offerees that signed a pledge form
2 would be contacted when the “pledging goal” had been met. Then, the offeree would be expected
3 to fund the amount pledged within five business days. According to S. MORREY, other than the
4 investment of money, the investors are not expected to be active in the business.

5 15. On July 15, 2010, MAYET HOLDINGS registered as a limited liability company in
6 Utah.

7 16. On July 16, 2010, another advertisement was placed on Phoenix Craigslist that
8 sought investors in a “High Risk Investment Opportunity.”

9 17. On July, 16, 2010, another potential Arizona investor received an updated Talking
10 Points document (“New Talking Points”) from S. MORREY regarding the investments offered by
11 MAYET HOLDINGS. According to the email sent by S. MORREY, they have “chosen to create
12 an LLC” and “are seeking initial capitalization.” S. MORREY stated that the New Talking Points
13 document had been changed to reflect the change to membership interests.

14 18. The New Talking Points document stated that “Mayet Holdings Ltd. is a privately
15 held company and this is a private offering” even though the offer was advertised on
16 Craigslist/Phoenix. The New Talking Point document also stated that “[a]ccording to SEC
17 regulations a prospectus need only be created & filed for public companies & offerings, or private
18 offerings beyond a certain size.”

19 19. On July 16, 2010, S. MORREY contacted one of the offerees via email to inform
20 him that the entity had been successfully formed as a “manager managed LLC.” The July 16,
21 2010, email also stated that “Mayet Holdings, Ltd. is now a legally functioning entity.” Further, S.
22 MORREY stated that the type of investment offered by the Respondents may now change from
23 membership interests in a limited liability company to “convertible debentures.”

24 20. According to the July 16, 2010, email from S. MORREY, “[a] convertible debenture
25 offering is effectively a loan that we can pay back with profits generated by the company and when
26 we are ready to IPO, we should have enough funding to payoff everyone involved, premiums

1 included." In addition, S. MORREY represented that, with convertible debentures, the return on
2 investment would significantly increase.

3 21. On July 18, 2010, S. MORREY contacted the offeree via email to begin calling the
4 pledges. The funds were to be provided to Mayet Holdings Ltd. in care of J. MORREY.

5 22. Respondents are not registered as securities dealers and/or salesmen.

6 **II.**

7 **CONCLUSIONS OF LAW**

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

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

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

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

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

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

20 7. Respondents S. MORREY and J. MORREY acted for the benefit of their marital
21 community and, pursuant to A.R.S. §§ 25-214 and 25-215, this Order of administrative penalties is
22 a debt of the community.

23 **III.**

24 **ORDER**

25 **THEREFORE**, on the basis of the Findings of Fact, Conclusions of Law, and Respondents'
26 consent to the entry of this Order, attached and incorporated by reference, the Commission finds

1 that the following relief is appropriate, in the public interest, and necessary for the protection of
2 investors:

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

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

8 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents STEVEN
9 DALE MORREY, JENNIFER MORREY and MAYET HOLDINGS, LLC, individually, and the
10 marital community of Respondents STEVEN DALE MORREY and JENNIFER MORREY, jointly
11 and severally shall pay an administrative penalty in the amount of \$2,500. Payment is due in full
12 on the date of this Order. Payment shall be made to the "State of Arizona." Any amount
13 outstanding shall accrue interest as allowed by law.

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

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

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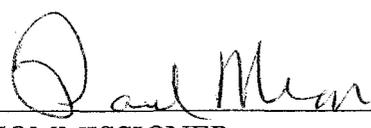
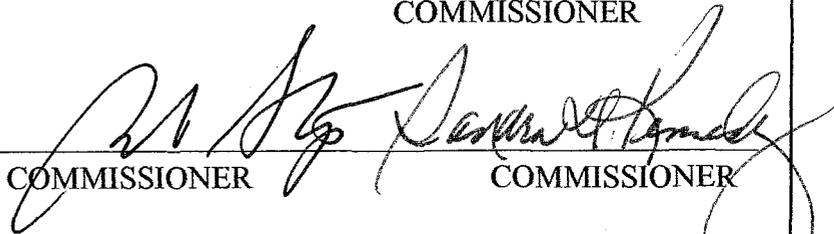
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IT IS FURTHER ORDERED, that no finding of fact or conclusion of law contained in this Order shall be deemed binding against any Respondent under this Docket Number who has not consented to the entry of this Order.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN	COMMISSIONER
	
COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, 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 11 day of October, 2010.


ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Shaylin A. Bernal, ADA Coordinator, voice phone number 602-542-3931, e-mail sabernal@azcc.gov.

(wlc)

CONSENT TO ENTRY OF ORDER

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2 1. Respondents STEVEN DALE MORREY, JENNIFER MORREY and MAYET
3 HOLDINGS, LLC ("Respondents"), admit the jurisdiction of the Commission over the subject
4 matter of this proceeding. Respondents acknowledge that they have been fully advised of their
5 right to a hearing to present evidence and call witnesses and they knowingly and voluntarily waive
6 any and all rights to a hearing before the Commission and all other rights otherwise available under
7 Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. Respondents
8 acknowledge that this Order to Cease and Desist, Order for Administrative Penalties and Consent
9 to Same ("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 they have a right to seek counsel
16 regarding this Order, and that they have had the opportunity to seek counsel prior to signing this
17 Order. Respondents acknowledge and agree that, despite the foregoing, they freely and voluntarily
18 waive any and all right to consult or obtain counsel prior to signing this Order.

19 5. Respondents admit only for purposes of this proceeding and any other proceeding in
20 which the Commission or any other agency of the state of Arizona is a party the Findings of Fact
21 and Conclusions of Law contained in this Order. Respondents agree that they shall not contest the
22 validity of the Findings of Fact and Conclusions of Law contained in this Order in any present or
23 future proceeding in which the Commission or any other state agency is a party concerning the
24 denial or issuance of any license or registration required by the state to engage in the practice of
25 any business or profession.

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1 6. By consenting to the entry of this Order, Respondents agree not to take any action or
2 to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of
3 Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual
4 basis. Respondents will undertake steps necessary to assure that all of their agents and employees
5 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 they will not apply to the state of Arizona for registration as
17 a securities dealer or salesman or for licensure as an investment adviser or investment adviser
18 representative until such time as all penalties under this Order are paid in full.

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

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

3 13. Respondents consent to the entry of this Order and agree to be fully bound by its
4 terms and conditions.

5 14. Respondents acknowledge and understand that if they fail to comply with the
6 provisions of the order and this consent, the Commission may bring further legal proceedings
7 against them, including application to the superior court for an order of contempt.

8 15. Respondents understand that default shall render them liable to the Commission for
9 its costs of collection and interest at the maximum legal rate.

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

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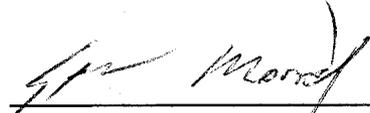
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1 17. STEVEN DALE MORREY represents that he is Managing Member of MAYET
2 HOLDINGS, LLC and has been authorized by MAYET HOLDINGS, LLC to enter into this Order
3 for and on behalf of it.

4 
5 STEVEN DALE MORREY

6 
7 JENNIFER MORREY

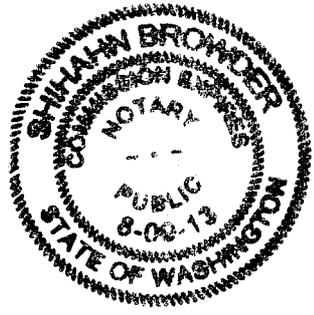
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9 STEVEN DALE MORREY, Managing Member
MAYET HOLDINGS, LLC

10 STATE OF ~~ARIZONA~~ ^{Washington})
11 County of ~~Clark~~ ^{Clark}) SS

12 SUBSCRIBED AND SWORN TO BEFORE me this 8 day of September, 2010.

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15 NOTARY PUBLIC

16 My commission expires:
17 8/9/13



SERVICE LIST FOR: MAYET HOLDINGS, LLC

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STEVEN DALE MORREY
300 NE 115th Ave, Suite 253
Vancouver WA 98684-5041

JENNIFER MORREY
300 NE 115th Ave, Suite 253
Vancouver WA 98684-5041

MAYET HOLDINGS, LLC
300 NE 115th Ave, Suite 253
Vancouver WA 98684-5041