

ORIGINAL

OPEN MEETING AGENDA



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

Arizona Corporation Commission

DOCKETED

JAN 18 2013

DOCKETED BY [Signature]

DOCKET NO. S-20763A-10-0430

In the matter of:
JOSEPH COSENZA and ANDREA BENSON,
husband and wife;
U.S. MEDIA TEAM, LLC, an Arizona limited
liability company;
THOMAS BRANDON and DIANE M.
BRANDON, husband and wife;
CELL WIRELESS CORPORATION, Nevada
corporation, formerly known as U.S. SOCIAL
SCENE;
DAVID SHOREY and MARY JANE SHOREY,
husband and wife;
Respondents.

SECURITIES DIVISION'S EXCEPTIONS
TO THE RECOMMENDED OPINION
AND ORDER

(Assigned to Administrative Law Judge Stern)

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Pursuant to A.A.C. R14-3-110(B), the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") submits its exceptions to the Recommended Opinion and Order dated January 9, 2013 ("ROO"). The Division recommends specific changes to the ROO for the reasons set forth below.

These exceptions relate solely to the issue of the secondary liability of Respondent David Shorey ("Shorey") under the Arizona Securities Act ("Act") for the violations of the antifraud provisions of the Act found to have been committed by CWS/USSS. See A.R.S. § 44-1999(B).¹ In other words, if Shorey is a "controlling person" of CWC/USSS then he can be held liable for

¹ The Division supports the remaining Findings of Fact ("FOF") and Conclusions of Law ("COL") contained in the ROO.

1 the violations of the antifraud provisions of the Act by the entity (i.e., secondary liability)
2 whether or not he is found to have violated the antifraud provisions of the Act himself (i.e.,
3 primary liability). *Id.*

4 The Division alleged in its Notice of Opportunity for Hearing Regarding Proposed Order
5 to Cease and Desist, Order for Restitution, Order for Administrative Penalty and for Other
6 Affirmative Action filed on October 21, 2010 (“Notice”), presented testimonial and documentary
7 evidence at the administrative hearing, and argued in its Post-Hearing Brief that Shorey was a
8 controlling person of CWC/USSS during the time that the investors were offered and acquired
9 stock in CWC/USSS.² ALJ Stern found that:

10 8. Respondents Thomas Brandon and CWC/USSS committed fraud in
11 the sale of securities, engaging in transactions, practices, or a course of business
12 which involved untrue statements and omission of material facts in violation of
13 A.R.S. § 44-1991.³

14 The ROO, despite finding that (1) Shorey was one of two directors of CWC/USSS; (2)
15 Shorey was the CFO of CWC/USSS; (3) Shorey having the complete authority over business
16 operations of CWC/USSS, including the authority to seek a merger of CWC/USSS; (4) Shorey
17 operating the business out of his house; and (5) Shorey handling all the finances of the entity,
18 including the CWC/USSS bank accounts, however does not address the issue of whether or not
19 Shorey should be held responsible as a controlling person of CWS/USSS for its violations of
20 A.R.S. § 44-1991, pursuant to A.R.S. § 1999(B). *See* A.R.S. § 44-1999(B). The Division submits
21 that there is more than sufficient evidence in the record to support a finding that Shorey is a
22 controlling person of CWC/USSS, such that he should be held jointly and severally liable to the
23 same extent as CWC/USSS for its violations of A.R.S. § 44-1991 in connection with the sale to
24 stock to six investors between February 29, 2008 and March 13, 2008, pursuant to A.R.S. § 44-
25 1999(B).⁴

26 ² Notice at 2:3-4 and 10:9-11; Securities Division’s Post-Hearing Brief at 28:7-29:5

³ COL at ¶ 8.

⁴ *Id.*

ARGUMENT

1
2 **I. A controlling person, such as Shorey, is responsible for the actions of CWC/USSS for**
3 **the violations of A.R.S. § 44-1991 because he had the power to directly or indirectly**
4 **control the activities of the entity.**

5 A. The definition of “controlling person” under the Act.

6 The Act imposes presumptive secondary liability on a “controlling person”⁵ to the same
7 extent as it does to a person or entity that commits a primary violation of A.R.S. § 44-1991:

8 B. Every person who, directly or indirectly, controls any person liable for a violation
9 of section 44-1991 or 44-1992 is liable jointly and severally with and to the same
10 extent as the controlled person to any person to whom the controlled person is liable
11 unless the controlling person acted in good faith and did not directly or indirectly
12 induce the act underlying the action.

13 A.R.S. § 44-1999(B). The Arizona Appellate Court has interpreted this provision to impose
14 presumptive secondary liability “on those persons who have the *power* to directly or indirectly
15 control the activities of those persons or entities liable as primary violators of A.R.S. § 44-1991.”
16 *Eastern Vanguard Forex Ltd. v. Arizona Corp. Comm’n*, 206 Ariz. 399, 412, 79 P.3d 86, 89 (App.
17 2003) (emphasis in original).

18 In *Eastern Vanguard*, the issue of how controlling person liability was to be interpreted
19 under Act was one of first impression. *Eastern Vanguard*, 206 Ariz. at 410, 79 P.3d at 97.
20 In reaching its decision, the court followed the legislature’s direction that the Act be “liberally
21 construed to effect its remedial purpose of protecting the public interest,” upholding the finding by
22 the Commission of controlling person liability. *Id.*, citing 1951 Ariz. Sess. Laws, ch. 18, § 20.
23 The court (1) rejected the argument by the control appellees that “their mere status as controlling
24 shareholders and officers or directors of the corporate entity was insufficient to establish their
25 liability” as controlling persons “because no evidence was presented that they actually participated
26 in any violation of § 44-1991(A) by directing anyone to make false and misleading statements;”

⁵ “Person” under the Act means “an individual, corporation, partnership, association, joint stock company or trust, limited liability company, government or governmental subdivision or agency or any other unincorporated organization.” A.R.S. § 44-1801(16).

1 and (2) held that “actual participation” as a required element of liability would be “too restrictive to
2 guard the public interest a directed by our state legislature.” *Id.*

3 Specifically, first, the *Eastern Vanguard* court held that the plain language of the statute
4 does not support the actual participation requirement, stating

5 Indeed, the SEC has long defined “control” as meaning “the possession, direct or
6 indirect, of the *power to direct or cause the direction of the management and*
7 *policies of a person*, whether through the ownership of voting securities, by
8 contract, or otherwise.” 7 C.F.R. § 230.05 (1995) (emphasis added). The SEC’s
9 broad definition is consistent with legislative history leading to the passage of §
20(a). “In this section ... when reference is made to ‘control,’ the term is intended
to include actual control as well as what has been called legally enforceable
control.”

10 (citations omitted). *Eastern Vanguard*, 206 Ariz. at 412, 79 P.3d at 99; *see also Id.* at FN21 (“*See*
11 *A.R.S. §10-801(B)* (Supp.2002), which generally requires that ‘[a]ll corporate powers shall be
12 exercised by or under the authority of and the business and affairs of the corporation shall be
13 managed under the direction of its board of directors...’”). Second, the court held that requiring
14 evidence that a controlling person actually participated in the fraudulent would “frustrate the intent
15 behind the creation of controlling person liability” under the Act. *Id.*, citing Loftus C. Carson, II,
16 *The Liability of Controlling Persons under the Federal Securities Act*, 72 NOTRE DAME L. REV.
17 263, 268 -69 (1997) (“[I]f participation was required, ... ‘dummies,’ and other proxies could
18 immunize themselves [sic] from liability.”).

19 B. The Findings of Fact, as shown in the ROO, establish that Shorey was a “controlling
20 person of CWC/USSS.

21 Application of the legal standard for controlling person under the Act as set forth in *Eastern*
22 *Vanguard*, to the FOFs, as set forth in the ROO, demonstrate that there is substantial evidence in
23 the record to find Shorey responsible for CWC/USSS’s actions, pursuant to A.R.S. § 44-1999(B) .

24 First, despite being a minority shareholder in CWC/USSS, Shorey was elected to serve as
25 one of only two directors which sat on the Board of Directors of the entity at all times between
26 December 2007 and December 2008. Pursuant to applicable Arizona law regarding corporate

1 governance, “[a]ll corporate powers shall be exercised by or under the authority of and the business
2 and affairs of the corporation shall be managed under the direction of its board of directors.”

3 A.R.S. §10-801(B). As a result, despite their unequal ownership of the entity, Shorey and Cosenza
4 shared equal power to control CWC/USSS. Shorey not only had the power to exercise control of
5 the business affairs of CWC/USSS, he had the affirmative *duty* to do so. *Id.* In addition, Shorey
6 was also elected by the Board of Directors to serve as the chief financial officer and secretary of
7 CWC/USSS, and so served as an officer in these capacities throughout the same time period.⁶ The
8 applicable FOFs are as follows:⁷

9 4. CWC is a Nevada corporation, which at all relevant times herein, had
10 its principal place of business in Tucson, Arizona. (Tr. 314:4-8)

11 6. David Shorey is an individual who, at all relevant times herein, was a
12 resident of Arizona and was married to Mary Jane Shorey. (Ex. S-44: EUO 16:1-6)

13 131. Mr. Brokaw⁸ identified a document that was dated March 31, 2007,
14 and captioned “Strategic Consulting Agreement” between EHG and CWC signed by
15 Mr. Brandon as the chairman of EHG and MR Shorey as Chief Financial Officer of
16 CWC. (Tr. 425: 1-6) (Ex. S-28)

17 174. Mr. Shorey testified that CWC had been engaged as a reseller of
18 telephone services in 165 countries between 2005 and 2007, but went out of
19 business at that time. Mr. Shorey was instructed to look for another company to
20 merge with, if possible, as he continued to own 12 percent of CWC’s stock. (Tr.
21 313: 8-25)

22 173. Mr. Shorey further testified that after January 1, 2008, he did not
23 negotiate any contracts for USSS. According to Mr. Shorey, in May 2007, CWC
24 had been owned by Mr. John Bohringer who was its President and CEO. He also
25 owned the majority of CWC’s stock. At that time, the board of CWC requested Mr.
26 Shorey to find a merger candidate. (Tr. 312-313; 9-7)

 185. According to Mr. Shorey, at the time CWC became involved with
Mr. Cosenza its directors were looking to recover from huge operating losses and
were looking for a candidate to merge with and the principals behind CWC

⁶ A copy of the minutes of board meetings which occurred during the time period of June 30, 2007 through December 2008 was admitted into evidence as hearing exhibit S-27, a copy of which is attached to the Appendix to the Securities Division’s Exceptions to the Recommended Opinion and Order (“Appendix”) as Exhibit A. The Appendix is being docketed separately, but simultaneously with these Exceptions.

⁷ The numbers preceding each paragraph correspond to the same numbered paragraphs as set forth in the FOFs.

⁸ Mr. Brokaw is the special investigator with the Division assigned to this matter.

1 considered Mr. Cosenza's ideas represented a good opportunity to recover. (Tr.
2 344-345: 15-21)

3 175. During that time frame, Mr. Shorey stated that CWC was a Nevada
4 corporation, but its business transactions took place from Mr. Shorey's office where
5 he conducted its business transactions as its chief financial officer. (Tr. 3 14: 1-8)

6 178. According to a Stock Purchase Agreement dated July 11, 2007, Mr.
7 Cosenza agreed to pay \$600,000 on behalf of USMT for 80 percent of CWC's
8 stock, but Mr. Cosenza failed to consummate the purchase and to pay and purchase
9 price. (Ex. S-29)

10 137. On four subsequent press releases concerning CWC, Mr. Shorey was
11 shown as the contact person. (Ex. S-34)⁹

12 132. According to an e-mail dated November 27, 2007, Mr. Shorey had
13 contacted Mr. Cosenza with respect to his being in default of the stock purchase
14 agreement between CWC and USMT dated July 11, 2007. (Exs. S-29 and S-30)

15 189. According to Mr. Shorey, as of December 31, 2007, he had resigned
16 his position due to Mr. Cosenza's failure to cooperate to complete the bank
17 paperwork and failing to keep minutes for meetings that he was having, and because
18 of Mr. Cosenza was "making agreements" with people that Mr. Shorey "had no
19 knowledge of." (Tr. 352: 3-14)

20 133. On December 31, 2007, Mr. Shorey, as Chief Financial Officer of
21 CWC, again wrote Mr. Cosenza as CEO of USMT, that he was in default with
22 respect to his purchase of the majority interest in CWC. (Ex. S-31)

23 134. According to a letter dated January 4, 2008, from Mr. Shorey to Mr.
24 Cosenza, Mr. Shorey stated that he had been notified by Mr. Brandon that Mr.
25 Cosenza had decided to reconsider the opportunity of a merger between Mr.
26 Cosenza's operating company, USSS, and CWC. In the letter, Mr. Shorey discussed
the future structure of the entity and the manner in which the investment could be
finalized. Additionally, Mr. Shorey indicated that he did not wish to remain with the
surviving entity and would resign when the deal was structured. (Ex. S-32)

135. On January 7, 2008, with an effective date of January 1, 2008, an
Asset Purchase Agreement was executed between CWC as the buyer, and Mr.
Cosenza as the seller, wherein it was agreed that the buyer would acquire all of the
assets of the company now known as USSS and that the purchase price consisted of
476,628,688 shares of CWC (80 percent) with the remaining 20 percent of the

⁹ Shorey also testified at his investigative examination under oath ("EUO") that he was the contact person for the press releases issued by CWW/USSS during the period July 2007 through July 2008 because he was, "the only stable, reliable person that could handle broker inquiries." A copy of hearing exhibit S-34 is attached to the Appendix as Exhibit B and a copy of the relevant portion of the EUO (S-44: EUO at 53:13-54:6) is attached to the Appendix as Exhibit C.

1 outstanding shares of CWC held by current shareholders totaling 119,157,172
2 shares with 595,785,860 shares outstanding. (Ex. S-33)

3 136. The Asset Purchase Agreement was signed by Mr. Cosenza as “the
4 proprietor” of USSS and Mr. Shorey as Chief Financial Officer of CWC. (Ex. S-33)

5 128. According to a copy of a Certificate of Amendment from the Nevada
6 Secretary of State’s office, on March 17, 2008, CWC, a Nevada corporation,
7 changed its name to USSS to conform to the minutes of the meeting of the Board of
8 Directors of CWC which took place on March 13, 2008. The minutes stated that
9 CWC purchased the assets of USSS, an Arizona sole proprietorship on January 1,
10 2008, and had operated as such until March 13, 2008, the apparent date that Mr.
11 Cosenza as the Chairman of the Board and Mr. Shorey as a director and Corporate
12 Secretary signed the minutes of the board meeting. (Ex. S-25)

13 183. Based on the minutes of a March 14, 2008, meeting of the board of
14 directors of CWC, with Mr. Cosenza acting as chairperson and Mr. Shorey as
15 secretary of the meeting, an election of officers was held as follows: Mr. Cosenza
16 was elected chief executive officer/president, Mr. Shorey as chief financial officer,
17 Steven Anderson was elected chief operations officer, Josh Benson was elected
18 chief technical officer; Dean Gekas was elected VP national sales, Steven Harper
19 was elected VP marketing, and John Bohringer was elected VP international
20 marketing. According to the minutes, the directors who voted at that meeting were
21 Mr. Cosenza and Mr. Shorey. (Tr. 337: 2-12) (Ex. S-27)

22 177. According to an annual list of officers and directors filed with the
23 State of Nevada for the period December 2007 through December 2008, Mr. Shorey
24 was the secretary, treasurer, and a director of CWC. (Ex. S-24)¹⁰

25 157. Mr. Shorey further testified that he was the Chief Financial Officer
26 for USSS [as of July 20, 2011] and had been the Chief Financial Officer for CWC
for five years before that. (Tr. 295: 18-24)

19 In addition to the foregoing, Shorey testified that the corporate books and records were
20 maintained at his home and that the corporate address for CWC/USSS was the same as his home
21 address.¹¹ Also, admitted into evidence as hearing exhibit S-43 was a document entitled, “US
22 Social Scene, Inc. (Formerly Cell Wireless Corporation) Employment Contract Cancellation
23 Agreement” (“Cancellation Agreement”).¹² The Cancellation Agreement provides, in relevant
24

¹⁰ Shorey executed the document on March 13, 2008 and swore, under penalty of perjury, that Cosenza and Shorey were the only two directors of CWC between December 2007 and December 2008. A copy of hearing exhibit S-24 is attached to the Appendix as Exhibit D.

¹¹ Tr. 317:1-14, a copy of which is attached to the Appendix as Exhibit E.

¹² Hearing exhibit S-43, a copy which is attached to the Appendix as Exhibit F.

1 part:

2 This Agreement is entered into as of the 16th day of July, 2008, between US Social
3 Scene, Inc., a Nevada corporation, herein referred to as the "Company" and
4 Directors, Officers and owners currently operating from 9393 N. 90th Street,
5 Scottsdale, Arizona 85258 (the "Company") and David L. Shorey (the "Director and
6 Officer"), an Arizona individual, residing at [redacted] Arizona [redacted], herein
7 referred to as "Shorey," collectively "the Parties."

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Whereas: The parties entered into an agreement dated December 28, 2005 *whereby
the Board of Directors of the Company appointed Shorey as Chief Financial Officer
and Director of the Company and granted Mr. Shorey the right and direction to
transact all business necessary to accomplish the goals of the Company.*

Whereas: The Company wishes to cancel the employment contract.

Therefore: It is agreed herein as follows:

1. David Shorey herein *resigns all Officer and Director Positions of the Company*
upon signing this agreement and the parties accept that resignation.

(emphasis added).¹³ The Cancellation Agreement was executed by Cosenza, on behalf of USSS,
and by Shorey on July 16, 2008.¹⁴ Although Shorey testified that he resigned from CWC as of
December 31, 2007,¹⁵ he nevertheless continued to conduct business as a director, chief financial
officer, and secretary of CWC/USSS.¹⁶ Accordingly, there is sufficient evidence in the record for
the determination that the rights and duties to manage and direct the policies of CWC/USSS
granted to Shorey on December 28, 2005 were not in any way restricted or rescinded at any time,
nor did Shorey resign from any of these corporate positions until July 16, 2008. CWC/USSS
violated A.R.S. § 44-1991 in conjunction with the sale of its stock by agents between February 29,
2008 through March 13, 2008, during the time Shorey held all his positions with the entity.

Second, Shorey had sole control of the corporate bank accounts at all relevant times. He
was authorized to make expenditures on behalf of CWC/USSS. In fact, Shorey made expense
reimbursement payments to himself without first consulting Cosenza. The applicable FOFs are as

¹³ *Id.*

¹⁴ *Id.*

¹⁵ FOF at ¶ 189.

¹⁶ FOF at ¶¶ 134, 135, 136, 128, 183, 177, and 157; hearing exhibit S-43 (Appendix Exhibit F).

1 follows:

2 138. A review of the Wells Fargo bank statement for the period ending
3 March 11, 2008, for GBD confirms a wire transfer from Dr. Terry Benson on
4 February 29, 2008, of \$60,000, a wire transfer from investor Christie Block in the
5 amount \$25,000 and two deposits totaling \$25,000 on February 29, 2008,
6 representing funds belonging to Kurt Mottinger. Additional deposits confirm an
7 investment on March 4, 2008, by Ardell Hjelle in the amount of \$10,000 and a
8 deposit of \$5,000 on March 4, 2008, by investor Karen Turner in USSS. (Ex. S-36)”

9 139. Mr. Brokaw further testified that on March 3, 2008, another \$20,000
10 was wired to CWC. (Tr. 434: 11-14)

11 141. Mr. Brokaw testified that Mr. Shorey received bank statements from
12 Bank of America (“BoFA”) for both USSS and CWC at his home address in Tucson,
13 and that Mr. Shorey was the only signatory for the USSS account. (Tr. 439: 1-20)

14 180. Mr. Shorey admitted that he was the only signatory on the CWC
15 bank account and on the bank account for USSS. (Tr. 328: 18-23)

16 188. Testifying further, Mr. Shorey stated although he was the sole
17 signatory to the CWC bank account and the USSS bank account, he had sent memos
18 and telephoned Mr. Cosenza to become a signatory on these accounts, but Mr.
19 Cosenza refused to do so. (Tr. 351: 8-20)

20 181. Mr. Shorey stated that for the period March 1, 2008, through March
21 31, 2008, the beginning balance for the CWC account was negative \$7.51 and that
22 on March 3, 2008, \$20,000 was wired to the account from Mr. Brandon’s GBD
23 account. (Tr. 330: 7-20)

24 182. According to Mr. Shorey, funds which were deposited into the CWC
25 account were deposited pursuant to Mr. Cosenza’s instructions to GBD, and Mr.
26 Shorey was not aware of the reasons. (Tr. 333: 12-24)

181. Mr. Shorey denied that he had any idea why \$20,000 was wired from
GBD into the USSS bank account, and did not know that the money represented
investor funds. (Tr. 353: 6-1 6)

195. Although Mr. Shorey had stated that CWC was not doing much
business by March of 2008, and that CWC was officially USSS, he represented that
the funds wired to CWC’s account on March 3, 2008, by GBD were from the sale of
advertising on AZSS’ website and activities from marketing. (Tr. 368: 2-10)

193. Based on the record, upon CWC’s receipt of the \$20,000 wire from
GBD on March 3, 2008, there is evidence that a CWC check signed by Mr. Shorey
and payable to Mr. Shorey in the amount of \$4,115.22 was written for “expenses,”

1 another check from CWC was signed by Mr. Shorey and was payable to SSI
2 Development for \$3,384.78 (this was to a corporation solely owned and controlled
3 by Mr. Shorey). Additionally, there was another check from CWC to Mr. Shorey's
company, SSI Development, in the amount of \$1,000, written on March 24, 2008,
and signed by Mr. Shorey with no explanation. (Ex. S-40)

4 194. According to Mr. Shorey, at the time the checks from CWC were
5 written in March 2008, he was owed in excess of \$28,000 for expenses and these
6 payments represented partial payment for these expenses. (Tr. 363: 8-17)

7 Finally, Shorey provided documents to assist others in the sale of the CWC/USSS stock.
8 During his 45 years of practice as a CPA a large portion of his practice was auditing public
9 companies and that he came to understand the requirements for the sale and transfer of securities,
10 which knowledge and expertise he then shared with agents of CWC/USSS including Brandon and
Cosenza. The applicable FOF's are as follows:

11 172. Mr. Shorey testified that Mr. Brandon did not work for USSS, but
12 had entered into a contractual agreement for his services with the company. (Tr. 3
13 12: 1-7)

14 160. Mr. Shorey stated that he did not encourage the sale of USSS stock,
15 but acknowledged preparing documents to assist others in the sale of its stock. (Tr.
16 297: 1-10)

17 161. Mr. Shorey denied that he acted in a supervisory capacity over Mr.
18 Brandon, Mr. Cosenza, Josh Benson or Dr. Benson. (Tr. 297: 1 1-13)

19 179. Mr. Shorey admitted that a subscription agreement for USSS stock
20 which was signed by Dr. Benson on February 28, 2008, except for minor differences
21 was the same document which Mr. Shorey acknowledged that he had provided to
22 Mr. Brandon. (Tr. 327-328: 5-17) (Ex. S-18 and Ex. S-48)

23 163. Mr. Shorey described the process in which stock is issued using a
24 transfer company named Pacific Stock Transfer ("PST") that is engaged in keeping
25 track of public shares that are issued in a public company. He dealt with PST after
26 receiving a signed subscription agreement with payment for the shares after which
PST, as the transfer agent, would send the shares to Mr. Shorey who would then
forward them to the investor. (Tr. 299: 1-21)

164. Mr. Shorey testified that he was involved in more than 300 stock
transfers which were performed by PST. (Tr. 299: 22-25)

168. Mr. Shorey testified that during his 45 years of practice as a CPA a
large portion of his practice was auditing public companies and that he came to

1 understand the requirements for the sale and transfer of securities and had been
2 involved in a number of private placements when he ran a company called Forestry
International in 1991. (Tr. 305-306: 14-19)

3 169. Mr. Shorey further testified that his only involvement with a
4 prospective purchaser of securities related to USSS was the meeting at Steven
Anderson's home on February 29, 2008, which he understood was a "meet-and-
5 greet with the officers of a financial group" and that he did not know they were
potential investors.¹⁷ (Tr. 307: 4-9)

6 170. Mr. Shorey stated that he said nothing about the sale of securities at
7 the February 29, 2008, meeting with Dr. Terry Benson, Josh Benson, Steven
Anderson and Dean Gekas other than he explained the rules for becoming officers
8 and directors, and that as an officer or director of a corporation they could sell stock
under an exemption pursuant to Regulation D. (Tr. 307-308: 24-1 0)

9 162. Mr. Shorey further testified that Dr. Benson, Josh Benson, Steven
10 Anderson and Dean Gekas became officers of USSS [on March 14, 2008]. (Tr. 298:
11 14-22)

12 **II. Although the statute includes a defense to controlling person liability, that is not**
13 **available to Shorey because he failed to (1) raise the affirmative defense in the Answer**
14 **to the Notice, pursuant to A.A.C. R14-4-305(F); and/or (2) present sufficient evidence**
15 **that he (a) acted in good faith; and (b) did not directly or indirectly induce the**
16 **violation of A.R.S. §44-1991 by CWC/USSS.**

17 Although A.R.S. § 44-1999(B) includes an affirmative defense to controlling person
18 liability, Shorey and his attorney waived that defense. On November 30, 2010, Shorey filed his
19 Answer ("Shorey Answer") to the allegations set forth in the Notice, including the allegation that
20 Shorey was a controlling person of CWC/USSS and thus secondary liable for the primary
21 violations of the antifraud provisions of the Act on the part of the entity, pursuant to A.R.S. § 44-
22 1999(B). However, the Shorey Answer did not set forth an affirmative defense to *any* of the
23 allegations set forth in the Notice. Accordingly, Shorey waived the affirmative defense to
24 controlling person liability set forth in A.R.S. § 44-1999(B), pursuant to Commission Rule 14-4-
25 305(F). *See* A.A.C. R14-4-305 ("The respondent waives any affirmative defense not raised in the
26 answer.").

¹⁷ These were the officers of OFG, and Dr. Benson who had signed his subscription agreement for 500,000 shares of USSS stock on February 28, 2008.

1 Even if Shorey had not waived the affirmative defense, there is insufficient evidence in the
2 record to establish the existence of an affirmative defense. Under A.R.S. § 44-1999(B), a defense
3 is provided to a controlling person who “acted in good faith *and* did not directly or indirectly
4 induce the act underlying the action.” (emphasis added). *Eastern Vanguard*, 206 Ariz. at 413, 79
5 P.3d at 100;¹⁸ A.R.S. § 44-1999(B). It is Shorey’s burden of proof to establish the defense. *Id.*,
6 citing *Hollinger v. Titan Capital Corp.*, 914 F.2d 1564, 1575 (9th Cir. 1977);

7 It is not enough for the controlling person to show lack of participation or the lack of actual
8 knowledge of the violations of A.R.S. § 44-1991 by the primary actor in order to avoid liability
9 under A.R.S. §44-1999(B). *See Eastern Vanguard*, 206 Ariz. at 413-14, 79 P.3d at 100-01.
10 Otherwise, “controlling persons would be encouraged to be derelict with regard to their duties [to
11 monitor the activities of the controlled person] in order to remain ignorant” of the fraudulent
12 activities of the controlled entity. *Eastern Vanguard*, 206 Ariz. at 414, 79 P.3d at 101, quoting
13 *Carson*, 72 NOTRE DAME L. REV. at 305-06. Rather, the “appropriate standard must be flexible
14 enough to include acts of *omission* as well as commission.” (emphasis added). *Eastern Vanguard*,
15 206 Ariz. at 414, 79 P.3d at 101; *Cf.* A.R.S. § 10-830(A) (“A director’s duties, including duties as a
16 member of a committee, shall be discharged: (1) [i]n good faith; (2) [w]ith the care an ordinary
17 prudent person in a like position would exercise under similar circumstances; and (3) [i]n a manner
18 the director reasonably believes to be in the best interests of the corporation.”).

19 In order to establish an affirmative defense in a case involving nonfeasance, the controlling
20 person “must establish that they exercised due care by taking reasonable steps to ‘maintain and
21 enforce a reasonable and proper system of supervision and internal control(s).’” *Id.*, quoting *S.E.C.*
22 *v. First Jersey Securities, Inc.*, 101 F.3d 150, 1473 (2nd Cir. 1996) (quoting *Marbury Management,*
23 *Inc. v. Kohn*, 629 F.2d 705, 716 (2nd Cir. 1980)). This proceeding as it relates to Shorey as a
24 controlling person is certainly one involving nonfeasance.

25 ¹⁸ In the Respondents’ Closing Brief, Shorey also cites to the affirmative defense set forth in A.R.S. § 44-1999(A) (i.e.,
26 lack of knowledge of the conduct giving rise to violation by the primary violator); however, this does not assist him as
the affirmative defense of A.R.S. § 44-1999(B) is quite different than that of A.R.S. § 44-1999(A). *Compare* A.R.S.
§§ 44-1999(A) and 44-1999(B).

1 Even though Shorey was well aware of Cosenza's failure to comply with the mandates of
2 corporate governance, he continued to serve as an officer and director of CWC/USSS.¹⁹ Although
3 Shorey discussed the applicable securities laws with and provided subscription agreements for the
4 sale of the CWC/USSS stock to Brandon and Cosenza, Shorey completely failed to inquire about
5 their sales activities.²⁰ Even though he continued to request that Cosenza obtain authorization on
6 the corporate bank accounts, Shorey did not close the accounts. Rather, he chose to reimburse
7 himself for personal expenditures at his sole discretion.²¹ Simply stated, Shorey chose to make no
8 reasonable routine inquiries regarding the activities of Cosenza and other corporate officers and
9 agents. Furthermore, Shorey acquiesced to the Cosenza's failure to provide information regarding
10 the day-to-day activities of CWC/USSS. As in *Eastern Vanguard*, controlling person Shorey
11 became "derelict with regard to his duties to monitor the activities of CWC/USSS in order to
12 remain ignorant" of the fraudulent activities of the controlled entity. As a result, Shorey did not act
13 in good faith, rendering the affirmative defense to controlling person liability unavailable.

14 CONCLUSION

15 The facts enumerated above demonstrate that Shorey not only had the power to control the
16 activities of CWC/USSS, but also actively participated in CWC/USSS business operations.
17 Furthermore, Shorey did not act in good faith because failed to comply with controlling person duty
18 to monitor the activities of CWC/USSS. Therefore, since CWC/USSS engaged in activity that
19 violated the antifraud provisions of the Securities Act, Shorey is responsible for the same violations
20 as CWC/USSS. As such, the Division requests that the Commission adopt the Division's Proposed
21 Amendment #1, attached hereto as Exhibit A.
22
23
24

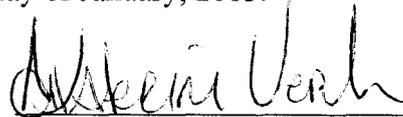
25 _____
¹⁹ *Supra* at § I.B.

26 ²⁰ *Id.*

²¹ *Id.*

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RESPECTFULLY SUBMITTED this 18th day of January, 2013.

By: 
Aikaterine Vervilos
Staff Attorney for the Securities Division of
the Arizona Corporation Commission

ORIGINAL AND THIRTEEN (13) COPIES of the foregoing
filed this 18th day of January 18, 2013, with

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

COPY of the foregoing hand-delivered this
18th day of January 18, 2013, to:

Administrative Law Judge Marc Stern
Arizona Corporation Commission/Hearing Division
1200 West Washington
Phoenix, AZ 85007

COPY of the foregoing mailed
this 18th day of January 18, 2013, to:

Bruce R. Heurlin
Kevin M. Sherlock
HEURLIN SHERLOCK PANAHI
1636 North Swan Road, Suite 200
Tucson, AZ 85712-4096
Attorneys for Respondents David Shorey,
Mary Jane Shorey and Cell Wireless Corporation

Diane M. Brandon
10206 East Desert Flower Place
Tucson, AZ 85749

Thomas Brandon
10206 E. Desert Flower Pl.
Tucson, AZ 85749

By: 

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EXHIBIT A

1 **SECURITIES DIVISION PROPOSED AMENDMENT #1**

2 TIME/DATE PREPARED:

3 MATTER: Joseph Cosenza, et al.

AGENDA ITEM NO. _____

4 DOCKET NO: S-20763A-10-0430

OPEN MEETING DATE: _____

5
6 Page 29, line 26

7 INSERT: "224. Upon our review of the entire record in this matter, a preponderance of
8 the evidence establishes that Mr. Shorey is a controlling person of
9 CWC/USSS, and that Mr. Shorey failed to present sufficient evidence that
10 he acted in good faith and did not directly or indirectly induce the antifraud
violation of the Act by CWC/USSS."

11 Page 30, line 25

12 DELETE: "Paragraph 12. Respondents, David and Mary Jane Shorey are hereby
13 dismissed from this proceeding."

14 INSERT: "Paragraph 12. Respondent David Shorey directly or indirectly controlled
15 CWC/USSS within the meaning of A.R.S. § 44-1999(B). Therefore, Shorey
is jointly and severally liable under A.R.S. § 44-1999(B) to the same extent
as CWC/USSS for its violations of A.R.S. § 44-1991."

16 INSERT: "The marital community of Respondent David Shorey and Mary Jane
17 Shorey should be included in any order of restitution and penalties ordered
18 hereunder."

19 Page 30, lines 27-28

20 DELETE: Page 30, lines 27-28

21 Page 31, line 2

22 DELETE: "and Cell Wireless Corporation/U.S. Social Scene"

23 INSERT: Replace "Respondents Thomas Brandon and Cell Wireless Corporation"
24 with "Respondents Thomas Brandon, Cell Wireless Corporation/U.S. Social
Scene and David Shorey."
25
26

1 Page 31, line 21

2 DELETED: "and"

3 Page 31, lines 21-22

4 INSERT: Replace "and Cell Wireless Corporation and/or U.S. Social Scene," with
5 "Cell Wireless Corporation and/or U.S. Social Scene, and Respondents
6 David Shorey and Mary Jane Shorey, husband and wife, to the extent
allowable pursuant to A.R.S. § 25-215, jointly and severally, shall ...".

7 Page 32, line 15

8 DELETED: "and"

9 Page 32, lines 15-16

10 INSERT: Replace "and Cell Wireless Corporation and/or U.S. Social Scene," with
11 "Cell Wireless Corporation and/or U.S. Social Scene, and Respondents
12 David Shorey and Mary Jane Shorey, husband and wife, to the extent
allowable pursuant to A.R.S. § 25-215, jointly and severally, shall ...".

13 Page 32, line 23

14 DELETED: "and"

15 Page 32, lines 23-24

16 INSERT: Replace "and Cell Wireless Corporation and/or U.S. Social Scene," with
17 "Cell Wireless Corporation and/or U.S. Social Scene, and Respondents
18 David Shorey and Mary Jane Shorey, husband and wife, to the extent
allowable pursuant to A.R.S. § 25-215, jointly and severally, shall ...".

19 Page 32, line 27

20 DELETED: "and"

21 Page 32, lines 27-28

22 INSERT: Replace "Cell Wireless and/or U.S. Social Scene," with "Cell Wireless
23 Corporation and/or U.S. Social Scene, and Respondents David Shorey and
24 Mary Jane Shorey".

25 Page 33, line 6

26 DELETED: "and"

1 Page 33, line 7

2 INSERT: Replace “Cell Wireless and/or U.S. Social Scene,” with “Cell Wireless
3 Corporation and/or U.S. Social Scene, and Respondents David Shorey and
4 Mary Jane Shorey”.

4 Page 33, line 12

5 DELETE: “and”

6 INSERT: Replace “Cell Wireless and/or U.S. Social Scene,” with “Cell Wireless
7 Corporation and/or U.S. Social Scene, and Respondents David Shorey and
8 Mary Jane Shorey”.

9 Page 33, line 14

10 DELETE: “and”

11 Page 33, line 15

12 INSERT: Replace “Cell Wireless and/or U.S. Social Scene,” with “Cell Wireless
13 Corporation and/or U.S. Social Scene, and Respondents David Shorey and
14 Mary Jane Shorey”.

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

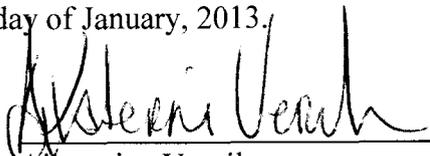
In the matter of:)
JOSEPH COSENZA and ANDREA BENSON,)
husband and wife;)
U.S. MEDIA TEAM, LLC, an Arizona limited)
liability company;)
THOMAS BRANDON and DIANE M.)
BRANDON, husband and wife;)
CELL WIRELESS CORPORATION, Nevada)
corporation, formerly known as U.S. SOCIAL)
SCENE;)
DAVID SHOREY and MARY JANE SHOREY,)
husband and wife;)
Respondents.)

DOCKET NO. S-20763A-10-0430

**APPENDIX TO THE
SECURITIES DIVISION'S EXCEPTIONS
TO THE RECOMMENDED OPINION
AND ORDER**

(Assigned to Administrative Law Judge Stern)

RESPECTFULLY SUBMITTED this 18th day of January, 2013.

By: 

Aikaterine Vervilos
Staff Attorney for the Securities Division of
the Arizona Corporation Commission

ORIGINAL AND THIRTEEN (13) COPIES of the foregoing
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3 Arizona Corporation Commission/Hearing Division
4 1200 West Washington
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6 this 18th day of January 18, 2013, to:

7 Bruce R. Heurlin
8 Kevin M. Sherlock
9 HEURLIN SHERLOCK PANAHI
10 1636 North Swan Road, Suite 200
Tucson, AZ 85712-4096
Attorneys for Respondents David Shorey,
Mary Jane Shorey and Cell Wireless Corporation

11 Diane M. Brandon
12 10206 East Desert Flower Place
Tucson, AZ 85749

13 Thomas Brandon
14 10206 E. Desert Flower Pl.
Tucson, AZ 85749

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16 By:  _____
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EXHIBIT A

MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
CELL WIRELESS CORPORATION

A meeting of the Board of Directors of Cell Wireless Corporation was held on June 30, 2007 at 1:00 PM., at 6959 East Wild Canyon Place, Tucson, Arizona 85750, for the following purpose(s):

Discuss and resolve the protection of Directors share positions in the event of a roll back of the common shares by current management or persons who may control the company in the near future. The Directors of the corporation feel that the protection from the effects of a rollback could significantly reduce the value of their share holdings. The Directors have served the Company without compensation, some without salary, some without full salary since 2005 and need to have protection for the value of the services rendered to the Company during its most trying period of development.

John Bohringer acted as Chairperson, and David Shorey acted as Secretary of the meeting.

The chairperson called the meeting to order. The following persons were present at the meeting:

David Shorey in Person, John Bohringer, Michael Featherstone and Brian Arnold by long distance telephone.

After discussion, on motion duly made and carried by the affirmative vote of the majority of the Board of Directors, the following resolutions were adopted:

Director's shares, warrants and conversion rights on promissory notes are hereby granted exemption from any future rollback or reversing effect on the total holdings of current Directors common shares, warrants and conversion rights held at the time of this resolution.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

Signature: [Handwritten Signature]

Printed Name: John Bohringer

Signature: [Handwritten Signature]

Printed Name David L. Shorey

Signature: [Handwritten Signature]

Printed Name: Brian Arnold

Signature: [Handwritten Signature]

Printed Name: Michael Featherstone

COSENZA
ACC001279
JOE
COSENZA



**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
CELL WIRELESS CORPORATION**

A meeting of the Board of Directors of Cell Wireless Corporation was held on January 7, 2008 at 2:30 PM., at 6959 East Wild Canyon Place, Tucson, Arizona 85750, for the following purpose(s):

Electing officers for the Calendar year 2008

Joe Cosenza acted as Chairperson, and David Shorey acted as Secretary of the meeting.

The chairperson called the meeting to order.

The following persons were present at the meeting:

This meeting was held telephonically with Mr. Cosenza from Scottsdale Arizona and Mr. Shorey attended in Tucson, Arizona at the corporate office of the Company.

Discussion contained the following comments.

All officers from Cell Wireless except David Shorey had resigned on December 31, 2007 and no new Officers were elected.

The following slate of officers were presented to the Board of Directors

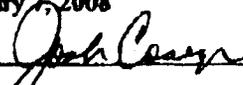
Joseph Cosenza, Chief Executive Officer, President

David L. Shorey, Chief Financial Officer

The Directors voted for the slate of officers as presented and they were unanimously elected.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

Date: January 7, 2008

Signature: 

Printed Name: Joe Cosenza

Title: Chairman of the Board of Directors

Date January 7, 2008

Signature: 

Printed Name: David Shorey

Title: Secretary, Director

**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
CELL WIRELESS CORPORATION**

A meeting of the Board of Directors of Cell Wireless Corporation was held on July 8, 2007 at 3:00 PM., at 6959 East Wild Canyon Place, Tucson, Arizona 85750, for the following purpose(s):

Discuss and resolve the merger proposal and corporate funding arrangements with Media Group, LLC of Scottsdale Arizona.

John Bohringer acted as Chairperson, and David Shorey acted as Secretary of the meeting.

The chairperson called the meeting to order. The following persons were present at the meeting:

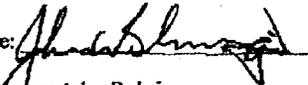
David Shorey in Person, John Bohringer, Michael Featherstone and Brian Arnold by long distance telephone.

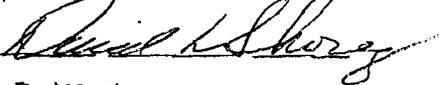
After discussion, on motion duly made and carried by the affirmative vote of the majority of the Board of Directors, the following resolutions were adopted:

Mr. David Shorey was instructed to negotiate and complete the sale of controlling interest in the company according to the terms in the previously approved agreement between Cell Wireless and the Media Group and herein has board approval to complete and sign the ensuing agreement on behalf of the Board. The Board also recognizes the obligation to compensate EHG for the commissions earned on the sale and funding of the transaction.

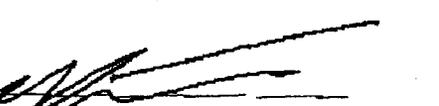
The Board also approves the establishment of a Cell Wireless checking account under his signature at a bank in Tucson Arizona to receive and disburse the funding.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

Signature: 
Printed Name: John Bohringer

Signature: 
Printed Name David L. Shorey

Signature: 
Printed Name: Brian Arnold

Signature: 
Printed Name: Michael Featherstone

**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
CELL WIRELESS CORPORATION**

A meeting of the Board of Directors of Cell Wireless Corporation was held on March 13, 2008 at 10:30 AM., at 6959 East Wild Canyon Place, Tucson, Arizona 85750, for the following purpose(s):

Discussing the Name Change of the Corporation

Joe Cosenza acted as Chairperson, and David Shorey acted as Secretary of the meeting.

The chairperson called the meeting to order.

The following persons were present at the meeting:

This meeting was held telephonically with Mr. Cosenza from Scottsdale Arizona and Mr. Shorey attended in Tucson, Arizona at the corporate office of the Company.

Discussion contained the following comments.

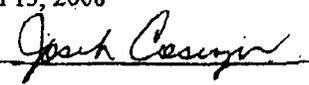
Cell Wireless Corporation purchased the assets of US Social Scene, an Arizona Sole Proprietorship on January 1, 2008 and has been operating the company from that time until the present meeting. Since the name of the corporation should be reflective of the business which it carries out, the Directors wish to change the name of the Company. The name suggested at this meeting is to change to:

US Social Scene, Inc.

The Directors voted for change of the name as presented and 84% of the outstanding shares (615,095,624 shares held by directors, shareholders and officers) were voted for the resolution and the resolution was passed.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

Date: March 13, 2008

Signature: 

Printed Name: Joe Cosenza

Title: Chairman of the Board of Directors

Date March 13, 2008

Signature: 

Printed Name: David Shorey

Title: Secretary, Director

**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
CELL WIRELESS CORPORATION**

A meeting of the Board of Directors of Cell Wireless Corporation was held on March 14, 2008 at 2:30 PM., at 6959 East Wild Canyon Place, Tucson, Arizona 85750, for the following purpose(s):

Electing officers for the Calendar year 2008

Joe Cosenza acted as Chairperson, and David Shorey acted as Secretary of the meeting.

The chairperson called the meeting to order.

The following persons were present at the meeting:

This meeting was held telephonically with Mr. Cosenza from Scottsdale Arizona and Mr. Shorey attended in Tucson, Arizona at the corporate office of the Company.

Discussion contained the following comments.

The following slate of officers were presented to the Board of Directors

Joseph Cosenza, Chief Executive Officer, President

David L. Shorey, Chief Financial Officer

Steve Anderson, Chief Operations Officer

Josh Benson, Chief Technical Officer

Dean Gekaa, VP National Sales

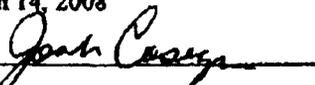
Steven Harper, VP Marketing

John Bohringer, VP International Marketing

The Directors voted for the slate of officers as presented and they were unanimously elected.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

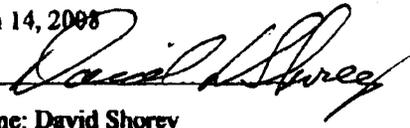
Date: March 14, 2008

Signature: 

Printed Name: Joe Cosenza

Title: Chairman of the Board of Directors

Date March 14, 2008

Signature: 

Printed Name: David Shorey

Title: Secretary, Director

**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
CELL WIRELESS CORPORATION**

A meeting of the Board of Directors of Cell Wireless Corporation was held on March 17, 2008 at 10:30 AM., at 6959 East Wild Canyon Place, Tucson, Arizona 85750, for the following purpose(s):

Issuing shares to pay outstanding debt to officers and directors

Joe Cosenza acted as Chairperson, and David Shorey acted as Secretary of the meeting.

The chairperson called the meeting to order.

The following persons were present at the meeting:

This meeting was held telephonically with Mr. Cosenza from Scottsdale Arizona and Mr. Shorey attended in Tucson, Arizona at the corporate office of the Company.

Discussion contained the following comments.

The Corporation owes Directors and Officers of Cell Wireless various sums of money for services during the 2006 and 2007 fiscal years and the outstanding debt totals \$591,662.62. The individuals owed this money have agreed to accept shares for the payment of the debt with effective date of the shares equaling the dates of the services rendered at the end of each calendar quarter. The number of shares were calculated based on the promissory notes dated December 31, 2007 resulting in the conversion to 78,888,350 shares.

The Holders of the promissory notes elected to have the shares issued as follows according to the subscription agreements signed.

Name and address	Effective date of purchase	# of shares
Colormax Technologies	12-31-06	3,258,210 Free Trading
██████████	3-31-07	3,904,043 Free Trading
██████████	6-30-07	7,988,086 Free Trading
██████████	9-30-07	9,828,808 Free Trading
██████████	12-31-07	14,448,328 Restricted
Queensland Australia		
Total		39,312,475

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Joe Cosenza

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JOE
COSENZA

SSI Development	12-31-06	4,490,256 Restricted
██████████	3-31-07	5,475,628 Restricted
██████████ Arizona ██████████	6-30-07	6,461,000 Restricted
	9-30-07	7,812,553 Restricted
	12-31-07	10,746,721 Restricted
Total		34,986,158
Raven Discretionary	6-30-07	4,589,717 Free Trading
██████████		
██████████		
Australia		

The Board of Directors reviewed the comments, subscription agreements and promissory notes as presented and they were unanimously accepted to be converted to shares.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

Date: March 17, 2008

Signature: Joe Cosenza

Printed Name: Joe Cosenza

Title: Chairman of the Board of Directors

Date: March 17, 2008

Signature: David Shorey

Printed Name: David Shorey

Title: Secretary, Director

**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS OF
US SOCIAL SCENE, INC.**

(FORMERLY CELL WIRELESS CORPORATION)

A meeting of the Board of Directors of Cell Wireless Corporation was held on July 18, 2008 at 10:30 AM., at 9393 N. 90th Street #102, Scottsdale, Arizona 85258, for the following purpose(s):

Issuing shares to pay outstanding debt for asset acquisition and consultants

Joe Cosenza acted as Chairperson, and David Shorey acted as Secretary of the meeting.

The chairperson called the meeting to order.

The following persons were present at the meeting:

This meeting was held telephonically with Mr. Cosenza from Scottsdale Arizona and Mr. Shorey attended in Tucson, Arizona at the accounting office of the Company.

Discussion contained the following comments.

The Corporation owes US Media Team, LLC and Consultant Thomas L. Brandon for the transaction dated January 7, 2008 (effective January 1, 2008) for the Cell Wireless Corporation acquisition of the assets of US Social Scene, LLC an Arizona LLC owned by US Media Team and for the consulting services contracted for by Cell Wireless with Mr. Brandon and his companies. The Board recognizes that Mr. Brandon is herein paid in full, but US Media team is partially paid pending the authorization of additional common shares.

The individuals owed for this transaction have agreed to accept shares for the payment of the debt with effective date of the shares equaling the dates of the services rendered, January 1, 2008.

US Media Team and Thomas Brandon elected to have the shares issued as follows according to the subscription agreements signed.

Name and address	Effective date of purchase	# of shares
US Media Team, LLC 9393 N. 90th Street #102 Scottsdale, Arizona 85258	1-1-08	250,000,000 Restricted
Thomas L. Brandon ████████████████████ ██████████ AZ ██████████	1-1-08	47,662,868 Restricted

Joe Cosenza
07/18/08

ACC001393
JOE
COSENZA

The Board of Directors reviewed the comments and subscription agreements as presented and they were unanimously accepted for the issuance of shares.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

Date: July 18, 2008

Signature: Joe Cosenza

Printed Name: Joe Cosenza

Title: Chairman of the Board of Directors

Date July 18, 2008

Signature: David Shorey

Printed Name: David Shorey

Title: Secretary, Director

July 18, 2008

CERTIFICATE AS TO MINUTES OF MEETING OF DIRECTORS: Form used by company secretary to certify the transcript of the minutes of a directors' meeting

I, David L Shorey, secretary of US Social Scene, Inc. (formerly Cell Wireless Corporation), certify that the above is a true and correct transcript from the minutes of a special meeting of board of directors of US Social Scene, Inc, held at 9393 N 90th Street, #102 Scottsdale, Arizona 85258 on July 18, 2008, and that the meeting was duly called and held in all respects in accordance with the laws of the State of Nevada and bylaws of the company and that a quorum was present.

I further certify that the votes and resolutions of the board of directors of US Social Scene at the meeting are operative and in full force and effect and have not been annulled or modified by any vote or resolution passed or adopted by the board since that meeting.

A True Record



David L. Shorey, Secretary

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JOE
COSENZA

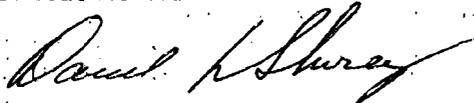
July 18, 2008

CERTIFICATE AS TO MINUTES OF MEETING OF DIRECTORS: Form used by company secretary to certify the transcript of the minutes of a directors' meeting

I, David L Shorey, secretary of US Social Scene, Inc. (formerly Cell Wireless Corporation), certify that the above is a true and correct transcript from the minutes of a special meeting of board of directors of US Social Scene, Inc, held at 9393 N 90th Street, #102 Scottsdale, Arizona 85258 on July 18, 2008, and that the meeting was duly called and held in all respects in accordance with the laws of the State of Nevada and bylaws of the company and that a quorum was present.

I further certify that the votes and resolutions of the board of directors of US Social Scene at the meeting are operative and in full force and effect and have not been annulled or modified by any vote or resolution passed or adopted by the board since that meeting.

A True Record



David L. Shorey, Secretary

ACC001395

JOE
COSENZA

RESIGNATION

I, Joseph Cosenza, hereby resign as President and Director of U.S. Social Scene, Inc., a Nevada corporation, effective as of August 12, 2008, but after I have executed Board of Director Minutes appointing David Shorey to the Board of Directors.

Dated: August 12, 2008



Joseph Cosenza

C:\WP51\US55\003

ACC001376
JOE
COSENZA

CONSENT MINUTES OF
BOARD OF DIRECTORS

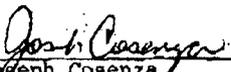
U. S. SOCIAL SCENE, INC.

AUGUST 12, 2008

Pursuant to Nevada statute the undersigned, being the sole Director of U. S. Social Scene, Inc., a Nevada corporation (the "Corporation"), does hereby waive the required notice of a Board of Directors meeting, and consents to the adoption of the following Board Minutes:

RESOLVED, the Corporation hereby appoints David Shorey to serve as Director of the Corporation.

IN WITNESS WHEREOF, the undersigned Director has executed these Minutes, effective as of the date first written above.



Joseph Cosenza
Sole Director

C:\WP51\HUS9002

ACC001377
JOE
COSENZA

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EXHIBIT B

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August 28, 2007 09:00 AM Eastern Daylight Time

Cell Wireless Receives First of a Kind Cellular Advertising Package in the United States

TUCSON, Ariz.—(BUSINESS WIRE)—Cell Wireless Corporation (Pink Sheets:CLWL) announced today they had been awarded U.S. Media Team's (47) SMS advertising platforms in the cellular phone arena by U.S. Media Team. U.S. Media Team (USMT) was one of only (11) companies chosen in the United States to participate in a two year national study and field testing program designed to determine the viability of cellular phones as the medium for advertising and marketing.

Combining Cell Wireless's equipment capabilities with USMT's Fully Interactive Internet Agency powers gives Cell Wireless a significant competitive edge over other advertising companies in the U.S. due to its access to "Open Wave Network Technology", a one of a kind transfer of technology by USMT to Cell Wireless that provides Cell Wireless access to over 80 million cellular users for marketing purposes.

Mr. Joe Cosenza, President and CEO of both the USMT and Cell Wireless (Pink Sheets:CLWL), the publicly traded corporation, stated, "Cell Wireless will have access to a full array of cellular and Internet downloads including video, radio and television. Cell Wireless will specialize in a wide variety of content solutions including finance, news, sports, entertainment, music, real estate and travel. This full service acquisition/merger partnership has set Cell Wireless apart from its competition with proprietary software, hardware and technology. Cell Wireless now has a full service advertising platform with capabilities of marketing to millions of consumers on a weekly basis and hundreds of marketing partnerships with cellular carriers such as Sprint, Alltel, AT&T, and Nextel, to name but a few."

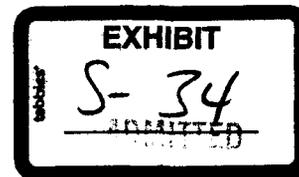
Mr. Cosenza continued, "Cellular advertising is already the fastest growing segment of advertising and marketing in the world. The United States will likely become the number one producer of cellular advertising by 2008. The bottom line is that cellular advertising will produce millions of dollars of sales revenues for companies like Cell Wireless who have the vision to create a Fully Interactive Media/Cellular organization. We estimate that cellular advertising will contribute an additional \$10 million in annual revenues to Cell Wireless in 2008. (See Cell Wireless's August 22, 2007 News Release Outlining its U.S. Sales and Marketing Plan).

Safe Harbor Statement

Note: Certain statements in this news release may contain "forward-looking" information within the meaning of Rule 175 under the Securities Act of 1933 and Rule 3b-6 under the Securities Act of 1934 and are subject to the safe harbor created by those rules. All statements, other than the statements of fact, included in this release may include forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will be accurate and actual results and future events could differ materially from those anticipated in such statements. CLWL undertakes no obligation to update forward-looking statements to reflect subsequently occurring events or circumstances or to reflect unanticipated events or developments.

Contacts

Cell Wireless Corporation, Tucson
David Shorey, [REDACTED]
www.cellwireless.com



ACC001615
JOE
COSENZA

September 20, 2007 09:00 AM Eastern Daylight Time

Cell Wireless Corporation and U.S. Media Team Merger Expected To Yield \$35 Million In New Sales To Cell Wireless Corporation

TUCSON, Ariz.—(BUSINESS WIRE)—Cell Wireless Corporation's (Pink Sheets:CLWL) President and CEO Mr. Joseph Cosenza provided an interim report to its Board of Directors on the progress to date of its recent merger/acquisition (also refer to August 20, 2007 news release).

Mr. Cosenza and the Board of Directors have decided to disseminate a portion of the report to its Shareholders.

Mr. Joseph Cosenza, President and CEO of Cell Wireless Corporation summarized the progress made to date on the merger/acquisition of Cell Wireless Corporation (CLWL) and US Media Team as follows:

1. CLWL's cellular advertising platform to provide \$20 million in product inventory (advertising products to be delivered to cellular advertising customers). These sales will yield approximately 25% profit margin or some \$5 million annually.
2. CLWL's agreement for a 25 year exclusive marketing program with U.S. Social Scene LLC to flow an additional \$15 million in sales inventory also providing a 25% profit margin for our company.
3. CLWL's internal platforms, software and technology is valued at \$4.2 million. These products will be reallocated and assigned to activities to run the new networks products and services.
4. CLWL now has access to an in-house database of 79.8 million opted-in consumers plus marketing agreements with websites and portals having combined hits of 1.6 billion per month. Additionally CLWL has agreements with database carriers in 42 countries worldwide. These networks will provide CLWL with over 80 million cellular users in the United States with the capabilities to expand into 100's of millions of cellular consumers worldwide.
5. CLWL is conducting due diligence on several other target companies for acquisitions in the fourth quarter of 2007.
6. CLWL's establishment of a new infrastructure consisting of new facilities in Scottsdale, Arizona, key personnel and consultants to help meet our on-going corporate growth and rapidly expanding products and services.

In summary, Mr. Cosenza reported that "He believes Cell Wireless's progress and integration of the two companies is far ahead of schedule and has exceeded his original expectations of the impact of the merger on our industry."

Safe Harbor Statement

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Contacts

Cell Wireless Corporation
David Shorey, [REDACTED]
www.cellwireless.com



ACC001616
JOE
COSENZA

September 24, 2007 09:00 AM Eastern Daylight Time

CLWL Sets the Stage for the Future Growth

TUCSON, Ariz.—(BUSINESS WIRE)—Cell Wireless Corporation (Pink Sheets:CLWL) CEO Joseph Cosenza announced today the emerging scope of the company's operations and Cell Wireless's accomplishments over the past two months since the Company's acquisition by U.S. Media Team.

In CLWL's news release of September 11, 2007, Mr. Cosenza stated, "The most important mission that I have ahead of me is to get Cell Wireless's capabilities, accomplishments and future goals better understood by our shareholders, consumers, potential investors and the general public."

Mr. Cosenza continued, "To accomplish this complicated task, I have asked a number of leaders from the Internet Field, Communications, Advertising and Cellular Phone industries to provide our shareholders, consumers and future investors some of their insights on what they believe Cell Wireless's future will be as a fully integrated, interactive, Internet/Cellular Advertising Agency and what impact it will have on our competitors and for the future growth and success of Cell Wireless as a company."

1. Mr. Rocklin Duffy former executive of MCI and future President of Cell Wireless USA (October 1, 2007) is enthusiastic about Cell Wireless's future under the visionary leadership of Joseph Cosenza and his hand-selected management team. He stated, "The Company's expertise in utilizing world class Internet/Wireless Technology, massive database and shrewd mergers and acquisitions strategy could easily surpass the Company's \$35 million revenue projection for 2008."

2. Mr. Stephen Harper former executive of MSN and future Vice President of Marketing for Cell Wireless USA (October 1, 2007) stated, "My forecast for Cell Wireless is that they are a company on the move up. I am convinced that Cell Wireless's entrepreneurial leadership, its innovative marketing approach and its interactive, Internet/Cellular Advertising Agency, will set the standard for Internet/Wireless companies for the foreseeable future. Keep your eye on this publicly traded company!"

Mr. Cosenza stated, "As our management team continues to implement our dynamic growth strategy, I am particularly excited about our very active merger and acquisition program. We are currently conducting due diligence and evaluating a number of additional compatible companies that will benefit from our technology. Our philosophy is focusing on 'rollups,' greater market penetration and integration of our 79.6 million opted in e-mail consumers to ensure our continued rapid growth and revenue generation."

Safe Harbor Statement

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Contacts

Cell Wireless Corporation
David Shorey, [REDACTED]
www.cellwireless.com



ACC001617

JOE
COSENZA

October 01, 2007 09:00 AM Eastern Daylight Time

Cell Wireless Teams with Mission E Commerce to Provide State of the Art Web Development, Programming and Production

TUCSON, Ariz.—(BUSINESS WIRE)—Cell Wireless Corporation (Pink Sheets:CLWL) is proud to announce a new contract with Mission E Commerce (MissionECommerce.com) to provide a Web 2.0 cell-phone/internet portal for Cellwireless.com. Mission E Commerce will build a new portal providing cell phone and internet users from almost any network with a resource of free and paid games, streaming content, downloads, promotions and special offers from a variety of sponsors. This free site will offer a series of widgets that are both mobile and social network friendly allowing for interaction between mobile users and social sites like friendster, myspace, tagged, blogs or any website. The portal will be proprietary in numerous platforms including a fully interactive advertising vehicle. Cell Wireless will launch this division October 1, 2007. Cell Wireless is one of only a handful of United States companies to have this technology. The current in-house advertising inventory is projected to exceed \$50 million over the next 12 months.

"We are excited to announce our new project with CellWireless.com and are excited to create a new destination site for cell phone, WIFI and internet users around the world. We will create a web 2.0 platform allowing for easy access to mobile users for reviewing, rating and downloading all the best new cell phone applications to most phones on all major networks," said Adam Pollicino, CEO of Mission E Commerce.

Joseph Cosenza, CEO of Cell Wireless stated, "The agreement between Mission E Commerce and Cell Wireless will allow our company to be at the forefront of interactive content. This technology will set us apart from our competition and will catapult Cell Wireless to millions of households within the United States via the internet and cell."

The new portal is set to debut for the holiday season and offer some exclusive new releases from cell content and gaming providers including a line of VOIP mobile calling products allowing for dual mode on all the latest smart phones!

The entire conglomerate of Cell Wireless will launch as a team on October 1, 2007 with revenues directly related to the launch beginning on October 15, 2007.

Safe Harbor Statement

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Contacts

Cell Wireless Corporation
David Shorey, [REDACTED]
Cellwireless.com



ACC001618
JOE
COSENZA

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EXHIBIT C

ARIZONA CORPORATION COMMISSION
SECURITIES DIVISION

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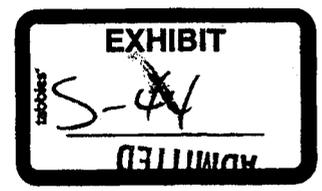
IN THE MATTER OF:) File No: 7966
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JOE COSENZA)
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EXAMINATION UNDER OATH OF DAVID LEROY SHOREY

Phoenix, Arizona
July 14, 2009

ARIZONA REPORTING SERVICE, INC.
Court Reporting
Suite 502
2200 North Central Avenue
Phoenix, Arizona 85004-1481
By: Gary W. Hill
Certified Reporter
Certificate No. 50812

Prepared for:
ACC - SECURITIES DIVISION



1 INDEX TO EXAMINATIONS

2 WITNESS PAGE

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4 DAVID LEROY SHOREY

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6 Examination by Mr. Brokaw 69

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11 INDEX TO EXHIBITS

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14 2 Asset Purchase Agreement 21 21

15 3 U.S. Social Scene, Scottsdale,
16 Arizona, Memorandum from Thomas
L. Brandon, Re: Convertible
17 Debenture Investment Opportunity 40 40

18 4 U.S. Social Scene, Inc.,
19 Subscription Agreement and
Investment Representations,
20 U.S. Citizens Only 42 42

21 5 Equivest Heritage Group, LLC,
22 IR/PR and Retail Market Campaign
Outline/Timeline for CLWL - Cell
23 Wireless Corporation 46 46

24 6 Subpoena to Bank of America,
25 Custodian of Records, B of A
Records of Cell Wireless
Corporation 48 48

1 MS. VERVILOS: This is part of an inquiry by the
2 Securities Division of the Arizona Corporation Commission
3 in the matter of Joe Cosenza, File Number 7966, in order
4 to determine if there has been full compliance with the
5 Securities Act of the State of Arizona. The information
6 obtained today may reveal violations of statutes outside
7 the Securities Act.

8 Persons present for the Securities Division are
9 myself, Aikaterine Vervilos, enforcement attorney, with
10 the other member of the Securities Division who I will ask
11 to please identify himself for the record.

12 MR. BROKAW: Special investigator, Michael
13 Browkaw.

14
15 DAVID LEROY SHOREY.
16 called as a witness herein, having been first duly sworn
17 by the Certified Reporter to speak the truth and nothing
18 but the truth, was examined and testified as follows:

19
20 EXAMINATION

21
22 BY MS. VERVILOS:

23 Q. Mr. Shorey, you have the right to refuse to
24 answer any questions if you think the answer may tend to
25 incriminate you personally. You have the right to refuse

1 Q. If you'll turn the page, on the bottom you'll
2 see the number ACC1815.

3 A. Yes.

4 Q. And do you see that check for Business Wire?

5 A. Yes.

6 Q. What is Business Wire?

7 A. Business Wire is a company that puts out news
8 releases, and they publish news releases.

9 Q. Did you draft news releases for --

10 A. No.

11 Q. Oh, okay. You just paid the bills?

12 A. Just paid the bill.

13 Q. Do you know who would have drafted news
14 releases?

15 A. Say again.

16 Q. Do you know who would have been drafting the
17 news releases for Cell Wireless or U.S. Social Scene?

18 A. During the period July 2007 through July 2008,
19 Joe Cosenza.

20 Q. And why was he -- did you guys have a Marketing
21 Department?

22 A. We had no departments.

23 Q. All right.

24 A. I find humor in that because Joe had nothing.

25 Q. Do you know that you were listed or do you know

1 if you were listed as a contact person for those press
2 releases?

3 A. Yes.

4 Q. Why were you the contact person?

5 A. I was the only stable, reliable person that
6 could handle broker inquiries.

7 Q. All right. If you'll move to the next page, on
8 the bottom it says ACC1816.

9 A. Correct.

10 Q. And do you see this check to Pacific Stock
11 Transfer?

12 A. Correct.

13 Q. What is Pacific Stock Transfer?

14 A. They were the transfer agent who handles all of
15 the certificates, issue and new issue, for Cell Wireless,
16 located in Las Vegas. Every public company has a transfer
17 agent. In our particular case, Pacific Stock Transfer was
18 and is the transfer agent.

19 Q. Had they been the transfer agent for Cell
20 Wireless's entire being?

21 A. Since I was involved with Cell Wireless, yes.
22 Prior to that, I have no knowledge.

23 Q. And then when Cell Wireless became U.S. Social
24 Scene, was Pacific Stock Transfer still the transfer
25 agent?

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EXHIBIT D

(PROFIT) ANNUAL LIST OF OFFICERS, DIRECTORS AND RESIDENT AGENT OF

FILE NUMBER

CELL WIRELESS CORPORATION

C34967-2000

(Name of Corporation)

FOR THE FILING PERIOD OF 12/2007

TC 12/2008

The corporation's duly appointed resident agent in the State of Nevada upon whom process can be served is:

BUDGET CORP
2050 RUSSETT WAY
CARSON CITY, NV 89703

Table with 2 columns: Filed in the office of (with signature of Ross Miller) and Document Number (20080175674-10). Includes Filing Date and Time (03/13/2008 5:12 PM) and Entity Number (C34967-2000).

CHECK BOX IF YOU REQUIRE A FORM TO UPDATE YOUR RESIDENT AGENT INFORMATION

(This document was filed electronically.)
THE ABOVE SPACE IS FOR OFFICE USE ONLY

Important: Read instructions before completing and returning this form.

- 1. Print or type names and addresses either residence or business, for all officers and directors...
2. If there are additional directors attach a list of them to this form.
3. Return the completed form with the filing fee...
4. Make your check payable to the Secretary of State...
5. Return the completed form to: Secretary of State, 202 North Carson Street, Carson City, NV 89701-4201...
6. Form must be in the possession of the Secretary of State on or before the last day of the month in which it is due...

CHECK ONLY IF APPLICABLE

- This corporation is a publicly traded corporation. The Central Index Key number is:
This publicly traded corporation is not required to have a Central Index Key number.

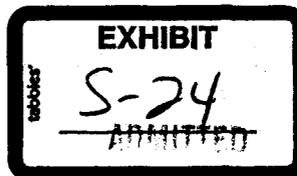
Table listing officers and directors: JOSEPH COSENZA (PRESIDENT), DAVID L SHOREY (SECRETARY), DAVID L SHOREY (TREASURER), and JOSEPH COSENZA (DIRECTOR). Each entry includes name, title, address, city, state, and zip code.

I declare, to the best of my knowledge under penalty of perjury, that the above mentioned entity has complied with the provisions of NRS 360.780 and acknowledge that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

X Signature of Officer
DAVID SHOREY

Title: TREASURER

Date: 3/13/2008 5:21:26 PM



Nevada Secretary of State Form ACE/PN, LRS DEPARTMENT 0002
Revision: 02/04/05

ACC005174
JOE COSENZA

(PROFIT) ANNUAL LIST OF OFFICERS, DIRECTORS AND RESIDENT AGENT OF

FILE NUMBER

CELL WIRELESS CORPORATION

C34967-2000

NAME		TITLE(S)		
DAVID SHOREY		DIRECTOR		
ADDRESS		CITY	ST	ZIP
2050 RUSSETT WAY , USA		CARSON CITY	NV	89703
NAME		TITLE(S)		
ADDRESS		CITY	ST	ZIP
NAME		TITLE(S)		
ADDRESS		CITY	ST	ZIP
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ACC005175
JOE COSENZA

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EXHIBIT E

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1 Q. Okay. Isn't it true that this is a minutes of
2 the meeting of the board of directors for Cell Wireless
3 Corporation?

4 A. That's correct.

5 Q. Isn't it true this was taken on June 30th, 2007?

6 A. That's correct.

7 Q. Isn't it true that the address of 6959 East Wild
8 Canyon Place, Tucson, Arizona 85750 is your home address?

9 A. That's correct.

10 Q. Is that also the corporate address for Cell
11 Wireless?

12 A. That's correct.

13 Q. I'm sorry?

14 A. That's correct.

15 Q. Would you please turn to ACC001440?

16 A. May I repeat, ACC001440?

17 Q. That's correct.

18 A. I have it in front of me.

19 Q. Isn't it true that this is another meeting --
20 minutes of a meeting of the board of directors for Cell
21 Wireless Corporation?

22 A. Yes.

23 Q. And this was dated -- isn't it true that it's
24 dated July 8th of 2007?

25 A. That's correct.

1 Q And isn't it true that you were instructed by the
2 board to negotiate and complete the sale of the
3 controlling interest in this company, involving Cell
4 Wireless and U.S. Media Team?

5 A That's correct.

6 Q What happened in that -- excuse me.

7 Did you enter into an agreement with Joe Cosenza
8 and U.S. Media Team?

9 A Those are two different entities.

10 Would you please define which one you are talking
11 about?

12 Q How about looking at Exhibit S-29.

13 A I have in front of me Exhibit S-29.

14 Q This is a stock purchase -- entitled a stock
15 purchase agreement.

16 Isn't it true that you signed this document on
17 behalf of Cell Wireless Corporation to enter into an
18 agreement with Joseph Cosenza and his company, U.S. Media
19 Team?

20 A At the approval of the board, I signed this
21 agreement, entered into this agreement, negotiated this
22 agreement, completed this agreement effective June 30th or
23 July 1st, 2007, signed on the 11th day of July of 2007. I
24 prepared the document, Joe's legal team approved it, our
25 board of directors approved it, and I signed it.

1 Q. Okay. Would you turn to exhibit -- or excuse
2 me -- page ACC001434?

3 A. I have 1434 in front of me.

4 Q. Okay. Isn't this a subscription agreement for
5 Cell Wireless Corporation?

6 A. That's correct.

7 Q. And you signed this as well; is that correct?

8 A. That's correct.

9 Q. And this was -- and in this agreement Joe Cosenza
10 was supposed to pay \$600,000; is that correct?

11 A. That's correct.

12 Q. Did Joe Cosenza pay the \$600,000?

13 A. No, he did not.

14 Q. Regarding this subscription agreement -- or
15 during your -- do you remember an examination under oath
16 that I took of you, or the Division through me took of
17 you?

18 A. Of course, I do.

19 Q. Okay. Let's take a look at that. Let's look at
20 Exhibit S-44.

21 A. Which one, please?

22 Q. S-44.

23 A. I have Exhibit S-44 in front of me.

24 Q. Do you remember me asking you about a
25 subscription agreement?

1 A. I don't remember you asking me, but if it is in
2 here, I will find it.

3 Q. All right. Let me have you turn to page 42 of
4 this exhibit.

5 A. I'm on page 42 of the original numbering of this
6 agreement.

7 Q. That is fine.

8 Would you look at line 13? It says, "Have you
9 seen this before, Exhibit 4?"

10 Now, would you please look at Exhibit S-48?

11 MR. HEURLIN: Your Honor, I will object to this.
12 This S-48 is not the same document as the other
13 subscription agreement.

14 MS. VERVILOS: I don't -- I'm not showing him the
15 same subscription agreement.

16 My question was, did he remember talking about a
17 subscription agreement. And so I pointed him to
18 Exhibit 4.

19 MR. HEURLIN: Which is not the same thing as the
20 one that we saw before.

21 MS. VERVILOS: I'm not saying it is.

22 ALJ STERN: Which -- it's not the same one we saw
23 when, which particular exhibit?

24 MR. HEURLIN: Let's see. She showed Mr. Shorey
25 Exhibit 29 (sic), then referred Mr. Shorey to his under

1 oath statement regarding a subscription agreement. And if
2 you compare 48 to 29, they are not the same thing. You
3 can read paragraph one, the last part of it is not the
4 same.

5 MS. VERVILOS: Your Honor, I'm asking questions
6 about Exhibit 4 from his EUO.

7 ALJ STERN: Excuse me?

8 MS. VERVILOS: I'm asking Mr. Shorey questions
9 about his Exhibit 4 in his examination under oath.

10 ALJ STERN: I think she can do that. I will
11 overrule your objection.

12 You are not particularly asking questions about
13 then Exhibit 29?

14 MS. VERVILOS: No, I'm not, Your Honor.

15 ALJ STERN: Okay. Go ahead.

16 Q. (BY MS. VERVILOS) All right. Do you have
17 Exhibit S-48 in front of you?

18 A. I have S-48 in front of me.

19 Q. Do you see at the top right it says "Exhibit 4,
20 Shorey"?

21 A. Yes, I do.

22 Q. Okay. Have you -- isn't it true that you
23 supplied this subscription agreement to Thomas Brandon?

24 MR. HEURLIN: I assume that "this" is meaning 48?

25 MS. VERVILOS: That's correct.

1 ALJ STERN: Yeah.

2 THE WITNESS: That could be possible because I
3 supplied this agreement to a number of people in various
4 forms.

5 The name on this generic document is commonly
6 used in many, many public companies.

7 Q. (BY MS. VERVILOS) Mr. Shorey, there's not a
8 question.

9 A. This one says U.S. Social Scene --

10 ALJ STERN: Excuse me. Excuse me.

11 THE WITNESS: So I may not have supplied this one
12 to Thomas Brandon. I may have supplied it to U.S. Social
13 Scene personnel.

14 ALJ STERN: Mr. Shorey, just answer her
15 questions, please, if there is additional information.

16 THE WITNESS: I have answered this question.
17 Excuse me. Never mind.

18 ALJ STERN: Go ahead with your questions.

19 Q. (BY MS. VERVILOS) Isn't it true that you
20 supplied this subscription agreement, which is S-48, also
21 known as Exhibit 4 from your EUO, to Thomas Brandon?

22 A. This is a generic document that may have been
23 provided to Brandon and may not have been.

24 Q. Mr. Shorey.

25 A. I may have supplied it to Lonna Walker or to

1 somebody else.

2 Q Mr. Shorey?

3 A I also supplied it to John Bohringer, but not
4 this specific agreement. This is not a specific
5 agreement.

6 ALJ STERN: He is -- I think his answer is, this
7 is a generic agreement -- it's not a specific agreement --
8 that he supplied to someone.

9 Q (BY MS. VERVILOS) All right. Look at page 43 of
10 your examination under oath.

11 ALJ STERN: Where is that?

12 MS. VERVILOS: This is Exhibit S-44.

13 ALJ STERN: Okay. Go ahead.

14 Q (BY MS. VERVILOS) Are you on page 43,
15 Mr. Shorey?

16 A I am, yes.

17 Q Line 1 says, "I may have supplied this document
18 portions of it."

19 Is that correct?

20 A That's correct.

21 Q Line 3, "Who did you supply it to?"

22 Is that what it says?

23 A Yes.

24 Q Line 4, "Tom Brandon" is the answer.

25 Is that correct?

1 A. That's correct.

2 Q. Line 5, the question is: "Anybody else?"

3 Is that correct?

4 A. That's correct.

5 Q. The answer is, "Joe Cosenza."

6 Is that correct?

7 A. That's correct.

8 Q. Do you remember that I asked you how you supplied
9 it to them? Do you remember what you said?

10 A. Not specifically.

11 Q. Look on line 20 of page 43. It says, "I supplied
12 it in digital form."

13 Isn't that correct?

14 A. Yes, of course.

15 Q. Do you remember me asking you -- did you have
16 conversations with Thomas Brandon about using this
17 document -- this subscription agreement?

18 A. Probably.

19 Q. Okay. Is that a "yes"?

20 A. Not this specific agreement.

21 Q. But you had conversations with him about using a
22 subscription agreement to sell to investors; is that
23 correct?

24 A. No. Please don't put words in my mouth.

25 Q. All right. Page 43, on line 24 the question is:

1 "Did you talk to -- did you have conversations with
2 Tom Brandon about using this document to raise money for
3 Cell Wireless or U.S. Social Scene?"

4 Is that correct?

5 A. Please restate your question.

6 Q. Question is -- on line 24, on page 43 the
7 question is: "Did you talk to -- did you have
8 conversations with Tom Brandon about using this document
9 to raise money for Cell Wireless or U.S. Social Scene?"

10 Is that correct?

11 A. I can't recall, as I've answered previously.

12 Q. And, Mr. Shorey, look at page 43, line 24. Read
13 along with me.

14 It says -- the question is: "Did you talk to --
15 did you have conversations with Tom Brandon about using
16 this document to raise money for Cell Wireless or U.S.
17 Social Scene?"

18 Isn't that correct?

19 A. "Sure. Excuse me. Retract that answer. Please
20 restate your question." That is how I answered that
21 question.

22 Q. Line 2 says, "Sure."

23 Isn't that correct?

24 A. And I responded --

25 Q. And then you change your mind; isn't that

1 correct?

2 A. I said, could you repeat what I said?

3 However, let's end the discussion that you are
4 having --

5 Q. Mr. Shorey --

6 A. -- by stating I prepared this document.

7 Q. I don't have -- there is no question on the
8 table.

9 A. I stated in this --

10 ALJ STERN: Mr. Shorey, you are being
11 argumentative with her. If you can answer her questions,
12 you will speed this up a little bit.

13 I think the transcript speaks for itself. Your
14 first answer on page 44 -- in response to her question you
15 said, "Sure." Then you said, "Retract that answer."

16 Then, I believe, at that time it was Mr. Vervilos
17 who said, "Could you repeat what I said?" Because it
18 says, "The record was read by the certified reporter as
19 requested."

20 And then you went on to say -- I'm sure there is
21 no other witness in the room. Correct me if I'm wrong --
22 "As I have answered previously, this document has
23 specifics. Once you make a document specific, it is a
24 different document. I have never seen this document."

25 So where are we at?

1 Q. (BY MS. VERVILOS) Please look at Exhibit S-18.

2 A. I have it here.

3 Q. Are you ready, Mr. Shorey?

4 A. I'm ready. Thank you.

5 Q. Terry Benson -- during Terry Benson's testimony
6 he testified that he received these subscription
7 agreements from Thomas Brandon.

8 Do you remember that?

9 A. I remember his testimony, yes.

10 Q. Do you remember that specific part of his
11 testimony?

12 A. Yes.

13 Q. In looking at -- and keep S-48 in front of you.
14 Do you have that?

15 A. Yes.

16 Q. Looking at the two together, from the top they
17 both have U.S. Social Scene Inc.; is that correct?

18 A. That's correct.

19 Q. They both have 6959 East Wild Canyon Place,
20 Tucson, Arizona 85750; is that correct?

21 A. That's correct.

22 Q. And your testimony earlier was that that is your
23 home address; is that correct?

24 A. That's correct.

25 Q. And that is also the corporate address for Cell

1 Wireless/US Social Scene; is that correct?

2 A. That's correct.

3 Q. And they both say "Subscription Agreement and
4 Investment Representations, U.S. Citizens Only."

5 Is that correct?

6 A. That's correct.

7 Q. Now, the difference between Exhibit 4 -- excuse
8 me -- Exhibit S-48 and S-18 is that S-18 has a person's
9 name filled in there; isn't that correct?

10 A. It appears to be that that is correct on the
11 first page, yes.

12 Q. S-18 and S-48, except for minor items, are the
13 same document; isn't that correct?

14 A. That's correct.

15 Q. The same document that you supplied to
16 Thomas Brandon; is that correct?

17 A. Yes.

18 Q. Mr. Shorey, you were the only signatory for the
19 Cell Wireless bank account; is that correct?

20 A. Correct.

21 Q. And you were the only signatory for the U.S.
22 Social Scene bank account; is that correct?

23 A. Correct.

24 Q. And the address used by you is your home address;
25 is that correct?

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EXHIBIT F

US SOCIAL SCENE, INC.

(Formerly Cell Wireless Corporation)

EMPLOYMENT CONTRACT CANCELLATION AGREEMENT

This Agreement is entered into as of 16th day of July, 2008, between US Social Scene, Inc., a Nevada Corporation, herein referred to as the "Company" and Directors, Officers and owners currently operating from 9393 N. 90th Street, Scottsdale, Arizona 85258 (the "Company") and David L. Shorey (the "Director and Officer"), an Arizona Individual, residing at [redacted] Arizona [redacted], herein referred to as "Shorey", collectively "the Parties".

Whereas: The parties entered into an agreement dated December 28, 2005 whereby the Board of Directors of the company appointed Shorey as Chief Financial Officer and Director of the company and granted Mr. Shorey the right and direction to transact all business actions necessary to accomplish the goals of the company.

Whereas: The Company wishes cancel the employment contract.

Whereas: At the date of this agreement, Shorey has carried out the directives of the Board of Directors to the best of his abilities.

Whereas: Mr. Shorey will grant the Company a voluntary termination of his employment and cancel the employment agreement providing that the Company provides as follows:

Therefore: It is agreed herein as follows:

1. David Shorey herein resigns all Officer and Director Positions of the Company upon signing this agreement and the parties accept that resignation.

2. Restricted Stock Transactions: The Company agrees to allow all shares of common stock currently owned or contracted for by Mr. Shorey to be relieved from all restrictions as long as the shares are cleared according to Rule 144 of the SEC codes.

3. Cumulative Remedies. The various rights and remedies of the parties under this Agreement shall be construed to be cumulative, and no one of them shall be exclusive of any other or of any right or remedy allowed by law

4. Arbitration. Any controversies arising out of the terms of this Agreement or its interpretation shall be arbitrated in Arizona in accordance with the rules of the American Arbitration Association, and the judgment may be entered in any court having jurisdiction thereof.

5. Choice of Law. The laws of the State of Arizona shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties hereto.

Joe Cosenza 07/16/08 *David Shorey* 7/16/08

ACC001388
JOE
COSENZA



6. **Headings.** Section headings are not to be considered a part of this Agreement and are not intended to be a full and accurate description of the contents hereof.

7. **Waiver.** Waiver by one party of breach of any provision of this Agreement by the other shall not operate or be construed as a continuing waiver of any subsequent breaches by either party.

8. **Notices.** Any and all notices, demands, or other communications required or desired to be given hereunder by any party shall be in writing. The address in the opening paragraph is the current address of the parties and will serve as the Notice Address for this section. Either party may change its address for purposes of this paragraph by written notice given in the manner provided above.

9. **Modification or Amendment.** No amendment, change or modification of this Agreement shall be valid unless in writing and signed by the parties

10. **Entire Understanding.** This document and any exhibit attached constitute the entire understanding and agreement of the parties, and any and all prior agreements, understandings, representations, oral or written, are hereby terminated and canceled in their entirety and are of no further force and effect.

11. **Unenforceable provisions.** If any provision of this Agreement, or any portion thereof, is held to be invalid and unenforceable, then the remainder of this Agreement shall nevertheless remain in full force and effect.

12. The parties agree that facsimile signatures shall be as effective as if original.

AGREED TO AND EXECUTED THIS 16th Day of JULY, 2008.

By: David Shorey

David Shorey

By:

Joseph Cosenza 07/16/08
Joseph Cosenza, CEO

US Social Scene, Inc.