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Attorneys for Respondents David Shorey, Mary Jane Shorey

**BEFORE THE ARIZONA CORPORATION COMMISSION**

In the matter of:

**DOCKET NO. S-20763-A-10-0430**

JOSEPH COSENZA and ANDREA BENSON,  
husband and wife;

**RESPONDENTS DAVID  
SHOREY AND MARY JANE  
SHOREY'S APPLICATION  
FOR REHEARING**

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

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

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

DAVID SHOREY and MARY JANE  
SHOREY, husband and wife;

Arizona Corporation Commission

**DOCKETED**

FEB 26 2013

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Respondents.

Pursuant to A.R.S. § 44-1974, David and Mary Jane Shorey apply to the Arizona Corporation Commission ("Commission") for a rehearing of Decision No. 73656 (February 6, 2013) ("Decision"). In the Decision, the Commission found that David Shorey was a "controlling person" under A.R.S. § 44-1999(B). The Commission should grant a rehearing on the issue of controlling person liability as to Shorey because the

1 Decision, on this issue, is not justified by the evidence and is contrary to the law. *See*  
2 A.A.C. R14-3-112(C)(7).

3 **I. Introduction**

4 Following a three-day hearing in front of ALJ Marc E. Stern, including the  
5 testimony of several witnesses and the presentation of many exhibits, ALJ Stern issued a  
6 proposed order that included a finding that David Shorey was not liable as a “controlling  
7 person” under § 44-1999(B). ALJ Stern had read all of the briefs, heard all of the  
8 evidence, seen all of the witnesses testify, and judged the credibility of each of the  
9 witnesses. The testimony at the hearing and the argument in the briefs included the issue  
10 of Shorey’s liability as a control person. Having gathered that information and having  
11 evaluated the legal positions of the parties, ALJ Stern, the finder of fact, found that  
12 Shorey was not liable.

13 The Securities Division (“Division”) filed exceptions to the proposed order  
14 (“Exceptions”), to which Shorey was **not permitted, by rule, to respond in writing.**

15 The Commission then considered ALJ Stern’s ruling and the Exceptions at an  
16 Open Meeting on January 31, 2013. Following ALJ Stern’s recital of his findings of fact  
17 and conclusions of law, the Division was permitted to reiterate its exceptions and to  
18 supplement its argument. At that time, Shorey, through counsel, was permitted to  
19 respond. Throughout the time that this issue was discussed, Shorey’s counsel repeatedly  
20 had to request permission to respond to both the Division’s comments and the comments  
21 of the individual Commissioners.

22 After some discussion, Chairman Stump introduced an amendment modifying ALJ  
23 Stern’s proposed order. The amendment was approved by a 4-1 vote of the Commission.  
24 The order, as amended, was then also approved by a 4-1 vote.

25 **II. David Shorey was not a “controlling person” under A.R.S. § 44-1999(B).**

26 In the Decision, the Commission found that “a preponderance of the evidence  
27 establishes that Mr. Shorey is a controlling person of CWC/USSS.” Decision p. 29 at ¶  
28 223. The Commission, thus, concluded that “David Shorey directly or indirectly

1 controlled CWC/USSS within the meaning of A.R.S. § 14-1999(B).” Decision p. 30 at ¶  
2 12. However, the Commission used the wrong legal standard in arriving at this finding.

3 Section 44-1999(B) states:

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

9 Thus, in order to find someone a “controlling person” under this law, the Commission  
10 must find that the individual directly or indirectly controlled any person or entity liable  
11 for a violation of A.R.S. §§ 44-1991 or 44-1992. See A.R.S. §§ 44-1801, 44-1999(B).  
12 CWC/USSS was found liable for violations of § 44-1991. Decision p. 30 at ¶ 8. But  
13 Shorey did not “control” CWC/USSS in the sense contemplated by § 44-1999(B).<sup>1</sup>  
14 However, *Cosenza was found liable as a control person of CWC/USSS*. Exhibit 1  
15 (Commission order finding Cosenza liable) p. 7 at ¶ 6.

16 In *Eastern Vanguard Forex, Ltd. v. Arizona Corporation Commission*, 206 Ariz.  
17 399, 79 P.3d 86 (App. 2003), the court held that, to be liable as a control person, the  
18 person had to have the power “to directly or indirectly *control the activities* of those  
19 persons or entities liable as primary violators.” 206 Ariz. 399, ¶ 42, 79 P.3d at 99  
20 (emphasis added).

21 Recent case law from the United States Supreme Court is also instructive. In  
22 *Janus Capital Group, Inc. v. First Derivative Traders*, \_\_ U.S. \_\_, 131 S.Ct. 2296, 2304  
23 (2011), the Court held that an entity with “significant influence” over the liable entity  
24 could not be primarily liable and, further, indicated that “**significant influence**” over the  
25 **primary violator would not be sufficient for secondary liability based on control**  
26 **either**. See also Darryl P. Rains, *The Future of Control Person Liability after Janus*,  
27 Securities Litigation Report, Feb. 2012, vol. 9:2 at 10, 13.

28 <sup>1</sup> There is ample evidence that Shorey could not and did not control Cosenza. See, e.g.,  
Decision p. 22 at ¶ 158, pp. 28-29 at ¶ 218. Consequently, Shorey was not found liable  
under § 44-1999(B) for controlling Cosenza.

1 Here, Shorey did manage certain aspects of the business, but *he did not have the*  
2 *power to control the activities of the primary violator, for which CWC/USSS was found*  
3 *to have violated the Act.*

4 Shorey was the sole signatory on a company bank account because Cosenza  
5 refused to sign the bank's signature card; he was a director of the entity; he was an officer  
6 and the Chief Financial Officer of the entity; and he signed certain documents at the  
7 direction of the Board of Directors. While Shorey may have had "significant influence"  
8 over CWC/USSS, that alone is not sufficient to make him liable as a control person. *See*  
9 *Janus*, 131 S.Ct. at 2304.

10 Furthermore, although the Division emphasized that Shorey used his home address  
11 as the office address – and although that assertion seemed to carry great weight with the  
12 Commission – that is not accurate. **CWC/USSS's office was in Phoenix at Cosenza's**  
13 **addresses.** The business office was **not** Shorey's home address in Tucson.

14 Cosenza's Phoenix-area addresses were listed consistently on a wide variety of  
15 corporate documents. The receipts for the sales of securities (Exhibits 2, 3, 4), corporate  
16 checks (Exhibit 5), corporate letters (Exhibits 6, 7), and bills from vendors (Exhibit 8), all  
17 reflect Cosenza's Phoenix-area addresses. Likewise, a draft license agreement confirms  
18 that the business address was not in Tucson. *See* Exhibit 9.

19 Cosenza kept the checkbook in Scottsdale and paid company expenses from that  
20 address. Shorey did have access to one corporate bank account, but there were very few  
21 transactions on that account between January 1, 2008 and June 30, 2008.

22 For the Division to meet its burden of proof that Shorey was secondarily liable as  
23 a control person, it needed to prove that Shorey had the power to control the activities in  
24 question. And the fact of the matter is that *Shorey did not have the power to control the*  
25 *activities of CWC/USSS that violated the Act* because Cosenza was acting as a renegade  
26 by seeking investments without Shorey's knowledge.<sup>2</sup> To revise the subscription

27 \_\_\_\_\_  
28 <sup>2</sup> Furthermore, the Commission concurred that Shorey did not have the power to control  
the activities of Cosenza. *See, e.g.,* Decision p. 22 at ¶ 158, pp. 28-29 at ¶¶ 218, 223, p.

1 agreements, Cosenza made changes to a form from EDGAR that Shorey had given him  
2 previously, but Shorey had no knowledge that this form had been used.

3 Cosenza kept Shorey in the dark regarding certain business transactions, including  
4 the investments for which Cosenza was found liable. While Shorey was the sole  
5 signatory on a corporate bank account, **Cosenza used a different bank account, over**  
6 **which Shorey had no control whatsoever, to keep the “invested” funds.** See Decision  
7 pp. 19-20 at ¶ 138; Exhibit 1 p. 5 at ¶ 29. Shorey had no knowledge of these transactions  
8 whatsoever until April 2008, when the individuals complained that they had not received  
9 their stock certificates. See Decision p. 22 at ¶ 165. Moreover, because the account  
10 Cosenza used was separate from the corporate account, Shorey could not have known  
11 about the “investments” despite his role as CFO. As part of the investment agreement,  
12 Cosenza also appointed these investors as Directors and Officers, **without any notice to**  
13 **Shorey.** See Exhibit 10. This action further demonstrates Cosenza’s control over  
14 CWC/USSS, as well as his blatant disregard for the corporate structure and its  
15 requirements.

16 Because Shorey had no power to control the activities that violated the Act, *he*  
17 **cannot be liable** as a control person. Consequently, the Decision finding him liable is not  
18 justified by the evidence and is contrary to the law, and a rehearing on this issue should  
19 be granted.

20 **III. David Shorey acted in good faith and did not induce the investments.**

21 In the alternative, if the Commission finds that Shorey was a control person or  
22 denies his application for a rehearing on that issue, it should hear, and find, that Shorey  
23 “acted in good faith and did not directly or indirectly induce the act underlying the  
24 action.” A.R.S. § 44-1999(B).

25 “To prevail using this defense, the controlling person must demonstrate both good  
26 faith and lack of inducement.” *E. Vanguard*, 206 Ariz. 299, ¶ 48, 79 P.3d at 100. In its  
27

28 30 at ¶ 12 (noting evidence and not finding Shorey secondarily liable for Cosenza’s  
violations).

1 exceptions to ALJ Stern’s proposed order, the Division concedes that Shorey did not  
2 induce the violations. *See* Exceptions pp. 12-13. And the findings of fact in the Decision  
3 support this conclusion. *See, e.g.*, Decision p. 8 at ¶ 41, p. 10 at ¶ 60, p. 13 at ¶¶ 87-88, p.  
4 21-22 at ¶¶ 147-156, 165, p. 23 at ¶¶ 169-170, p. 28-29 at ¶¶ 218-221. The only issue,  
5 therefore, is whether Shorey acted in good faith.

6 As the Division noted in its Exceptions, Shorey had a duty, as a director, to protect  
7 the interests of the corporation. That is precisely what Shorey did. Shorey was acting at  
8 all times to protect the interests of the corporation and its shareholders. Had he backed  
9 out when Cosenza was being difficult about signing the bank’s signature card, for  
10 example, the corporation and its shareholders would have been harmed. Had he ceased  
11 processing payments for advertising activity and paying the corporation’s bills (with his  
12 personal funds), the corporation and its shareholders would have been harmed. Had he  
13 ceased producing minutes of the directors’ meetings, the corporation and its shareholders  
14 would have been harmed. And had he resigned and walked away, as the comments of  
15 the commissioners seemed to suggest that he should have, *he would have abdicated his*  
16 *corporate duties to Cosenza* who was, as the Commission pointed out, already being  
17 somewhat uncooperative. Shorey acted to protect the corporation and its shareholders.

18 Shorey testified that at all times he acted in good faith and at the direction of the  
19 Board of Directors. In an effort to keep the corporation in good standing, Shorey  
20 continued to exercise his duties in good faith. Moreover, in April, when Shorey learned  
21 of the investments, he tried to get stock certificates issued to the investors. When that  
22 failed, he resigned. The evidence presented to ALJ Stern during the three-day hearing  
23 and in the briefs supports a finding that Shorey acted in good faith and did not induce the  
24 violation.

25 The Division, and, by its Decision, the Commission, are trying to hold Shorey  
26 liable for not acting **when he did not even know anything was going on**. He could not  
27 have known. By design, Cosenza kept Shorey in the dark so that he, Cosenza, could  
28 successfully steal the potential investors’ money. If Shorey is to be held liable for

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1 Cosenza's actions, made through the corporation, in spite of Shorey's efforts to diligently  
2 undertake his duties as a director and in the absence of any action inducing the violation,  
3 then any director or officer of a corporation could similarly be held liable for the  
4 corporation's violations despite no knowledge, no inducement, and acting in good faith.

5 Furthermore, A.R.S. § 10-830(D) establishes a presumption that the director of a  
6 corporation has acted in accordance with his duties, and the party challenging the  
7 director's actions has the burden of rebutting this presumption by **clear and convincing**  
8 **evidence**. The Division has not met this burden.

9 The Commission's finding of fact that "Mr. Shorey failed to present sufficient  
10 evidence that he acted in good faith and did not directly or indirectly induce the antifraud  
11 violation of the Act by CWC/USSS" is *not*, consequently, justified by the evidence and is  
12 contrary to the law. Thus, a rehearing on this issue should be granted.

13 **IV. CONCLUSION**

14 For the reasons stated herein, David and Mary Jane Shorey request that the  
15 Commission grant this application for rehearing to address the issue of control person  
16 liability as to David Shorey because the Decision is not justified by the evidence and is  
17 contrary to the law.

18  
19 DATED February 25, 2013.

20 HEURLIN SHERLOCK

21 By: Bruce Heurlin  
22 Bruce R. Heurlin

23 Catherine N. Hounfodji  
24 Attorneys for Respondents David Shorey,  
25 Mary Jane Shorey

26  
27  
28

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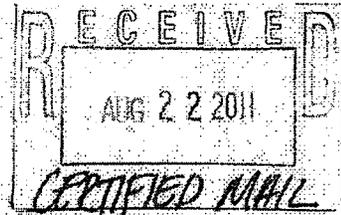
7 COPY of the foregoing mailed on February 25, 2013, to:

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

Arizona Corporation Commission

DOCKETED

AUG 17 2011

DOCKETED BY [Signature]

In the matter of:

JOSEPH COSENZA, an unmarried man;

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

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

CELL WIRELESS CORPORATION, a Nevada corporation, formerly known as U.S. Social Scene, a Nevada corporation;

DAVID SHOREY and MARY JANE SHOREY, husband and wife;

Respondents.

DOCKET NO. S-20763A-10-0430

DECISION NO. 72525

ORDER TO CEASE AND DESIST, ORDER FOR RESTITUTION, ORDER FOR ADMINISTRATIVE PENALTIES AND CONSENT TO SAME

BY: JOSEPH COSENZA AND U.S. MEDIA TEAM, LLC

Respondents JOSEPH COSENZA, an unmarried man, and U.S. MEDIA TEAM, LLC, an Arizona limited liability company, ("Respondents") elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 et seq. ("Securities Act") with respect to this Order To Cease And Desist ("Order"). Respondents admit the jurisdiction of the Arizona Corporation Commission ("Commission"); neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

I.

**FINDINGS OF FACT**

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

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

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

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

5. Cell Wireless Corporation ("Cell Wireless") is a Nevada corporation. Cell Wireless was incorporated in Nevada in December 2000.

6. At all times relevant, COSENZA was the chief executive officer, president and member of the board of directors for Cell Wireless. At all times relevant, COSENZA acted on behalf of Cell Wireless.

7. In January 2008, Cell Wireless purchased the assets of U.S. Social Scene from COSENZA. Thereafter, COSENZA used the names U.S. Social Scene and Cell Wireless interchangeably.

8. Cell Wireless changed its name to U.S. Social Scene on March 13, 2008. In February 2010, the company changed its name back to Cell Wireless. Unless the context suggests otherwise, references to "U.S. Social Scene (formerly known as Cell Wireless)," "U.S. Social Scene," or "Cell Wireless/U.S. Social Scene" all are intended to refer to Cell Wireless.

9. COSENZA and MEDIA may be referred to collectively as "Respondents."

1 **A. MEDIA PROMISSORY NOTE INVESTMENT**

2 10. In or around June 2007, an investor learned MEDIA was looking for investors.  
3 The investor received, via email, a memorandum that described the investment.

4 11. In exchange for the receipt of the investor's funds in the amount of \$100,000,  
5 MEDIA issued a promissory note ("note") to the investor. The note promised a return of 20  
6 percent on the amount invested, with both principal and interest to be paid in thirty days.

7 12. The investor was told that all of the investor's funds would be used by COSENZA  
8 and MEDIA to invest in one of COSENZA's companies. In reality, \$50,000 of the investor's funds  
9 were wired to another's account and COSENZA used the remaining \$50,000 of the investor's funds  
10 for his own personal use and benefit and to make payments to various individuals.

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

14 14. MEDIA did not have a business relationship or a contract with the Sports Network.  
15 Further, there were no commissions owed to MEDIA by the Sports Network.

16 15. COSENZA signed the note as Chairman/CEO of MEDIA.

17 16. The investor wired the funds to MEDIA's Arizona based bank account. COSENZA  
18 was the only signatory on the account.

19 17. When the note issued to the investor came due, the investor did not receive either  
20 the principal or the interest owed, with the exception of \$25,000. The investor continued to contact  
21 COSENZA requesting the return of the invested funds and received promises that the funds would  
22 be forthcoming.

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

24 18. On July 8, 2007, Cell Wireless authorized another to negotiate and complete the sale  
25 of Cell Wireless to MEDIA. In a letter dated December 31, 2007, COSENZA was notified that  
26 MEDIA was in default of the agreement to merge Cell Wireless and MEDIA.

1           19.    On or about January 4, 2008, Cell Wireless sent a letter to COSENZA seeking to  
2 confirm whether COSENZA was interested in merging COSENZA's business, U.S. Social Scene,  
3 with Cell Wireless. The letter indicated that Cell Wireless would be the parent and U.S. Social  
4 Scene would be a wholly-owned subsidiary.

5           20.    On or about January 7, 2008, Cell Wireless entered into an asset purchase agreement  
6 ("purchase agreement") with COSENZA. The effective date of the purchase agreement was  
7 January 1, 2008. Pursuant to the purchase agreement, Cell Wireless purchased the assets of US  
8 SOCIAL SCENE. In exchange, COSENZA received an eighty percent interest in Cell Wireless.

9           21.    Upon execution of the purchase agreement, Cell Wireless began operating as U.S.  
10 Social Scene.

11           22.    As of January 7, 2008, COSENZA was one of two members of the board of  
12 directors for Cell Wireless.

13           23.    In or around February 2008 through early March 2008, COSENZA and Cell  
14 Wireless, through COSENZA, met with two prospective investors in Arizona related to an  
15 investment opportunity involving issuance of stock in U.S. Social Scene.

16           24.    COSENZA and Cell Wireless, through COSENZA, told one of the prospective  
17 investors that there was no risk related to the stock purchase and that investors would not lose any  
18 of their funds.

19           25.    COSENZA and Cell Wireless, through COSENZA, told one of the prospective  
20 investors was told that he would receive the return of his original principal amount plus stock in  
21 U.S. Social Scene. The other prospective investor was told that his stock would never be devalued.

22           26.    COSENZA sent the investors unsigned subscription agreements. The subscription  
23 agreements identified the number of shares that each investor had purchased in "U.S. Social Scene,  
24 formerly known as Cell Wireless."

25           27.    The subscription agreements listed COSENZA as President/CEO.

26           28.    COSENZA and Cell Wireless, through COSENZA, told two prospective investors

1 that COSENZA owned other companies that would market U.S. Social Scene's database of  
2 information as well as grow its Internet presence to increase the value of Cell Wireless/U.S. Social  
3 Scene. COSENZA, along with the two prospective investors, visited the businesses that  
4 COSENZA claimed he owned. COSENZA did not own the companies.

5 29. COSENZA was present when another directed at least one investor to wire funds to  
6 a bank account that, unknown to the investor, was not in the name of or otherwise affiliated with  
7 Cell Wireless.

8 30. COSENZA and Cell Wireless, through COSENZA, told prospective investors that  
9 the funds would be used for operating expenses of the combined company, U.S. Social Scene and  
10 Cell Wireless, or to make acquisitions.

11 31. In fact, some of the funds were used for purposes unrelated to the investment, such  
12 as a partial repayment to an investor who had invested in MEDIA. Additionally, some of the  
13 investor funds were transferred to the Cell Wireless bank account but some of those funds were  
14 returned to another.

15 32. COSENZA and Cell Wireless, through COSENZA, failed to tell at least one investor  
16 that COSENZA and his company, MEDIA, had defaulted on a prior merger agreement with Cell  
17 Wireless.

18 33. At least seven investors invested \$130,000 in exchange for stock in Cell  
19 Wireless/U.S. Social Scene.

20 34. Investors who purchased stock in U.S. Social Scene neither received stock  
21 certificates nor were the investors listed in the records of the transfer agent.

22 35. To date, investors have not received a return on their investment or a refund of their  
23 principal investment amount.

24 36. At all times relevant, Respondents have not been registered as securities dealers or  
25 securities salesman with the Commission.

26 37. At all times relevant, the investments offered and sold by Respondents have not

1 been registered with the Commission.

2 **II.**

3 **CONCLUSIONS OF LAW**

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

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

8 3. Respondents violated § 44-1841 by offering and selling securities that were neither  
9 registered nor exempt from registration.

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

12 5. Respondents violated § 44-1991, in connection with the offer or sale of securities  
13 within or from Arizona, by directly or indirectly: (i) employing a device, scheme, or artifice to  
14 defraud; (ii) making untrue statements of material fact or omitted to state material facts that were  
15 necessary in order to make the statements made not misleading in light of the circumstances under  
16 which they were made; or (iii) engaging in transactions, practices, or courses of business that operated  
17 or would operate as a fraud or deceit upon offerees and investors. Respondents' conduct includes, but  
18 is not limited to, the following:

19 a. COSENZA, and MEDIA, through COSENZA misrepresented to one investor  
20 that MEDIA had a business relationship and a contract with The Sports Network;

21 b. COSENZA and MEDIA, through COSENZA, misrepresented to one investor  
22 that MEDIA was owed commission payments from The Sports Network;

23 c. COSENZA and MEDIA, through COSENZA, misrepresented to one investor  
24 how his funds would be used in the MEDIA promissory note investment;

25 d. COSENZA misrepresented to one investor and one prospective investor that  
26 COSENZA owned several companies that would grow U.S. Social Scene's Internet presence;

1 e. COSENZA misrepresented to one investor that there were no risks  
2 associated with the stock purchase;

3 f. COSENZA misrepresented to investors that they would receive stock in  
4 return for their funds;

5 g. COSENZA failed to disclose to one investor and one prospective investor  
6 that COSENZA had failed to perform under the terms of the purchase agreement;

7 h. COSENZA failed to inform one investor and one prospective investor that  
8 COSENZA and his company, MEDIA, had defaulted on a prior merger agreement with Cell  
9 Wireless; and

10 i. COSENZA misrepresented to investors how their funds would be used in the  
11 U.S.SOCIAL SCENE investment.

12 6. COSENZA directly or indirectly controlled MEDIA and Cell Wireless within the  
13 meaning of §44-1999. Therefore, COSENZA is jointly and severally liable under A.R.S. § 44-1999  
14 to the same extent as MEDIA and Cell Wireless for their violations of A.R.S. § 44-1991.

15 **III.**

16 **ORDER**

17 **THEREFORE**, on the basis of the Findings of Fact and Conclusions of Law, the  
18 Commission finds that the following relief is appropriate, in the public interest, and necessary for  
19 the protection of investors:

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

23 **IT IS FURTHER ORDERED**, pursuant to A.R.S. § 44-2032 that with respect to the Media  
24 promissory note investment, Respondents, jointly and severally, shall pay restitution to the  
25 Commission in the principal amount of \$75,000 plus interest from the date of purchase until paid in  
26 full, subject to legal setoffs pursuant to A.A.C. R14-4-308. Payment is due in full on the date of

1 this Order. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing  
2 account controlled by the Commission. Any principal amount outstanding shall accrue interest at  
3 the rate of 10 percent per annum from the date of purchase until paid in full. Interest in the amount  
4 of \$41,260.27 has accrued from the date of purchase of the Media Investment to August 11, 2011.

5 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032 that with respect to the Cell  
6 Wireless Corporation/U.S. Social Scene investment, COSENZA shall pay restitution to the  
7 Commission in the principal amount of \$130,000 plus interest from the date of purchase until paid  
8 in full, subject to legal setoffs pursuant to A.A.C. R14-4-308. Payment is due in full on the date of  
9 this Order. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing  
10 account controlled by the Commission. Any principal amount outstanding shall accrue interest at  
11 the rate of 10 percent per annum from the date of purchase until paid in full. Interest in the amount  
12 of \$44,806.85 has accrued from the date of purchase of the Media Investment to August 11, 2011.

13 The Commission shall disburse the ordered restitution and interest payments paid to the  
14 State of Arizona on a pro-rata basis to investors shown on the records of the Commission. Any  
15 ordered restitution and interest payments paid to the State of Arizona that the Commission cannot  
16 disburse because an investor refuses to accept such payment, or any restitution funds that cannot be  
17 disbursed to an investor because the investor is deceased and the Commission cannot reasonably  
18 identify and locate the deceased investor's spouse or natural children surviving at the time of the  
19 distribution, shall be disbursed on a pro-rata basis to the remaining investors shown on the records  
20 of the Commission. Any ordered restitution and interest payments paid to the State of Arizona that  
21 the Commission determines it is unable to or cannot feasibly disburse shall be transferred to the  
22 general fund of the state of Arizona.

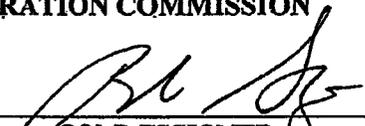
23 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that COSENZA shall pay an  
24 administrative penalty in the amount of \$20,000. Payment shall be made to the "State of Arizona."  
25 Payment shall be made to the "State of Arizona." Any amount outstanding shall accrue interest as  
26 allowed by law.

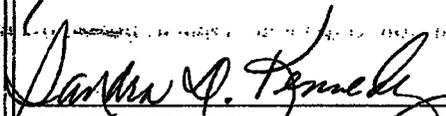
1 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be  
2 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments  
3 shall be applied to the penalty obligation.

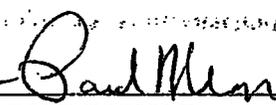
4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

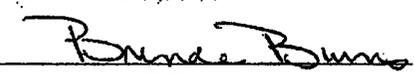
5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

6   
7 CHAIRMAN

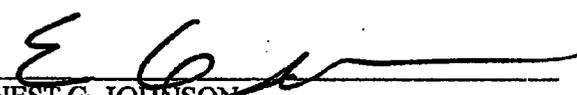
  
COMMISSIONER

8   
9 COMMISSIONER

  
10 COMMISSIONER

  
11 COMMISSIONER

12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,  
13 Executive Director of the Arizona Corporation  
14 Commission, have hereunto set my hand and caused the  
15 official seal of the Commission to be affixed at the  
16 Capitol, in the City of Phoenix, this 17<sup>th</sup> day of  
August, 2011.

  
17 ERNEST G. JOHNSON  
18 EXECUTIVE DIRECTOR

19 \_\_\_\_\_  
*DISSENT*

20 \_\_\_\_\_  
21 *DISSENT*

22 This document is available in alternative formats by contacting Shaylin A. Bernal, ADA  
23 Coordinator, voice phone number 602-542-3931, e-mail [sabernal@azcc.gov](mailto:sabernal@azcc.gov).

24 (JC)  
25  
26

**CONSENT TO ENTRY OF ORDER**

1  
2           1.       Respondents JOSEPH COSENZA ("COSENZA") and U.S. MEDIA TEAM, LLC  
3 ("MEDIA") (collectively, "Respondents") admit the jurisdiction of the Commission over the  
4 subject matter of this proceeding. Respondents acknowledge Respondents have been fully advised  
5 of their right to a hearing to present evidence and call witnesses and Respondents knowingly and  
6 voluntarily waive any and all right to a hearing before the Commission and all other rights  
7 otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona  
8 Administrative Code. Respondents acknowledge that this Order to Cease and Desist, Order for  
9 Restitution, Order for Administrative Penalty and Consent to Same by Joseph Cosenza and U.S.  
10 Media Team, LLC ("Order") constitutes a valid final order of the Commission.

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

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

16           4.       Respondents understand and acknowledge that they have a right to seek counsel  
17 regarding this Order, and that they have had the opportunity to seek counsel prior to signing this  
18 Order. Respondents acknowledge and agree that, despite the foregoing, Respondents freely and  
19 voluntarily waive any and all right to consult or obtain counsel prior to signing this Order.

20           5.       Respondents neither admit nor deny the Findings of Fact and Conclusions of Law  
21 contained in this Order. Respondents agree that they shall not contest the validity of the Findings  
22 of Fact and Conclusions of Law contained in this Order in any present or future proceeding in  
23 which the Commission or any other state agency is a party concerning the denial or issuance of any  
24 license or registration required by the state to engage in the practice of any business or profession.

25           6.       By consenting to the entry of this Order, Respondents agree not to take any action or  
26 to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of

1 Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual  
2 basis. Respondents undertake steps necessary to assure that all of Respondents' agents and  
3 employees understand and comply with this agreement.

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

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

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

14 10. Respondents agree that neither of them will apply to the state of Arizona for  
15 registration as a securities dealer or salesman or for licensure as an investment adviser or  
16 investment adviser representative until such time as all restitution and penalties under this Order are  
17 paid in full.

18 11. Respondents agree that neither of them will exercise any control over any entity that  
19 offers or sells securities or provides investment advisory services within or from until such time as  
20 all restitution and penalties under this Order are paid in full.

21 12. Respondents agree that they will continue to cooperate with the Securities Division  
22 including, but not limited to, providing complete and accurate testimony at any hearing in this  
23 matter and cooperating with the state of Arizona in any related investigation or any other matters  
24 arising from the activities described in this Order.

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

1 14. Respondents acknowledges and understand that if either of them fails to comply  
2 with the provisions of the order and this consent, the Commission may bring further legal  
3 proceedings against such Respondent, including application to the superior court for an order of  
4 contempt.

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

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

12 17. COSENZA represents that he is a manager of MEDIA and has been authorized by  
13 name of MEDIA to enter into this Order for and on behalf of it.

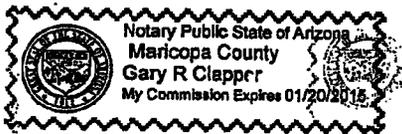
14  
15 Joseph Cosenza  
16 JOSEPH COSENZA

17 STATE OF ARIZONA )  
18 ) ss  
19 County of )

20 SUBSCRIBED AND SWORN TO BEFORE me this 20<sup>th</sup> day of JULY, 2011

21 Gary R. Clapper  
22 NOTARY PUBLIC

23 My commission expires:





- 1 SERVICE LIST FOR: In the Matter of Joseph Cosenza et al.
- 2 Joseph Cosenza
- 3 4703 East Weaver Rd.
- 4 Phoenix, AZ 85050
- 5 U.S. Media Team, LLC
- 6 4703 East Weaver Rd.
- 7 Phoenix, AZ 85050
- 8 Bruce R. Heurlin
- 9 Kevin M. Sherlock
- 10 HEURLIN SHERLOCK PANAHI
- 11 1636 North Swan Road, Suite 200
- 12 Tucson, AZ 85712-4096
- 13 Attorneys for Respondents David Shorey,
- 14 Mary Jane Shorey and Cell Wireless Corp.
- 15 Diane M. Brandon
- 16 10206 East Desert Flower Place
- 17 Tucson, AZ 85749
- 18 Thomas Brandon
- 19 10206 E. Desert Flower Pl.
- 20 Tucson, AZ 85749
- 21
- 22
- 23
- 24
- 25
- 26

RECEIPT

FROM: U.S. Social Scene, Inc.  
9395 North 90th Street, Suite 102  
Scottsdale, Arizona 85258

(TO) Name of Investor: KATIE BEANER  
Mailing Address: 1706 E. Camelback Rd.  
City, State, Zip: Phoenix, AZ 85016  
Total Amount Paid: 100.00  
Number of Shares: 1000

The undersigned hereby elected to purchase 1000 shares of common stock of U.S. Social Scene, Inc. a Nevada corporation (formerly Cell Wireless Corporation, the "Company"), at a purchase price of \$0.025 (two and one-half cents) per share. These shares cannot be diluted or reduced in quantity in any manner due to any roll back or outstanding share correction due to action or actions of the Board of Directors or Officers of the Company at any time after purchase.

Dated this 17 day of February, 2008.

KATIE BEANER  
(Name of Investor)

U.S. SOCIAL SCENE, INC.

BY: [Signature]

BY: [Signature]  
Joseph Cosehza, President (CEO)

RECEIPT

FROM: U.S. Social Scene, Inc.  
9393 North 90<sup>th</sup> Street, Suite 102  
Scottsdale, Arizona 85258

TO: Name of Investor: BETTY BEADY  
Mailing Address: 11633 N. 11<sup>th</sup> St.  
City, State, Zip: Scottsdale, AZ 85258

Total Amount Paid: \$16,000.00  
Number of Shares: 800

The undersigned hereby elected to purchase 800 shares of common stock of U.S. Social Scene, Inc., a Nevada corporation (formerly Cell Wireless Corporation, the "Company"), at a purchase price of \$20.00 (two and one-half cents) per share. These shares cannot be diluted or reduced in quantity in any manner due to any roll-back or outstanding share conversion due to action or actions of the Board of Directors or Officers of the Company at any time after purchase.

Dated this 7<sup>th</sup> day of July, 2008.

\_\_\_\_\_  
(Name of Investor)

U.S. SOCIAL SCENE, INC.

By \_\_\_\_\_

By \_\_\_\_\_

Joseph Cosenza, President (CEO)

Cell-Shorey-1 #67

Exhibit 3

RECEIPT

FROM: U.S. Social Scene, Inc.  
9393 North 90th Street, Suite 102  
Scottsdale, Arizona 85258

TO: Name of Investor: U.S. Social Scene, Inc.  
Mailing Address: 9393 North 90th Street, Suite 102  
City, State, Zip: Scottsdale, Arizona 85258  
Total Amount Paid: \$100.00  
Number of Shares: 100

The undersigned hereby elected to purchase 100 shares of common stock of U.S. Social Scene, Inc. a Nevada corporation (formerly Cell Wireless Corporation, the "Company"), at a purchase price of \$0.025 (two and one-half cents) per share. These shares cannot be diluted or reduced in quantity in any manner due to any roll back or outstanding share correction due to action or actions of the Board of Directors or Officers of the Company at any time after purchase.

Dated this 11 day of April, 2008

U.S. Social Scene, Inc.  
(Name of Investor)

U.S. SOCIAL SCENE, INC.

BY: [Signature]

BY: [Signature]  
Joseph Cusenza, President (CEO)

US MEDIA TEAM LLC  
6900 E PRINCESS DR STE 2016  
PHOENIX, AZ 85054

1241

Date May 30, 2008 91-574/1221  
41394

Pay to the Order of Thomas Brandon \$ 2,500.00  
Two Thousand Five Hundred + 00/100 Dollars

 **Compass Bank**  
Phoenix, Arizona

For \_\_\_\_\_ Josh Casenza MP

US MEDIA TEAM LLC  
6900 E PRINCESS DR STE 2016  
PHOENIX, AZ 85054

1242

Date May 30, 2008 91-574/1221  
41394

Pay to the Order of Thomas Brandon \$ 2,000.00  
Two Thousand + 00/100 Dollars

 **Compass Bank**  
Phoenix, Arizona

For \_\_\_\_\_ Josh Casenza MP

checks issued by J. Casenza  
Funds were not available when I  
attempted to cash them! Money was  
never paid after that date.

TJB

Cell-Shorey-1 #91



February 16, 2008

U.S. Media Team will make the following payments to Equivest Heritage Group LLC and Global Business Development on February 18, 2008.

\$15,000.00 to Equivest Heritage Group LLC

\$10,000.00 to Global Business Development

Sincerely

Joseph Cosenza  
President/CEO

U.S. Media Team  
9393 N. 90<sup>th</sup> St. Suite 102  
Scottsdale, AZ. 85258  
(480)720-1568

Cell-Shorey-1 #99

*Exhibit 6*

US SOCIAL SCENE  
SCOTTSDALE, ARIZONA

MEMORANDUM

TO: Terry Benson  
FROM: Tom Brandon  
DATE: April 2, 2008  
RE: Follow Up to Our 4-1-08 Conversation

NO COPY  
TO Shorey

Terry, after our conversation last night there are a number of things that came to mind that I would like to share with you. I am forwarding you a memo that I sent to all of the team yesterday encouraging them to keep moving forward. I have seen in their body language and their voice tone classic signs of stress and some depression. I am not saying that the signs are not warranted given what you shared with me last night in our conversation concerning Joe's day-to-day promises that his money would be freed up any day and he would pay the \$40,000.00 that Josh, Dean, Steve and you were promised in your agreements with Joe. As I indicated I was not privileged to the details of your deal with Joe; however, I do have some thoughts and concerns that I want to share with you.

I have been in meetings with all of the team where Joe has openly stated that he expects the group to perform on both the convertible debentures and licensing agreements. I am aware that Joe has promised a \$25,000.00 buy in on each of the hundred thousand dollar payments from the convertible debentures and licensing agreements. As I indicated in our conversation, it is my feeling that the group over-stated their ability to sell these programs.

From a strictly business standpoint, I do not understand how Joe would have promised \$40,000.00 a month to four individuals totaling over \$480,000.00 a year without expecting them to generate income to cover those expenses. Again, I must emphasize that I am not challenging the facts as you stated them, I am questioning the wisdom as a business consultant that the expenditures are not directly connected to the income produced from those sources. The nearly \$500,000.00 expenditure doesn't take into consideration general operating expenses and payments to other individuals who have been working with Joe for a longer period of time. I know as a consultant, Lonna and I from the beginning nearly sixteen months ago knew that our fees would be paid from income that we help generate. To date while we have a contract, we have not expected a monthly payment without generating income.

Cell-Shorey-1 #70

Exhibit 7



**SSI DEVELOPMENT, INC.**

**(A Nevada Consulting Group)**

April 30, 2007

US Social Scene, Inc  
Attn Joe Cosenza  
9393 N. 90<sup>th</sup> Street #102  
Scottsdale, AZ 85258

Dear Joe

This is the billing for services and expenses owed to SSI Development, Inc. as of April 30, 2008 for the services provided by Mr. David Shorey, CPA per proposal:

Monthly services per proposal at \$5,000.00 per month January through April 2008 with indemnification contract signed and delivered	\$20,000.00
Expense advanced on behalf of US Social services and Cell Wireless on personal credit cards and cash	<u>\$12,360.76</u>
Total now due	<u>\$32,360.76</u>

These funds are due and payable now. If you would like to make arrangements for a payment plan, this must be arranged before April 30, 2008. In any case, at least \$3,000 must be received in our office by April 30, 2008 in order to meet the obligations on our credit cards for funds advanced to your company. Let me know how you wish to pay this billing.

Signed

David L. Shorey, CPA  
President

6959 East Wild Canyon Place Phone 520-577-9643 Cell Phone 520-603-6979  
Tucson, Arizona 85750 Fax 520-577-2585 Email [shorey@comcast.net](mailto:shorey@comcast.net)

Cell-Shorey-1 #93

*Exhibit 8*

**US SOCIAL SCENE  
EXCLUSIVE LICENSE AGREEMENT**

---

This US Social Scene License Agreement ("Agreement") is made and effective this 4/1/2008.

**BETWEEN:** US Social Scene, Inc. (the "Licensor"), a corporation organized and existing under the laws of the State of Nevada, with its head office located at 9393 N. 90<sup>th</sup> Street, #102 Place, Scottsdale, Arizona 85258:

**AND:**         Jay Nissley         (the "Licensee"), an INDIVIDUAL or Entity whose principal place of business is located at         Harrisburg, Pa        , referred to as the Licensee, which shall be deemed to include its permitted assigns.

**WHEREAS:**

Licensor and certain of its Affiliates operate and license U.S. Social Scene interactive media services expansion to U.S. Territories or Cities and allows individuals or entities to buy a geographical region. Each region will be able to duplicate and **individualize** the interactive website portal according to the Arizona Social Scene website and all of its future applications. This unique business opportunity is limited to successful business people only. This is a turn-key marketing opportunity where every region will become a full service agency/media and marketing company. This will allow the Licensee to identify and promote to a major regional audience interested in the social scene, travel, telephone and many other services that may be unique to the territory or available in the future. The Licensee advertising portal will attempt to become a one stop shop for consumers in the territory. US Social shall also include our cellular platform to allow information, content, advertising and news to be sent directly to cellular consumers. This full service portal enables continuous and effective promotion of products and services. The major areas for which the Licensee will be authorized to market include: Real Estate, Travel, Golf, Sporting Events, Concert venues, mobile telephone and consumer products and services. U.S. Social Scene has access to a data base of 79.6 million online consumers throughout the United States that will be made available for promotional activities in the licensee's exclusive territory.

WHEREAS, Licensor is willing to provide various technological support, marketing support, advertising support and promotional services and an interactive website in support of the Licensee in the exclusive territory.

WHEREAS, Licensee agrees to purchase an exclusive territorial license to market products and services of Licensor to General Public, Entities, Corporations and Government Agencies under the terms initially defined in this Agreement as set forth in Exhibit A attached hereto;

**The Territory:**

Walker(N)00139  
**Exhibit 9**

The territory is described as the geographical boundaries of York, Cumberland and Dauphin County, in the State of Pennsylvania. The territory contains a population of 847,223, per the 2000 census. **Exhibit B**

NOW, THEREFORE, based on the above premises and in consideration of the covenants and agreements contained herein, and intending to be legally bound, the parties agree hereto as follows:

### **1. Agreement Term**

The term of this Agreement shall be for perpetuity, commencing as of the date of signing this Agreement. Each year of the Term, as measured from the date of this Agreement, is a "Contract Year." (See termination section below)

### **2. License Pricing**

Each City or metropolitan area is **priced at \$100,000** for a limited time to first round buyers. Minimum reservation of \$50,000 is due at signing of this contract and the entire balance is due when the territorial website is completed.

### **Licensee Payment Terms**

The Licensee shall pay the amounts set forth above for the exclusive License to sell US Social licensed products and services in the exclusive territory. Payment shall be in the form of cash, cashiers check or wire transfer to the accounts of the licensor at the time of signing this agreement or any mutually agreed payment schedule. Payment shall be applied to the license fee of 50%, development of the territorial website 40%, sales material and advertising allotment of 10% for media exposure in the exclusive territory. No refunds or partial refunds will be made from the license payment terms.

### **3. Territory**

The exclusive territory for purposes of this Agreement purchased by the Licensee is as defined in EXHIBIT A attached hereto. The US Social Scene Licensee will have the exclusive rights to market, advertise and sell the products, technology, state of the art software and systems of operation in the exclusive geographical area as set down in the agreement. However, as a Licensee you do not have the right to sign up a new customer outside your area nor to market outside your exclusive area.

### **4. Revenue Sharing**

The licensee will receive a set percentage on the various advertising done on the Territory Social Scene website (Territory Portal, or Website Portal). Website Portal advertising will come from 2 sources; those sold locally by the Licensee and those sold nationally by US Social Scene. Locally sold advertising will provide an agency commission to the Licensee equal to the normal

agency commissions paid advertising agencies in the industry. Such commission will be 15% of the overall sale and an extra 5% can be added for volume bonus for annual sales over \$100,000. National sales of advertising revenue provided by the US Social Scene sales and presented on the Territory Portal will provide the licensee with a 5% override on the contract for the portion utilized on the Territorial Portal. Territorial Portal revenue sharing will be divided among the Licensees based upon population counts in the Licensee's territory. The following table clarifies the commission arrangement:

Type of Revenue	Commission Rate	Bonus Rate	Bonus Volume Over	Total Rate
Portal Advertising	15	5	\$100,000	20%
Internet Campaign	15	5	100,000	20%
Cellular Advertising	15	5	100,000	20%
Web Development	15	-	-	15%
Production	10	-	-	10%
Events & Promotion	15	-	-	15%
Ecommerce in Territory	5	-	-	5%
US Social National Ads in Territory	5	-	-	5%

Portal advertising is for banner ads on the website portal.

Internet Campaigns are sales of mass advertising using opted email addresses through US Social in territory or Outside Territory for customers.

Cellular Advertising is the sale of ads that are broadcast to cellular phone subscribers on the US Social Cellular System or another collaborating network like Verizon or T Mobile.

Web Production is "website development services" offered to portal advertisers whose website need developed or improved. Such services can be sold the US Social - Mission ecommerce business.

Production services are for preparing the advertising media for the advertisers that so not have their own agency. This is an ad agency service offered by US Social.

Events and Promotion services are sold to customers that are promoting the event like a golf tournament or musician concert that needs ads or promotional services from all of the above items to get the event off the ground and promote the ticket sales.

Ecommerce is the sale of merchandise offered exclusively on the web portal. Such merchandise can be sourced by the Licensee or US Social and the Licensee receives a commission whenever the sale is delivered in the Licensee territory.

All sums due to the Licensee shall be remitted to the Licensee with in seven days of receipt of such funds by the Licensor. Payments may be submitted in batches consisting of seven days receipts.

## **5. Marketing & Advertising expense**

With respect to initial advertising allotment dollars, (10% Of License Sales Price) Licensor and Licensee shall jointly determine how said monies will be used to advertise, promote or otherwise market the licensed products and services in the licensed territory. Marketing Support Funds shall not be used to advertise, promote or otherwise market product not distributed by Licensor. US Social Scene will pay for this advertising and promotion expense in the licensed territory.

Licensee will not expend additional sums for advertising and promotion unless authorized and approved by Licensor. All advertising and promotional material shall be approved by Licensor prior to release to the general public. All news releases containing the US Social Scene name or logos or its products shall be pre-approved by Licensor. Licensee agrees to consult with Licensor and to keep Licensor reasonably apprised of its marketing plans and activities and to comply with Licensor's then-current customary marketing support policies and practices to the extent they are reasonable and practicable. Licensor shall have the right to approve such plans, and Licensee shall provide a timely opportunity for said approval by Licensor. Licensor shall exercise its approval rights in a timely and reasonable manner to the extent that they are reasonable and practicable.

Should Licensee fail to comply in good faith with its obligations under this paragraph, Licensor shall be entitled to give written notice to Licensee of such failure and Licensee will have 30 days to cure such compliance. In the case of Licensee's failure to comply after 30 days notice, this contract shall be terminated. In no event shall Licensor be obligated to provide such advertising which it would otherwise have been obligated to provide during such time as Licensor's obligations hereunder were suspended because of Licensee's failure to fulfil its obligations under this paragraph.

## **6. Operating expenses of Licensee**

Licensee shall be responsible for all operating expenses within the licensed territory except for the advertising allotments provided for herein. Licensee will be responsible for all approved advertising and promotion that is not included in the initial advertising budget.

Licensor will provide an exclusive website, customer billing service, customer accounts management, ongoing technical and marketing assistance, regular Licensee meetings, seminars and conferences, operation, product, employee and accounting manuals, management systems and member activity reports at no additional charges to Licensee.

## **7. Training**

Licensor will provide a comprehensive orientation and training program in Scottsdale, Arizona, and will cover all aspects of the licensed operations. Licensee shall be responsible for his own travel and lodging expenses during training.

Walker(N)00142

*Exhibit 9*

## **8. Participating Licenses (Sub-Licensing Within territory)**

Licensee hereby agrees that each Participating Licensee shall execute a letter agreement, which has been approved by Licensor in form and substance, in favour of Licensor, agreeing to be bound by the terms and conditions of this Agreement as if it were a party hereto (the "Participating License" or commission agent arrangement). Licensee shall be liable for performance of its financial obligations hereunder as if such Participating License were its license. Licensor shall have the right to proceed against Licensee for money only, for any failure to fully perform the financial terms and conditions of this Agreement. Participating Licenses shall be subject to the same terms and conditions under the Agreement as Licensee, unless specifically designated otherwise. Implementation of the Agreement at the License level and License payments there under will be administered by Licensor.

## **9. Annual reviews and amendments**

Within 60 calendar days following the end of each Contract Year, the parties shall meet and in good faith review the terms of this Agreement. Should no agreement be reached between the parties with respect to adjusting or amending the terms of the Agreement, the then current terms of the Agreement shall remain in full force and effect.

## **10. Termination**

If the Licensee is in compliance with all aspects of this agreement, the Licensor may not terminate this agreement. Licensee may give 30 days notice to terminate this Agreement. If such notice is given, from such notification forward, Licensee shall have no right or obligation to purchase additional products under this Agreement and Licensor shall be relieved of any right or obligation to provide products or services to Licensee under this Agreement. No refunds of any kind will be due to Licensee for license fees upon termination.

The following transactions or occurrences shall constitute material events of default (each an "Event of Default") by the applicable party (the "defaulting party") hereunder such that, in addition to and without prejudice to or limiting any other rights and remedies available to the non-defaulting party at law or in equity the non-defaulting party may elect to immediately and prospectively terminate this Agreement at the sole discretion of the non-defaulting party by giving written notice thereof to the other party at any time after the occurrence of an Event of Default setting forth sufficient facts to establish the existence of such Event of Default.

**10.1** A material breach by a party of any material covenant, material warranty, or material representation contained herein, where such defaulting party fails to cure such breach within 60 calendar days after receipt of written notice thereof, or within such specific cure period as is expressly provided for elsewhere in this Agreement; or

**10.2** A party makes an attempt to make any arrangement for the benefit of creditors, or a voluntary or involuntary bankruptcy, insolvency or assignment for the benefit of creditors of a party or in the event any action or proceeding is instituted relating to any of the foregoing and the same is not dismissed within 60 calendar days after such institution; or

10.3 A failure by either party to make payment of any monies payable pursuant to this Agreement as and when due. Except as otherwise provided herein, no termination of this Agreement for any reason shall relieve or discharge any party hereto from any duty, obligation or liability hereunder which was accrued as of the date of such termination.

## **11. Public Disclosure and Confidentiality**

### **11.1 Public Disclosure**

Each party agrees that no press release or public announcement relating to the existence or terms of this Agreement (including within the context of a trade press or other interview or advertisement in any media) shall be issued without the express prior written approval of the other party hereto.

### **11.2 Confidential Information**

During the Term and for a period of 24 months thereafter, Licensee and Licensor shall hold, and shall cause each of their directors, officers, employees and agents to hold in confidence the terms of this Agreement (including the financial terms and provisions hereof and all information received pursuant to, or developed in accordance with, this Agreement) specifically including but not limited to the Licensor. Licensee and Licensor hereby acknowledge and agree that all information contained in, relating to or furnished pursuant to this Agreement, not otherwise known to the public, are confidential and proprietary and are not to be disclosed to third parties without the prior written consent of both Licensee and Licensor. Neither Licensee nor Licensor shall disclose such information to any third party (other than to officers, directors, employees, attorneys, accountants and agents of Licensee and Licensor or the affiliates of either, who have a business reason to know or have access to such information, and only after each of whom agrees to being bound by this paragraph) except:

11.3 To the extent necessary to comply with any Law or the valid order of a governmental agency or court of competent jurisdiction or as part of its normal reporting or review procedure to regulatory agencies or as required by the rules of any major stock exchange on which either party's stock may be listed; provided, however, that the party making such disclosure shall seek, and use reasonable efforts to obtain, confidential treatment of said information and shall promptly, to the greatest extent practicable, notify the other party in advance of such disclosure;

11.4 As part of the normal reporting or review procedure by its parent Licensee, its auditors and its attorneys;

11.5 To the extent necessary to obtain appropriate insurance, to its insurance agent or carrier, that such agent or carrier agrees to the confidential treatment of such information; and

11.6 To actual or potential successors in interest, provided, however, that such person or entity shall have first agreed in writing to the confidential treatment of such information.

## 12. Right to Use Names and Logos

Licensee shall have the right to use any copyrights, trademarks, characters or designs owned or controlled by Licensor or any of its Affiliates, including without limitation, the names previously used by the Licensor whether or not known or unknown to the Licensee, alone or in conjunction with other words or names, in any advertising, publicity or promotion, either express or implied, only with Licensor's prior written consent in each case.

## 13. Transfer / Assignment

Licensor may at any time transfer, assign, delegate or otherwise deal with some or all of its rights and responsibilities under this Agreement and the powers and benefits of the relevant parts of this Agreement shall be exercised and enjoyed by any delegate, transferee or assignee and any subsequent successors in title in accordance with the terms of the delegation, transfer or assignment. The Licensee shall on request execute any assignment or novation documentation requested by Licensor including a surrender of this Agreement in which case an agreement of identical form to this Agreement direct with any transferee, assignee or delegate will be entered.

If the Licensee desires to sell the Licensed Business:

13.1. The Licensee must notify Licensor in writing of the proposed sale price and terms of sale;

13.2. Licensor shall have the option to buy the Licensed Business at the Licensee's requested sale price and upon the same terms within the fourteen (14) days of the notice of sale;

13.3. The Licensee shall not sell the Licensed Business to any person at a price or on Terms more favorable than those that have been offered to Licensor.

13.4. Licensor shall provide all reasonable assistance requested by the Licensee for the purpose of selling the business.

13.5. The Licensor reserves the right to approve the new purchaser and such approval will not be unreasonably withheld.

13.6. The Licensee is not entitled to sub-license, mortgage, charge, subcontract or otherwise deal with, or change, the underlying beneficial ownership or control of the License without the consent of Licensor which shall not be unreasonably withheld.

13.7. In the event of death or significant disability of the Licensee, the Licensor will have the first right of refusal to acquire the Licensee equity in the territory at a price or on Terms equal to those that have been offered to other potential buyers.

In the event that Licensee assigns its rights or interest in or to this Agreement, with consent, in whole or in part, the Licensee will nevertheless continue to remain fully and primarily responsible and liable to the Licensor for prompt, full, complete and faithful performance of all terms and conditions of this Agreement.

#### **14. Licensor's Representations and Warranties**

Licensor represents and warrants that:

14.1 It is a Corporation organised and existing under the laws of the State of Nevada, USA with its principal place of business in Arizona;

14.2 The undersigned has the full right, power and authority to sign this Agreement on behalf of Licensor;

14.3 The execution, delivery and performance of this Agreement do not and will not, violate any provisions of United States of America articles or certificates or incorporation and bylaws, or any contract or other Agreement to which Licensor is a party;

14.4 There is no broker, finder or intermediary involved in connection with the negotiations and discussions incident to the execution of this Agreement, and no broker, finder, agent or intermediary who might be entitled to a fee, commission or any other payment upon the consummation of the transactions contemplated by this Agreement;

14.5 This Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereinafter in effect, affecting the enforcement of creditors' rights in general and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

#### **15. Licensee's Representations and Warranties**

Licensee represents and warrants that:

15.1 It is a legally registered business organised and existing under the laws of the State of \_\_ Pennsylvania \_\_ with its principal place of business in the \_\_ Harrisburg \_\_;

15.2 The undersigned has the full right, power and authority to sign this Agreement on behalf of Licensee;

15.3 There is no broker, finder or intermediary involved in connection with the negotiations and discussions incident to the execution of this Agreement, and no broker, finder, agent or intermediary who might be entitled to a fee, commission or any other payment upon the consummation of the transactions contemplated by this Agreement;

*Exhibit 9*

15.4 This Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of Licensee enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereinafter in effect, affecting the enforcement of creditors' rights in general and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law; and

15.5 The execution, delivery and performance of this Agreement do not, and will not, violate any provisions of Licensee's articles or certificates of incorporation and bylaws, or any contract or other Agreement to which Licensee is a party.

## 16. Force Majeure

The duties and obligations of the parties hereunder may be suspended upon the occurrence and continuation of any "Event of Force Majeure" which inhibits or prevents performance hereunder, and for a reasonable start-up period thereafter. An "Event of Force Majeure" shall mean any act, cause, contingency or circumstance beyond the reasonable control of such party (whether or not reasonably foreseeable), including, without limitation, to the extent beyond the reasonable control of such party, any governmental action, nationalization, expropriation, confiscation, seizure, allocation, embargo, prohibition of import or export of goods or products, regulation, order or restriction (whether foreign, federal or state), war (whether or not declared), civil commotion, disobedience or unrest, insurrection, public strike, riot or revolution, lack or shortage of, or inability to obtain, any labour, machinery, materials, fuel, supplies or equipment from normal sources of supply, strike, work stoppage or slowdown, lockout or other labour dispute, fire, flood, earthquake, drought or other natural calamity, weather or damage or destruction to plants and/or equipment, commandeering of vessels or other carriers resulting from acts of God, or any other accident, condition, cause, contingency or circumstances including (without limitation, acts of God) within or without the USA. Neither party shall, in any manner whatsoever, be liable or otherwise responsible for any delay or default in, nor shall failure of, performance resulting from or arising out of or in connection with any Event of Force Majeure and no such delay, default in, or failure of, performance constitute a breach by either party hereunder. As soon as reasonably possible following the occurrence of an Event of Force Majeure, the affected party shall notify the other party, in writing, as to the date and nature of such Event of Force Majeure and the effects of same. If any Event of Force Majeure shall prevent the performance of a material obligation of either party hereunder, and if the same shall have continued for a period of longer than 30 days, then either party hereto shall have the right to terminate this Agreement by written notice to the other party hereto.

## 17. Indemnification

Each party (the "Indemnifying Party") shall indemnify and hold the other party and its affiliates and their respective employees, officers, agents, attorneys, stockholders and directors, and their respective permitted successors, licensees and assigns (the "Indemnified Party") harmless from and against (and shall pay as incurred) any and all claims, proceedings, actions, damages, costs,

expenses and other liabilities and losses (whether under a theory of strict liability, or otherwise) of whatsoever kind or nature ("Claim(s)") incurred by, or threatened, imposed or filed against, any Indemnified Party (including, without limitation, (a) actual and reasonable costs of defence, which shall include without limitation court costs and reasonable attorney and other reasonable expert and reasonable third party fees; and (b) to the extent permitted by Law, any fines, penalties and forfeitures) in connection with any proceedings against an Indemnified Party caused by any breach (or, with respect to third party claims only, alleged breach) by the Indemnifying Party of any representation, term, warranty or agreement hereunder. Neither party shall settle, compromise or consent to the entry of any judgment in or otherwise seek to terminate any pending or threatened Claim in respect of which the Indemnified Party is entitled to indemnification hereunder (whether or not the Indemnified Party is a party thereto), without the prior written consent of the other party hereto; provided, however, that the Indemnifying Party shall be entitled to settle any claim without the written consent of the Indemnified Party so long as such settlement only involves the payment of money by the Indemnifying Party and in no way affects any rights of the Indemnified Party.

#### **18. Remedies**

No remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy which is otherwise available at law, in equity, by statute or otherwise, and except as otherwise expressly provided for herein, each and every other remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, by statute or otherwise and no provision hereof shall be construed so as to limit any party's available remedies in the event of a breach by the other party hereto. The election of any one or more of such remedies by any of the parties hereto shall not constitute a waiver by such party of the right to pursue any other available remedies.

#### **19. Miscellaneous**

19.1 This Agreement shall not constitute any partnership, joint venture or agency relationship between the parties hereto. The parties shall be considered independent contractors.

19.2 This Agreement, together with the attached Exhibit A embodies the entire understanding of the parties with respect to the subject matter hereof and may not be altered, amended or otherwise modified except by an instrument in writing executed by both parties.

19.3 The headings in this Agreement are for convenience of reference only and shall not have any substantive effect.

19.4 All rights and remedies granted to the parties hereunder are cumulative and are in addition to any other rights or remedies that the parties may have at law or in equity.

19.5 Should any non-material provision of this Agreement be held to be void, invalid or inoperative, as a matter of law the remaining provisions hereof shall not be affected and shall continue in effect as though such unenforceable provision(s) has been deleted?

19.6 Unless otherwise indicated, all dollar amounts referenced herein shall refer to and be paid in US dollars.

19.7 No waiver of any right under or breach of this Agreement shall be effective unless it is in writing and signed by the party to be charged.

19.8 None of the provisions of this Agreement is intended for the benefit of or shall be enforceable by any third parties.

19.9 This Agreement may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same Agreement.

19.10 All notices shall be in writing and either personally delivered, mailed first-class mail (postage prepaid), sent by reputable overnight courier service (charges prepaid), or sent by transmittal by any electronic means whether now known or hereafter developed, including, but not limited to, email, facsimile, telex, or laser transmissions, able to be received by the party intended to receive notice, to the parties at the following addresses:

Licensor Address:  
US Social Scene, Inc.

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Licensee Address:

Jay Nissley  
Creative Vision  
2201 Woodview Drive  
Harrisburg, Pa 17112

## 20. Jurisdiction

This Agreement shall be governed by and construed in accordance with the internal Laws of the State of Nevada applicable to agreements entered into and wholly performed therein. Licensee hereby consents to and submits to the jurisdiction of the Licensor and any action or suit under this Agreement may be brought in any Court with appropriate jurisdiction over the subject matter established.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

LICENSOR

LICENSEE

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name and title

\_\_\_\_\_  
Print Name and title

Apr. 21. 2008 12:24PM

No. 0556 P. 1

Original Message

From: Steven Anderson

To: US Media Team

Cc: Steven Anderson ; dgekas@theomg.net ; terryBenson ; Josh Benson

Sent: Friday, April 18, 2008 12:42 PM

Subject: Resignation and Termination

DAVE Shorey  
Not Copied

April 18th, 2008

Mr. Joseph Cosenza  
U.S. Social Scene, Inc.  
9303 North 90th Street, Suite 102  
Scottsdale, AZ 85258

Dear Joe,

Please accept this letter as our letter of resignation as members of the board of directors of U. S. Social Scene. These positions are spelled out in the contract dated February 21, 2008, between U.S. Social Scene and Optimal Financial. This resignation is to take effect immediately this 18<sup>th</sup> day of April, 2008.

This letter also serves as our notice to terminate the contract dated February 21, 2008, between U.S. Social Scene and Optimal Financial. The reason for this termination is due to failure to perform on all parties. Therefore all terms of the contract dated February 21, 2008, between U.S. Social Scene and Optimal Financial are null and void effective immediately this 18<sup>th</sup> day of April, 2008.

Sincerely,

Josh Benson, CEO—Optimum Marketing Group/Optimal Financial

Steven Anderson, President—Optimum Marketing Group/Optimal Financial

Terry Benson, Director of Medical Sales—Optimum Marketing Group/Optimal Financial

Dean Gekas, Vice President of Sales—Optimum Marketing Group/Optimal Financial

By:   
Steven Anderson  
President  
Optimal Financial

By:   
Joseph Cosenza  
CEO  
U.S. Social Scene

Sum #21

Cell-Shorey-1 #2

Exhibit 10