OPEN MEETING ITEM
3/16/11

ORIGINAL

COMMISSIONERS
GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

0000123496

SECURITIES DIVISION
1300 West Washington, Third Floor
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AZ CORP COMMISSION
DOCKET CONTROL

ARIZONA CORPORATION COMMISSION

MEMORANDUM

Arizona Corporation Commission
DOCKETED
MAR 4 2011
DOCKETED BY

TO: Gary Pierce, Chairman
Bob Stump
Sandra D. Kennedy
Paul Newman
Brenda Burns

FROM: Matthew J. Neubert MJN
Director of Securities

DATE: March 1, 2011

RE: *In re Edwin A. Sanchez, et al.*, Docket No. S-20778A-10-0513

CC: Ernest G. Johnson, Executive Director

Attached for your consideration is a proposed Order to Cease and Desist, Order for Administrative Penalties ("Order") and Consent to Same executed by Respondents Edwin A. Sanchez, Melissa Sanchez, Gregory Rigby, New Rise Investments, L.L.C. (f.k.a. "New Egg Investments, L.L.C."), and, AZ Real Estate Group, L.L.C. ("AZREG").

The Order finds that from December 2010, to January 12, 2011, Respondents offered unregistered securities within Arizona in the form of investment contracts and/or limited liability company membership interests in AZREG (the "Investments"). The Investments were advertised by Respondents through two detailed websites and a full page, color advertisement set forth on the back page of the December 9, 2010, edition of the *Arizona Business Gazette*.

Respondents ultimately sent additional Investment offering materials to a single, potential Arizona investor stating that: (a) the Investments cost $25,000 each; (b) Respondents were offering eight Investments for a total offering of $200,000; and (c) that the returns on the Investments would be approximately fifteen to twenty-five percent per year. These offering materials stated that Respondents were attempting to raise a pool of capital to purchase, renovate, operate and/or resell a twenty-four unit, three story, Class B apartment complex located in Phoenix.

The Order further finds that: (a) Respondents de-published their websites, and stopped publishing print advertisements in Arizona soliciting Investment investors after they received the "Temporary Order To Cease And Desist And Notice Of Opportunity For Hearing" filed by the Securities Division in this case on December 22, 2010; (b) Respondents sold a single Investment for $25,000 to an Illinois resident; and (c) no Investments were purchased by any Arizona residents.

The Order finds that Respondents violated A.R.S. §§ 44-1841 & 44-1842 of the Arizona Securities Act ("Act") by offering unregistered securities while not being registered as a securities salesman or dealer, or exempt from registration. The Order also requires Respondents to permanently cease and desist from violating the Act, and to jointly and severally pay a $5,000 administrative penalty.

The Division recommends the Order as appropriate, in the public interest and necessary for the protection of investors.

Originator: Mike Dailey

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

In the matter of EDWIN A. SANCHEZ, a married man, MELISSA SANCHEZ, a married woman, GREGORY RIGBY and JANE DOE RIGBY, husband and wife, NEW RISE INVESTMENTS, L.L.C. (f.k.a. "NEW EGG INVESTMENTS, L.L.C."), a Florida limited liability company, AZ REAL ESTATE GROUP, L.L.C., a Florida limited liability company, Respondents.	DOCKET NO. S-20778A-10-0513 DECISION NO. _____ **ORDER TO CEASE AND DESIST, ORDER FOR ADMINISTRATIVE PENALTIES AND CONSENT TO SAME BY:** **RESPONDENT EDWIN A. SANCHEZ** **RESPONDENT MELISSA SANCHEZ** **RESPONDENT GREGORY RIGBY** **RESPONDENT NEW RISE INVESTMENTS, L.L.C.** **RESPONDENT AZ REAL ESTATE GROUP, L.L.C.**

Respondents EDWIN A. SANCHEZ, MELISSA SANCHEZ, GREGORY RIGBY, NEW RISE INVESTMENTS, L.L.C. (f.k.a. "NEW EGG INVESTMENTS, L.L.C."), and AZ REAL ESTATE GROUP, L.L.C. (collectively "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 ("Order"), and Respondents' Consent To Entry Of 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

1. At all times relevant, Respondent EDWIN A. SANCHEZ ("EDWIN SANCHEZ") has been a married man and a Florida resident. At all times relevant, EDWIN SANCHEZ offered the investments discussed below within Arizona on behalf of Respondents: (a) NEW RISE INVESTMENTS, L.L.C. (f.k.a. "NEW EGG INVESTMENTS, L.L.C.") ("NRI") as its manager, co-owner and investment salesman; and (b) AZ REAL ESTATE GROUP, L.L.C. ("AZREG") as its co-manager, co-owner and investment salesman. EDWIN SANCHEZ has not been registered by the Commission as a securities salesman or dealer.

2. At all times relevant, Respondent MELISSA SANCHEZ has been a married woman and a Florida resident. At all times relevant, MELISSA SANCHEZ offered the investments discussed below within Arizona on behalf of: (a) NRI as its managing member, co-owner and investment salesman; and (b) AZREG as its registered agent, co-manager, co-owner and investment salesman. MELISSA SANCHEZ has not been registered by the Commission as a securities salesman or dealer.

3. At all times relevant, Respondent GREGORY RIGBY ("RIGBY") has been a single man and a Florida resident. At all times relevant, RIGBY offered the investments discussed below within Arizona on behalf of: (a) NRI as its "Director of Private Equity" and investment salesman; and (b) AZREG as its investment salesman. RIGBY has not been registered by the Commission as a securities salesman or dealer.

4. On or about November 1, 2009, NRI was organized by EDWIN and MELISSA SANCHEZ as a Florida limited liability company called New Egg Investments, L.L.C. ("NEI"). On April 2, 2010, MELISSA SANCHEZ filed Articles of Amendment to NEI's Articles of Organization with the Florida Department of State, Division of Corporations that changed NEI's name to NRI. At all times relevant, NRI maintained its principal place of business in Lakeland and/or Orlando, Florida, and it offered the investments discussed below within Arizona on its own behalf and

on behalf of AZREG as its "Manager." NRI's current business address is located at 37 North Orange Avenue, Suite 500, Orlando, Florida 32801. NRI has not been registered by the Commission as a securities dealer.

5. AZREG was organized by EDWIN and MELISSA SANCHEZ as a Florida limited liability company on or about September 21, 2010. At all times relevant, AZREG maintained its principal place of business in Lakeland and/or Orlando, Florida, and it offered to issue the investments discussed below within Arizona. AZREG's current business address is located at 7210 Stanford Drive, Lakeland, Florida 33809. AZREG has not been registered by the Commission as a securities dealer.

6. EDWIN SANCHEZ, MELISSA SANCHEZ, RIGBY, NRI and AZREG may be referred to as "Respondent(s)."

7. At all times relevant, EDWIN SANCHEZ has been married to MELISSA SANCHEZ.

8. At all times relevant, EDWIN and MELISSA SANCHEZ acted for their own benefit and for the benefit or in furtherance of the EDWIN and MELISSA SANCHEZ marital community.

A. <u>Respondents' Apartment Business and the Investments</u>

9. From December 2010, to January 12, 2011, Respondents represented to offerees within Arizona that Respondents were engaged in the business of purchasing, renovating, operating and selling multi-family apartment buildings.

10. From at least December 2010 to January 12, 2011, Respondents represented to offerees within Arizona that were raising a "pool" of capital to fund their acquisition and development of apartment buildings in "Emerging" markets like Phoenix, in part, by offering and/or selling: (a) limited liability company ("LLC") membership interests in AZREG (the "AZREG Investment(s)"); and (b) limited liability company membership interests in similar "funding" LLCs formed by Respondents to acquire specific apartment buildings (the "LLC Investment(s)").

11. The AZREG Investments and LLC Investments may be collectively referred to as the "Investments" or singularly as an "Investment."

12. The Investments have not been registered with the Commission as securities to be offered or sold within or from Arizona.

B. Respondents' Public Advertising and General Solicitation for Investment Investors

The First Website

13. At all times relevant, Respondents publicly advertised and engaged in a general solicitation for AZREG Investment investors within Arizona, in part, via their detailed website at www.newriseinvestments.com (the "First Website"). The First Website that included a page titled "Take Action" (the "Take Action Page"). The Take Action Page included NRI's corporate logo and provided potential investors who reside in Arizona with a form that they could complete to request more information regarding Respondents' Investments.

14. The "About Us" page of Respondents' First Website, under the heading "About New Rise Investments" stated:

> New Rise Investments is a leading real estate investment firm committed to providing you with national real estate investment opportunities and profitable, superior risk adjusted returns while maintaining the highest standards of integrity.
>
> New Rise Investments created a platform to act on investment opportunities nationally. New Rise Investments, LLC together, with its management team, have more than twenty five years of combined experience in acquiring apartment complexes nationally.
>
> New Rise Investments offers unique talents to real estate investors seeking safe, solid, and consistent returns through profitable national real estate investment opportunities. We measure our success through your trust. We invite you to join us in that success.

The Print Newspaper Advertisement

15. Respondents also published a full page, color advertisement on the back of the December 9, 2010, edition of the *Arizona Business Gazette* regarding Respondents' "Safe and Secured" Investments (the "Print Advertisement"). The Print Advertisement included the NRI

logo, Respondents' toll-free telephone number and urged potential Arizona investors to contact Respondents so they could "rush you" their "**FREE DISCOVERY INVESTMENT KIT** with a Special Research Study, 'The 5 Biggest Investment Challenges Facing Today's Boomers.'" (emphasis in original)

16. The Print Advertisement stated, in part, that: (a) NRI is a "real estate investment firm" that would combine the investments of "small and large investors" together to purchase and operate apartment buildings so that Respondents' investors "can achieve the same buying power and returns as larger institutional investors do"; and (b) that Respondents' investments would provide investors with annual returns of fifteen to twenty-five percent, along with significant tax advantages, so that they could enjoy the promised "Worry-Free Retirement!" The Print Advertisement described several benefits to purchasing the Investments, including the representation that the Investments would provide investors with "Safe and Secured" returns of "15-25%" per year.

17. The *Arizona Business Gazette* is published once a week on Thursdays, or four times a month, and is distributed to well over 1,000 Arizona based subscribers.

The Second Website

18. The Print Advertisement also identified a second website published by Respondents regarding the Investments at www.newriseinfo.com (the "Second Website"). The Second Website included: (a) NRI's corporate logo and all of the investment solicitation information set forth above; (b) a link to Respondents' First Website; (c) a form that potential Arizona investors could fill out to receive a "FREE Discovery Investment Kit, While Supplies Last," including a DVD and "Free Consultation;" and (d) written testimonials apparently submitted by Respondents' existing apartment building investors.

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C. The Potential Arizona Investor and the Emailed AZREG Investment Documentation

19. On or about December 13, 2010, a potential Arizona investor (the "PAI") viewed from Arizona the Print Advertisement, and First and Second Websites, and requested additional information regarding Respondents' Investments as instructed by sending an email to the email address listed on the First and Second Websites.

20. In response, RIGBY sent an email to the PAI on December 14, 2010 (the "First RIGBY Email"), in his capacity as NRI's "Director of Private Equity," that included:

a. A forty-page "Confidential Private Placement Memorandum" (the "PPM");

b. A related, eighteen-page, color "Property Package" detailing Respondents' analysis and due diligence regarding their potential purchase of the Apartment Complex (the "Property Package"); and,

c. A general nineteen-page color NRI "Business Plan" that includes a detailed analysis of Respondents' apartment complex investment and operations strategies, market analysis, projected cash flow and balance sheet, and related information (the "Business Plan").

21. The PPM states that: (a) Respondents' AZREG Investments cost $25,000 each; (b) an investor must purchase a minimum of one AZREG Investment; and (c) that Respondents are offering eight AZREG Investments, for a total AZREG Investment offering of $200,000.

22. The PPM and Property Package set forth that Respondents would use the AZREG Investment funds, in part, to purchase and/or improve a twenty-four unit, three-story, Class B apartment complex located in Phoenix, Arizona (the "Apartment Complex").

23. The Property Package stated that Respondents had negotiated a purchase price for the Apartment Complex of $579,000, with seller or carry-back financing of seventy-five percent of the purchase price or approximately $434,250. The seller financed purchase loan would bear

annual interest at the rate of seven percent, with interest only payments being made by Respondents for two years at which time the balance of the loan will become due and payable.

24. The Property Package indicated that Respondents would own and operate the Apartment Complex for approximately five years, at which time they could choose to sell the Apartment Complex, resulting in projected investor profits of approximately forty-two percent. The Apartment Complex, if purchased, would be owned by AZREG, with NRI acting as AZREG's managing member. The Apartment Complex would also be managed by a qualified third-party property management company selected and controlled by Respondents.

25. According to the PPM: (a) NRI would own approximately thirty percent of AZREG at the conclusion of Respondents' AZREG Investment offering; (b) EDWIN and MELISSA SANCHEZ would own one hundred percent of NRI; (c) EDWIN SANCHEZ is the "Manager" of NRI, while MELISSA SANCHEZ is its "Managing Member;" and (d) NRI would be entitled to ninety percent of the cash flow generated by AZREG and/or the Apartment Complex after the AZREG Investment investors received a minimal return of eight percent on their principal AZREG Investments.

26. According to the PPM, an investor could purchase an AZREG Investment by: (a) executing the attached subscription documents before a notary public, including an investor questionnaire attesting to the investor's accreditation status; (b) providing the investor's name, address and contact information; (c) making a check payable to AZREG in the amount of the number of purchased AZREG Investments; and (d) sending said materials and money to RIGBY at his Florida business address.

27. According to the NRI Business Plan, Respondents were seeking approximately $2,000,000 from investors to fund Respondents' apartment building business.

28. The First RIGBY email included a link to the First Website, and stated:

> Thank you for responding to our ad in the Arizona Business Gazette. We're a real estate private equity firm that specializes in acquiring apartment properties in emerging markets nation wide to provide our investors with strong returns while

> providing quality housing for tenants. I'm including the details of the current property (and information on our company) in Phoenix that we are accepting investment capital in return for equity ownership and +40% cumulative annual returns.

29. The PPM and Property Package stated that AZREG Investments were suitable for "accredited investors" generally defined in the Property Package as a person who has an income of $200,000 per year, or a net worth of $1,000,000.

30. The PAI is not accredited. RIGBY also did not ask the PAI if he was accredited before RIGBY emailed the PAI the PPM, Property Package and NRI Business Plan.

31. On December 14, 2010, the PAI requested additional information via email regarding both the AZREG and LLC Investments. In response, on December 14, 2010, RIGBY sent the PAI an email stating that Respondents were currently seeking AZREG Investments totaling only $175,000, and with an attachment showing "what an investor could expect to receive for purchasing the apparently remaining AZREG Investments" that, as discussed above, were represented to the PAI as "an attractive deal."

32. On October 14, 2010, the PAI sent RIGBY a third email asking RIGBY about how the AZREG Investments would be secured and/or "collateralized", and whether there were other LLC Investments being offered or sold. In response, on October 14, 2010, RIGBY sent the PAI a third email that stated, in part:

> We are always evaluating various deals at any time, however, we fund one investment at a time. Thus, you could invest in this specific property now and then funnel additional funds towards the next project in as little as a few weeks. In fact, we can acquire a property especially for you where you would be the sole investor on the property, receiving a 70% equity stake on the appreciation and a premium return from the cash flow.
>
> Should you choose to move forward, the [AZREG] investment is secured through built-in equity already at 300k, cash flow and appreciation, and insurance on the property. In addition, the property manager...is accredited and has been recognized as one of the best in the industry over the last 10 years. More importantly, our team is experienced and focused on maximizing the value of investors' capital. **In fact, we are so confident in the performance of...[the Apartment Complex], that if you are unhappy at any time during the first year (unhappy meaning the returns are not at least what we've stated), then we'd buy out your entire invested amount of equity and you would have no further obligations with New Rise.** <u>So, it's really like a 1 year free trial offer.</u>

> ...no other firm is willing to offer this assurance. We do this because we are confident in our ability to help you achieve your investment goals, confident in the investments we offer, and because we want you to continue to work with us.

D. General Investment Allegations

33. At all times relevant, Respondents represented to offerees that Respondents and/or their authorized agent would manage the essential elements of the Investments and, without limitation: (a) research and perform a market analysis, and then locate prospective apartment buildings "in emerging markets across the US"; (b) analyze "prospective properties with regard to income, expenses, title and zoning, location, 3rd party inspection and appraisal, and review of the Sellers['] representations"; (c) negotiate the purchase price for an apartment building, and arrange for related purchase financing; (d) arrange for and participate in real estate closings; (e) operate, manage and/or improve acquired apartment buildings, including the preparation of related budgets; and (f) "work diligently to minimize vacancies, negotiate favorable rents and terms, and attract high-quality tenants resulting in lower risks to the property's income stream."

34. At all times relevant, Respondents represented to offerees that Respondents' ability to repay investors their principal investments and projected profits and the investors' risk of loss of their investments was interwoven with and primarily dependent on: (a) Respondents' extensive real estate investment expertise and ability to profitably acquire, operate and/or resell the apartment buildings acquired with investor funds; and (b) Respondents' continued viability as apartment building developers.

35. Without limitation, the "About Us" and/or "Team Page" of Respondents' First Website emphasized Respondents' education, and stated that: (a) EDWIN SANCHEZ "has successfully owned and managed his own Multifamily investment properties since 2004," and that his "Multifamily real estate investment philosophy involves identifying value-add [sic] opportunities that generate competitive returns on investment for our clients, regardless of market trends"; (b) MELISSA SANCHEZ "has previously owned Multifamily investment properties for the past 6 years and has been successful in self-managing her own investment properties as well as

her clients"; and (c) RIGBY "has more than 10 years experience in senior level roles delivering superior absolute returns for high-net worth individuals, institutional investors and organizations."

E. Conclusion

36. Respondents de-published their First and Second Websites, and they stopped publishing print and/or newspaper advertisements soliciting Investment investors after they received the Division's December 22, 2010, "Temporary Order to Cease And Desist And Notice Of Opportunity For Hearing" filed in this case.

37. Respondents sold a single Investment for $25,000 to an Illinois resident. Respondents did not sell the Investments to any Arizona residents.

II.

CONCLUSIONS OF LAW

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

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

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

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

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

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

7. EDWIN SANCHEZ and MELISSA SANCHEZ acted for the benefit of their marital community and, pursuant to A.R.S. §§ 25-214 and 25-215, this Order for administrative penalties is a debt of the EDWIN and MELISSA SANCHEZ marital community.

III.

ORDER

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

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

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

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents shall jointly and severally pay an administrative penalty in the amount of $5,000. Payment is due in full on the date of this Order. Payment shall be made to the "State of Arizona." Any amount outstanding shall accrue interest as allowed by law.

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

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

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, 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 _____ day of _____, 2011.

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.

(MD)

CONSENT TO ENTRY OF ORDER

1. Respondents EDWIN A. SANCHEZ ("EDWIN SANCHEZ"), MELISSA SANCHEZ, GREGORY RIGBY ("RIGBY"), NEW RISE INVESTMENTS, L.L.C. (f.k.a. "NEW EGG INVESTMENTS, L.L.C.") ("NRI"), and AZ REAL ESTATE GROUP, L.L.C. ("AZREG") (collectively "Respondent(s)"), admit the jurisdiction of the Commission over the subject matter of this proceeding. Respondents acknowledge that Respondents have been fully advised of Respondents' right to a hearing to present evidence and call witnesses and Respondents knowingly and voluntarily waive any and all rights to a hearing before the Commission and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. Respondents acknowledge that this Order To Cease And Desist, Order For Administrative Penalties ("Order"), and this Consent To Entry Of Order constitutes a valid final order of the Commission.

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

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

4. Respondents have been represented by an attorney in this matter, Respondents have reviewed this order with their attorney, Alan S. Baskin, Esq. of the law firm Bade & Baskin, P.L.C., and understand all terms it contains. Respondents acknowledge that their attorney has apprised them of their rights regarding any conflicts of interest arising from dual representation. Respondents acknowledge that they have each given their informed consent to such representation.

5. Respondents neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Order. Respondents agree that Respondents shall not contest the validity of the Findings of Fact and Conclusions of Law contained in this Order in any present or future proceeding in which the Commission or any other Arizona state agency is a party concerning the

denial or issuance of any license or registration required by the state to engage in the practice of any business or profession.

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

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

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

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

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

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

12. Respondents agree that Respondents will continue to cooperate with the Securities Division including, but not limited to, providing complete and accurate testimony at any hearing in

this matter and cooperating with the state of Arizona in any related investigation or any other matters arising from the activities described in this Order.

13. EDWIN and MELISSA SANCHEZ acknowledge and agree that they have been married and residing together as husband and wife at all times relevant, and that any penalties imposed by this Order are obligations of EDWIN and MELISSA SANCHEZ in their individual capacities, as well as the EDWIN and MELISSA SANCHEZ marital community.

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

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

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

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

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18. MELISSA SANCHEZ represents that: (a) she is the managing member of NRI; (b) NRI is the managing member of AZREG; and (c) that she has been authorized by NRI and AZREG to enter into this Order for and on behalf of NRI and AZREG

Edwin A. Sanchez, husband of Melissa Sanchez

Melissa Sanchez, wife of Edwin A. Sanchez

STATE OF FLORIDA)
) ss
County of Polk)

SUBSCRIBED AND SWORN TO BEFORE me this 25 day of February, 2011.

NOTARY PUBLIC

My commission expires:

VIRGINIA N. FOX
Notary Public - State of Florida
My Comm. Expires Nov 13, 2013
Commission # DD 924794
Bonded Through National Notary Assn.

Gregory Rigby, a single man

STATE OF FLORIDA)
) ss
County of)

SUBSCRIBED AND SWORN TO BEFORE me this ____ day of _____, 2011.

NOTARY PUBLIC

My commission expires:

_____

18. MELISSA SANCHEZ represents that: (a) she is the managing member of NRI; (b) NRI is the managing member of AZREG; and (c) that she has been authorized by NRI and AZREG to enter into this Order for and on behalf of NRI and AZREG

Edwin A. Sanchez, husband of Melissa Sanchez

Melissa Sanchez, wife of Edwin A. Sanchez

STATE OF FLORIDA)
) ss
County of)

SUBSCRIBED AND SWORN TO BEFORE me this ____ day of _____, 2011.

NOTARY PUBLIC

My commission expires:

_____

Gregory Rigby, a single man

STATE OF FLORIDA)
) ss
County of Pdk)

SUBSCRIBED AND SWORN TO BEFORE me this 24 day of February, 2011.

NOTARY PUBLIC

My commission expires:

8/9/13

EVAN HAWORTH
Notary Public - State of Florida
My Comm. Expires Aug 9, 2013
Commission # DD 915084

New Rise Investments, L.L.C.

By Melissa Sanchez
Its managing member

STATE OF FLORIDA)
) ss
County of Polk)

SUBSCRIBED AND SWORN TO BEFORE me this 25 day of Feb., 2011.

NOTARY PUBLIC

My commission expires:

VIRGINIA N. FOX
Notary Public - State of Florida
My Comm. Expires Nov 13, 2013
Commission # DD 924794
Bonded Through National Notary Assn.

AZ Real Estate Group, L.L.C.

By New Rise Investments, L.L.C.
Its managing member

New Rise Investments, L.L.C.

By Melissa Sanchez
Its managing member

STATE OF FLORIDA)
) ss
County of Polk)

SUBSCRIBED AND SWORN TO BEFORE me this 25 day of Feb., 2011.

NOTARY PUBLIC

My commission expires:

VIRGINIA N. FOX
Notary Public - State of Florida
My Comm. Expires Nov 13, 2013
Commission # DD 924794
Bonded Through National Notary Assn.

SERVICE LIST FOR: *In re Edwin A. Sanchez, et al.*, Docket No. S-20778A-10-0513

Alan S. Baskin, Esq.
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Tempe, Arizona 85281
Attorneys for Respondents
Edwin A. Sanchez,
Melissa Sanchez,
Gregory Rigby,
New Rise Investments, L.L.C., and
AZ Real Estate Group, L.L.C.