

ORIGINAL

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

2010 OCT 21 P 1:55

COMMISSIONERS

AZ CORP COMMISSION  
DOCKET CONTROL

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

In the matter of:

DOCKET NO. S-20763A-10-0430

JOSEPH COSENZA and ANDREA  
BENSON, husband and wife;

NOTICE OF OPPORTUNITY FOR HEARING  
REGARDING PROPOSED ORDER TO  
CEASE AND DESIST, ORDER FOR  
RESTITUTION, ORDER FOR  
ADMINISTRATIVE PENALTIES, AND FOR  
OTHER AFFIRMATIVE ACTION

U.S. MEDIA TEAM, LLC, an Arizona  
limited liability company;

THOMAS BRANDON and DIANE M.  
BRANDON, husband and wife;

CELL WIRELESS CORPORATION, a  
Nevada corporation, formerly known as U.S.  
SOCIAL SCENE, a Nevada corporation;

DAVID SHOREY and MARY JANE  
SHOREY, husband and wife;

Arizona Corporation Commission  
DOCKETED

OCT 21 2010

Respondents.

DOCKETED BY

NR

NOTICE: EACH RESPONDENT HAS 10 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 JOSEPH COSENZA, U.S. MEDIA TEAM, LLC, THOMAS BRANDON, DAVID SHOREY, CELL WIRELESS CORPORATION, and U.S. SOCIAL SCENE have engaged in acts, practices, and transactions that constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act").

1 The Division further alleges JOSEPH COSENZA controlled U.S. MEDIA TEAM, LLC, and  
2 CELL WIRELESS CORPORATION within the meaning of A.R.S. § 44-1999.

3 The Division further alleges DAVID SHOREY controlled CELL WIRELESS  
4 CORPORATION within the meaning of A.R.S. § 44-1999.

5 **I.**

6 **JURISDICTION**

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

9 **II.**

10 **RESPONDENTS**

11 2. JOSEPH COSENZA ("COSENZA") is an individual who, at all times relevant, resided  
12 in Arizona.

13 3. U.S. MEDIA TEAM, LLC ("MEDIA") is an Arizona limited liability company  
14 organized on September 15, 2005. At all times relevant, MEDIA had its principal place of business in  
15 Scottsdale, Arizona.

16 4. MEDIA is a manager-managed limited liability company. COSENZA has been a  
17 member and manager of MEDIA since September 15, 2005. At all times relevant, COSENZA acted  
18 on behalf of MEDIA.

19 5. THOMAS BRANDON is an individual who, at all times relevant, resided in  
20 Arizona.

21 6. CELL WIRELESS CORPORATION ("CELL WIRELESS") is a Nevada corporation.  
22 CELL WIRELESS was incorporated in Nevada in December 2000.

23 7. At all times relevant, COSENZA was the chief executive officer, president and  
24 member of the board of directors for CELL WIRELESS. At all times relevant, DAVID SHOREY was  
25 the chief financial officer, secretary and member of the board of directors for CELL WIRELESS. At  
26 all times relevant, both COSENZA and SHOREY acted on behalf of CELL WIRELESS.

1           8.       In January 2008, CELL WIRELESS purchased the assets of U.S. SOCIAL SCENE  
2 from COSENZA. Thereafter, COSENZA, BRANDON, and DAVID SHOREY used the names U.S.  
3 SOCIAL SCENE and CELL WIRELESS interchangeably.

4           9.       CELL WIRELESS changed its name to U.S. SOCIAL SCENE on March 13, 2008. In  
5 February 2010, the company changed its name back to CELL WIRELESS. Unless the context  
6 suggests otherwise, references to “U.S. SOCIAL SCENE (formerly known as CELL WIRELESS),”  
7 “U.S. SOCIAL SCENE,” or “CELL WIRELESS/U.S. SOCIAL SCENE” all are intended to refer to  
8 CELL WIRELESS.

9           10.      DAVID SHOREY (“SHOREY”) is an individual who, at all times relevant, resided in  
10 Arizona.

11          11.      At all times relevant, ANDREA BENSON (“BENSON”), DIANE M. BRANDON  
12 (“D. BRANDON”), and MARY JANE SHOREY (“M. SHOREY”) have been the spouses of  
13 COSENZA, BRANDON, and SHOREY, respectively. BENSON, D. BRANDON, and M. SHOREY  
14 may be referred to collectively as “Respondent Spouses” as the context requires. BENSON, D.  
15 BRANDON, and M. SHOREY are joined in this action under A.R.S. § 44-2031(C) solely for purposes  
16 of determining the liability of their respective marital communities.

17          12.      At all times relevant, COSENZA, BRANDON, and SHOREY were acting for their  
18 own benefit and for the benefit or in furtherance of their and Respondent Spouses’ respective marital  
19 communities.

20          13.      COSENZA, MEDIA, BRANDON, CELL WIRELESS, and SHOREY may be referred  
21 to collectively as “Respondents.”

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23 ...  
24 ...  
25 ...  
26 ...

1 **III.**

2 **FACTS**

3 **A. MEDIA PROMISSORY NOTE INVESTMENT**

4 14. In or around June 2007, an investor learned that BRANDON was seeking investors  
5 on behalf of MEDIA. The investor received, via email, a memorandum that described the  
6 investment. The investor also spoke to BRANDON regarding the investment.

7 15. BRANDON represented to the investor that, in exchange for use of the investor's  
8 \$100,000 investment for a period of thirty days, MEDIA would pay the investor a twenty percent  
9 return.

10 16. In exchange for the receipt of the investor's funds in the amount of \$100,000,  
11 MEDIA issued a promissory note ("note") to the investor. The note promised a return of twenty  
12 percent on the amount invested, with both principal and interest to be paid in thirty days.

13 17. BRANDON told the investor that the investment was guaranteed and that there were  
14 no risks. BRANDON informed the investor that he could guarantee the investment and that there  
15 was no risk because MEDIA had business relationships with major sports organizations including,  
16 but not limited to, the Professional Golfers Association of America ("PGA") and a contract with the  
17 Sports Network (Clear Channel) ("Sports Network").

18 18. BRANDON further told the investor that all of the investor's funds would be used  
19 by COSENZA and MEDIA to invest in one of COSENZA's companies. In reality, \$50,000 of the  
20 investor's funds were wired to BRANDON and COSENZA used the remaining \$50,000 of the  
21 investor's funds for his own personal use and benefit and to make payments to various individuals.

22 19. The note set forth that repayment was "backed by \$152,500 in commissions due  
23 [MEDIA] on July 16, 2007." The commissions referenced were alleged to be owed to MEDIA,  
24 pursuant to an advertising contract between MEDIA and the Sports Network.

1           20.     Contrary to BRANDON's representations to the investor, MEDIA did not have a  
2 business relationship with the PGA or a contract with the Sports Network. Further, there were no  
3 commissions owed to MEDIA by the Sports Network.

4           21.     COSENZA signed the note as Chairman/CEO of MEDIA.

5           22.     The investor wired the funds to MEDIA's Arizona based bank account. COSENZA  
6 was the only signatory on the account.

7           23.     When the note issued to the investor came due, the investor did not receive either the  
8 principal or the interest owed. On or about August 30, 2007, the investor notified BRANDON that  
9 the note was 45 days overdue, as of August 21, 2007. Subsequently, the investor continued to  
10 contact BRANDON and COSENZA requesting the return of the invested funds and received  
11 promises that the funds would be forthcoming.

12 **B. CELL WIRELESS CORPORATION/U.S. SOCIAL SCENE STOCK INVESTMENT**

13           24.     On July 8, 2007, CELL WIRELESS authorized SHOREY to negotiate and complete  
14 the sale of CELL WIRELESS to MEDIA. CELL WIRELESS also recognized an obligation to  
15 compensate "EHG" for its services regarding this transaction. "EHG" was EquiVest Heritage  
16 Group, LLC, an administratively dissolved Arizona limited liability corporation. BRANDON was  
17 a member of EHG. On December 31, 2007, SHOREY sent COSENZA a letter notifying  
18 COSENZA that MEDIA was in default of the agreement to merge CELL WIRELESS and MEDIA.

19           25.     On or about January 4, 2008, SHOREY, on behalf of CELL WIRELESS, sent a  
20 letter to COSENZA seeking to confirm whether COSENZA was interested in merging  
21 COSENZA's business, U.S. SOCIAL SCENE, with CELL WIRELESS. SHOREY indicated in  
22 his letter that CELL WIRELESS would be the parent and U.S. SOCIAL SCENE would be a  
23 wholly-owned subsidiary.

24           26.     On or about January 7, 2008, SHOREY, on behalf of CELL WIRELESS, entered  
25 into an asset purchase agreement ("purchase agreement") with COSENZA. The effective date of  
26 the purchase agreement was January 1, 2008. Pursuant to the purchase agreement, CELL

1 WIRELESS purchased the assets of US SOCIAL SCENE. In exchange, COSENZA received an  
2 eighty percent interest in CELL WIRELESS.

3 27. SHOREY signed the purchase agreement on behalf of CELL WIRELESS.

4 28. Upon execution of the purchase agreement, CELL WIRELESS began operating as  
5 U.S. SOCIAL SCENE.

6 29. As of January 7, 2008, COSENZA and SHOREY were the only members of the  
7 board of directors for CELL WIRELESS. The board of directors approved SHOREY as the  
8 company's chief financial officer.

9 30. In or around February 2008 through early March 2008, COSENZA, BRANDON,  
10 SHOREY, and CELL WIRELESS, through COSENZA and SHOREY, met with two prospective  
11 investors in Arizona related to an investment opportunity involving issuance of stock in U.S.  
12 SOCIAL SCENE.

13 31. While COSENZA and BRANDON spoke to the prospective investors about the  
14 stock purchase, SHOREY confirmed the information that COSENZA and BRANDON presented to  
15 the prospective investors. SHOREY also told one prospective investor that the stock investment  
16 was a "good investment."

17 32. COSENZA, BRANDON, SHOREY and CELL WIRELESS, through COSENZA  
18 and SHOREY, told one of the prospective investors that there was no risk related to the stock  
19 purchase and that investors would not lose any of their funds.

20 33. COSENZA, BRANDON, SHOREY and CELL WIRELESS, through COSENZA  
21 and SHOREY told one of the prospective investors was told that he would receive the return of his  
22 original principal amount plus stock in U.S. SOCIAL SCENE. The other prospective investor was  
23 told that his stock would never be devalued.

24 34. BRANDON and/or COSENZA sent the investors unsigned subscription agreements.  
25 The subscription agreements identified the number of shares that each investor had purchased in  
26 U.S. SOCIAL SCENE.

1           35.    The subscription agreements listed COSENZA as President/CEO.

2           36.    COSENZA and CELL WIRELESS, through COSENZA, told two prospective  
3 investors that COSENZA owned other companies that would market U.S. SOCIAL SCENE's  
4 database of information as well as grow its Internet presence to increase the value of CELL  
5 WIRELESS/U.S. SOCIAL SCENE. COSENZA, along with the two prospective investors, visited  
6 the businesses that COSENZA claimed he owned. COSENZA did not own the companies.

7           37.    BRANDON, in the presence of COSENZA and SHOREY, directed at least one  
8 investor to wire funds to a bank account that, unknown to the investor, was not in the name of or  
9 otherwise affiliated with CELL WIRELESS.

10          38.    COSENZA, BRANDON, SHOREY, and CELL WIRELESS, through COSENZA  
11 and SHOREY, told prospective investors that the funds would be used for operating expenses of  
12 the combined company, U.S. SOCIAL SCENE and CELL WIRELESS, or to make acquisitions.

13          39.    In fact, some of the funds were used for purposes unrelated to the investment, such  
14 as a partial repayment to an investor who had invested in MEDIA. Additionally, some of the  
15 investor funds were transferred to the CELL WIRELESS bank account in which SHOREY was the  
16 sole signatory. SHOREY returned some of those funds to BRANDON.

17          40.    COSENZA, BRANDON, SHOREY, and CELL WIRELESS, through COSENZA  
18 and SHOREY, failed to tell at least one investor that COSENZA and his company, MEDIA, had  
19 defaulted on a prior merger agreement with CELL WIRELESS.

20          41.    At least seven investors invested \$130,000 in exchange for stock in CELL  
21 WIRELESS/U.S. SOCIAL SCENE.

22          42.    Investors who purchased stock in U.S. SOCIAL SCENE neither received stock  
23 certificates nor were the investors listed in the records of the transfer agent.

24          43.    To date, investors have not received a return on their investment or a refund of their  
25 principal investment amount.

26

1 44. At all times relevant, Respondents have not been registered as securities dealers or  
2 securities salesman with the Commission.

3 45. At all times relevant, the investments offered and sold by Respondents have not  
4 been registered with the Commission.

5 **IV.**

6 **VIOLATION OF A.R.S. § 44-1841**

7 **(Offer or Sale of Unregistered Securities)**

8 46. Respondents offered or sold securities in the form of notes and stock, within or from  
9 Arizona.

10 47. The securities referred to above were not registered pursuant to Articles 6 or 7 of the  
11 Securities Act.

12 48. This conduct violates A.R.S. § 44-1841.

13 **V.**

14 **VIOLATION OF A.R.S. § 44-1842**

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

16 49. Respondents offered or sold securities within or from Arizona while not registered as  
17 dealers or salesmen pursuant to Article 9 of the Securities Act.

18 50. This conduct violates A.R.S. § 44-1842.

19 **VI.**

20 **VIOLATION OF A.R.S. § 44-1991**

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

22 51. In connection with the offer or sale of securities within or from Arizona, Respondents  
23 directly or indirectly: (i) employed a device, scheme, or artifice to defraud; (ii) made untrue statements  
24 of material fact or omitted to state material facts that were necessary in order to make the statements  
25 made not misleading in light of the circumstances under which they were made; or (iii) engaged in  
26



1 transactions, practices, or courses of business that operated or would operate as a fraud or deceit upon  
2 offerees and investors. Respondents' conduct includes, but is not limited to, the following:

3 a. COSENZA, MEDIA, through COSENZA, and BRANDON misrepresented to  
4 one investor that MEDIA had a business relationship with the PGA and a contract with The Sports  
5 Network;

6 b. COSENZA, MEDIA, and BRANDON misrepresented to one investor that  
7 MEDIA was owed commission payments from The Sports Network;

8 c. COSENZA and MEDIA misrepresented to one investor how his funds would  
9 be used in the MEDIA promissory note investment;

10 d. COSENZA and CELL WIRELESS, through COSENZA, misrepresented to  
11 one investor and one prospective investor that COSENZA owned several companies that would grow  
12 U.S. SOCIAL SCENE's Internet presence;

13 e. COSENZA, BRANDON, SHOREY, and CELL WIRELESS, through  
14 COSENZA and SHOREY, misrepresented to one investor that there were no risks associated with  
15 the stock purchase;

16 f. COSENZA, BRANDON, SHOREY, and CELL WIRELESS, through  
17 COSENZA and SHOREY, represented to investors that they would receive stock in return for their  
18 funds;

19 g. COSENZA, SHOREY, and CELL WIRELESS, through COSENZA and  
20 SHOREY, failed to disclose to one investor and one prospective investor that COSENZA had failed  
21 to perform under the terms of the purchase agreement;

22 h. COSENZA, BRANDON, SHOREY, and CELL WIRELESS, through  
23 COSENZA and SHOREY, failed to inform one investor and one prospective investor that  
24 COSENZA and his company, MEDIA, had defaulted on a prior merger agreement with CELL  
25 WIRELESS; and

26

1 i. COSENZA, BRANDON, SHOREY, and CELL WIRELESS, through  
2 COSENZA and SHOREY, misrepresented to investors how their funds would be used in the  
3 U.S.SOCIAL SCENE investment.

4 52. This conduct violates A.R.S. § 44-1991.

5 53. COSENZA directly or indirectly controlled entities within the meaning of A.R.S. § 44-  
6 1999, including MEDIA and CELL WIRELESS. Therefore, COSENZA is jointly and severally liable  
7 under A.R.S. § 44-1999 to the same extent as MEDIA and CELL WIRELESS for their violations of  
8 A.R.S. § 44-1991.

9 54. SHOREY directly or indirectly controlled CELL WIRELESS within the meaning of  
10 A.R.S. § 44-1999. Therefore, SHOREY is jointly and severally liable under A.R.S. § 44-1999 to the  
11 same extent as CELL WIRELESS for its violations of A.R.S. § 44-1991.

12 **VII.**

13 **REQUESTED RELIEF**

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

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

17 2. Order Respondents to take affirmative action to correct the conditions resulting from  
18 Respondents' acts, practices, or transactions, including a requirement to make restitution pursuant to  
19 A.R.S. § 44-2032 and A.A.C. § R14-4-308;

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

22 4. Order that the marital communities of COSENZA and BENSON, BRANDON and D.  
23 BRANDON, and SHOREY and M. SHOREY be subject to any order of restitution, rescission,  
24 administrative penalties, or other appropriate affirmative action pursuant to A.R.S. § 25-215; and

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

**VIII.****HEARING OPPORTUNITY**

Each respondent, including respondent spouses, may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-306. **If a Respondent or a Respondent Spouse requests a hearing, the requesting respondent must also answer this Notice.** A request for hearing must be in writing and received by the Commission within 10 business days after service of this Notice of Opportunity for Hearing. The requesting respondent must deliver or mail the request to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at <http://www.azcc.gov/divisions/hearings/docket.asp>.

If a request for a hearing is timely made, the Commission shall schedule the hearing to begin 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. If a request for a hearing is not timely made the Commission may, without a hearing, enter an order granting the relief requested by the Division in this Notice of Opportunity for Hearing.

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

**IX.****ANSWER REQUIREMENT**

Pursuant to A.A.C. R14-4-305, if a Respondent or a Respondent Spouse requests a hearing, the requesting respondent must deliver or mail an Answer to this Notice of Opportunity for Hearing to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of this Notice. Filing instructions may be

1 obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site  
2 at <http://www.azcc.gov/divisions/hearings/docket.asp>.

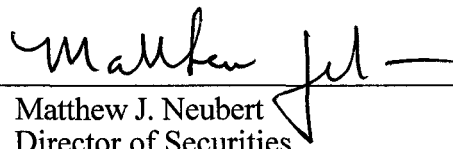
3 Additionally, the answering respondent must serve the Answer upon the Division. Pursuant  
4 to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a  
5 copy of the Answer to the Division at 1300 West Washington, 3<sup>rd</sup> Floor, Phoenix, Arizona, 85007, 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

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

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

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

16 Dated this 21 day of October, 2010.

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20 Matthew J. Neubert  
21 Director of Securities  
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