

ORIGINAL

OPEN MEETING ITEM

12/6/12



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



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ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

ARIZONA CORPORATION COMMISSION

AZ CORPORATION  
DOCKET CONTROL

2012 NOV 26 AM 10 38

MEMORANDUM

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

Arizona Corporation Commissioner

DOCKETED

NOV 26 2012

FROM: Matthew J. Neubert *MJN*  
Director of Securities

DOCKETED BY *JM*

DATE: November 21, 2012

RE: *In re* MAGLEV Wind Turbine Technologies, Inc., et al., Docket No. S-20788A-11-0096 / Maglev Entities

CC: Ernest G. Johnson, Executive Director

Attached for your consideration is a proposed Order of Dismissal of the Administrative Proceedings without Prejudice regarding Respondents Maglev Wind Turbine Technologies, Inc., a Nevada corporation ("MWTT"); Maglev Renewable Energy Resources, Inc., a Wyoming corporation ("MRER"); Renewable Energy Development, Inc., an Arizona corporation ("RED"); and Renewable Energy Systems, Inc., an Arizona corporation ("RES") (collectively, the "Maglev Entities") ("Order of Dismissal").

On March 1, 2011, the Division filed a Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Order for Other Affirmative Action against the Maglev Entities; Edward L. Mazur ("Mazur"); Ronnie Williams ("Williams"); and MAG T, Inc., RLGMAN Corp., Stable, LLC, Richard L. Green, and Donald Andrew Rothman (collectively, the "Salesmen Respondents") ("Notice"). On April 15, 2011, the Maglev Entities, Williams, and Mazur filed a request for a hearing.

The Notice alleges that MWTT sought to develop, manufacture, and sell or lease a scaleable magnetic levitation wind turbine product, "maglev" ("Product"). From in or around June 2007 through at least December 2009, in an attempt to finance this business, the Maglev Entities, Mazur, and Williams offered and sold ownership interests in what were characterized as several "joint ventures" to investors. In each case, the joint venture was managed by one of the Maglev Entities. Each Maglev Entity was, in turn, controlled by Mazur and/or Williams. Once

funded, the joint ventures purchased certain contract rights in MWTT, which rights allowed for the participation in the profit generated by the sale or lease of the Product by MWTT.

Subsequent to the filing of the Notice, the investors sought to remove Williams and Mazur in order to take over the business operations of the joint ventures and MWTT and to acquire the intellectual property rights associated with the Product that was then owned by MWTT. As a result, the Maglev Entities were removed as the managers of the respective joint ventures, with each joint venture being presently controlled by managers who were elected by the investors. In addition, a limited liability company was formed, the controlling interest of which is owned and managed by the joint ventures. Furthermore, MWTT entered into an agreement whereby MWTT and Williams transferred all business operations and assets, including the intellectual property rights, associated with the Product to the new limited liability company.

MRER was administratively dissolved by the Wyoming Secretary of State on September 9, 2011, and its authorization to transact business in Arizona was revoked by the Commission on February 22, 2012. RED and RES were administratively dissolved by the Commission on October 22, 2012.

The Salesmen Respondents consented to the entry of an order against them, which order was approved by the Commission on February 24, 2012 as Decision No. 72901 ("Salesmen Consent Order"). Mazur and Williams have consented to the entry of orders against them, which orders are being presented to the Commission for approval contemporaneously herewith ("Mazur and Williams Consent Orders"). The Mazur and Williams Consent Orders require them to (a) permanently cease and desist from violating the Securities Act; (b) pay restitution in the amount of \$16,347,279.66; and (c) to each pay an administrative penalty in the amount of \$125,000.00. With the approval of the Mazur and Williams Consent Orders by the Commission, the only remaining respondents in this matter will be the Maglev Entities.

The Division believes that the Salesmen Consents and the Mazur and Williams Consents are appropriate to protect the public welfare, and that the continuation of the administrative proceeding against the Maglev Entities is not necessary for the protection of the public welfare at this time. Accordingly, the Division recommends that the administrative proceeding against the Maglev Entities be dismissed without prejudice, with the parties paying their respective attorneys' fees and costs.

Originator: Stephen J. Womack

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

COMMISSIONERS

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

In the matter of )  
MAGLEV WIND TURBINE )  
TECHNOLOGIES, INC., a Nevada )  
corporation, )  
MAGLEV RENEWABLE ENERGY )  
RESOURCES, INC., a Wyoming )  
corporation, )  
RENEWABLE ENERGY )  
DEVELOPMENT, INC., an Arizona )  
corporation, )  
RENEWABLE ENERGY SYSTEMS, INC., )  
an Arizona corporation, )  
EDWARD L. MAZUR and JANE DOE )  
MAZUR, husband and wife, )  
RONNIE WILLIAMS and JANE DOE )  
WILLIAMS, husband and wife, )  
MAG T INC., a Florida corporation, )  
RLGMAN CORP., a Florida corporation, )  
STABLE, LLC, an inactive Florida limited )  
liability company, )  
RICHARD L. GREEN, respondent, )  
DONALD ANDREW ROTHMAN, )  
respondent, )  
Respondents. )

DOCKET NO. S-20788A-11-0096

DECISION NO. \_\_\_\_\_

**ORDER OF DISMISSAL  
OF ADMINISTRATIVE PROCEEDINGS  
WITHOUT PREJUDICE**

On March 1, 2011, the Division filed a *Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties*

1 *and Order for Other Affirmative Action* against Respondents Maglev Wind Turbine Technologies,  
2 Maglev Renewable Energy Resources, Inc., Renewable Energy Development, Inc., Renewable  
3 Energy Systems, Inc., Edward L. Mazur, Ronnie Williams, MAG T, Inc.; RLGMAN Corp., Stable,  
4 LLC, Richard L. Green, and Donald Andrew Rothman (“Respondents”) alleging multiple  
5 violations of the Arizona Securities Act.

6 On April 15, 2011, Maglev Wind Turbine Technologies, Maglev Renewable Energy  
7 Resources, Inc., Renewable Energy Development, Inc., and Renewable Energy Systems, Inc.,  
8 among others, filed a request for a hearing.

9 The Arizona Corporation Commission having reviewed this matter and being advised in  
10 the premises,

11 IT IS HEREBY ORDERED that these proceedings as to respondents Maglev Wind  
12 Turbine Technologies, Maglev Renewable Energy Resources, Inc., Renewable Energy  
13 Development, Inc., and Renewable Energy Systems, Inc. are hereby dismissed without prejudice  
14 and that each party shall be responsible for their respective costs and attorney’s fees.

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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 \_\_\_\_\_, 2012.

\_\_\_\_\_  
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](mailto:sabernal@azcc.gov).

(sjw)

1 SERVICE LIST FOR MAGLEV WIND TURBINE TECHNOLOGIES, INC., *et al.*

2 Edward L. Mazur  
3 6304 E. De Mello St.  
4 Hereford, AZ 85615

5 Ronnie Williams  
6 3617 Blackbird Dr.  
7 Sierra Vista, AZ 85635

8 Douglas F. Behm  
9 DOUGLAS F. BEHM, PLLC  
10 14362 N. Frank Lloyd Wright Blvd., Suite 1000  
11 Scottsdale, AZ 85260  
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**BEFORE THE ARIZONA CORPORATION COMMISSION**

COMMISSIONERS

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

In the matter of )  
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MAGLEV WIND TURBINE )  
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STABLE, LLC, an inactive Florida limited )  
liability company, )  
)  
RICHARD L. GREEN, respondent, )  
)  
DONALD ANDREW ROTHMAN, )  
respondent, )  
)  
Respondents. )

DOCKET NO. S-20788A-11-0096  
**NOTICE OF FILING OF PROPOSED  
OPEN MEETING AGENDA ITEM  
RE: PROPOSED ORDER OF DISMISSAL  
OF ADMINISTRATIVE PROCEEDINGS  
WITHOUT PREJUDICE**  
(Assigned to the Honorable Marc E. Stern)

Pursuant to A.A.C. R14-4-303, you are hereby notified that the attached: *Order of Dismissal of Administrative Proceedings without Prejudice* was filed with the Arizona Corporation Commission's Docket Control.

Dated: November 21, 2012 By:   
Stephen J. Womack  
Enforcement Attorney  
Securities Division  
Arizona Corporation Commission

I hereby certify that I have this day served the foregoing document on all parties of record in this proceeding by mailing a copy thereof, properly addressed with first class postage prepaid to:

Edward L. Mazur  
6304 E. De Mello St.  
Hereford, AZ 85615

Ronnie Williams  
3617 Blackbird Dr.  
Sierra Vista, AZ 85635

Douglas F. Behm  
DOUGLAS F. BEHM, PLLC  
14362 N. Frank Lloyd Wright Blvd., Suite 1000  
Scottsdale, AZ 85260

Dated: 11/26/12 By:   
Emie R. Bridges, Executive Assistant