



0000162321

NEW APPLICATION

BEFORE THE ARIZONA CORPORATION COMMISSION
RECEIVED

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

COMMISSIONERS

SUSAN BITTER SMITH, Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

Arizona Corporation Commission

2015 JUN 18 A 9:55

DOCKETED

AZ CORP COMMISSION
DOCKET CONTROL

JUN 18 2015

DOCKETED BY

ORIGINAL

In the matter of:)	DOCKET NO. S-20928A-15-0199
HENRYK JAN KUNOWSKI, aka H. JON KUNOWSKI, aka JON KUNOWSKI, an unmarried man,)	NOTICE OF OPPORTUNITY FOR HEARING REGARDING PROPOSED ORDER TO CEASE AND DESIST, ORDER FOR RESTITUTION, ORDER FOR ADMINISTRATIVE PENALTIES, AND ORDER FOR OTHER AFFIRMATIVE ACTION
Respondent.)	

NOTICE: RESPONDENT HAS 10 DAYS TO REQUEST A HEARING

RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondent HENRYK JAN KUNOWSKI, aka H. JON KUNOWSKI, aka JON KUNOWSKI ("KUNOWSKI") has engaged in acts, practices, and transactions that constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act").

I.

JURISDICTION

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

II.

RESPONDENT

2. At all relevant times, Respondent KUNOWSKI has been an Arizona resident.
3. Upon information and belief, at all relevant times, KUNOWSKI has been an unmarried, single man.

1 a) he and any of his agents and employees be permanently enjoined from
2 violating the Securities Act;

3 b) he was required to pay restitution of \$778,000 to the Commission, plus 10%
4 interest until paid;

5 c) he was required to pay a \$20,000 civil penalty for contempt to the
6 Commission, plus 10% interest until paid; and

7 d) he was required to pay a \$50,000 civil penalty pursuant to A.R.S. § 44-2037
8 to the Commission, plus 10% interest until paid.

9 9. Further, the 2006 Order directed and KUNOWSKI agreed that “he will not exercise
10 any control over any entity that offers or sells securities ... within or from Arizona.”

11 10. Of the \$848,000 in restitution and penalties the 2006 Order required KUNOWSKI to
12 pay, he paid only \$400.

13 11. In November 2012, KUNOWSKI invited several potential investors to his house in
14 Peoria, Arizona and gave a presentation concerning two projects he said he was developing.

15 12. KUNOWSKI said that for five (5) years, he had been “developing a twin micro-
16 turbine engine personal flight system and the world’s first true ‘Jet Pack’ that will allow for
17 practical human flight.”

18 13. KUNOWSKI’s presentation continued: “With flight times of 15 to 30 minutes, ‘Jet
19 Star’ will become a viable tool for first responders to save lives! The applications are as vast as the
20 imagination and include firefighters, paramedics, search and rescue, police, military, special
21 operations, industry, media, and of course, the consumer. ‘Jet Star’ represents a significant
22 technology breakthrough and a major aviation milestone.”

23 14. KUNOWSKI said he had also designed an unmanned aerial vehicle drone capable of
24 vertical takeoffs and landings.

25 15. KUNOWSKI told the potential investors that he needed to raise funds to pay patent-
26 related legal expenses and to purchase materials to build the jet packs and drones.

1 c) Omitting to disclose to investors that he has failed to pay \$847,600 in
2 restitution and penalties he owes the Commission;

3 d) Omitting to disclose to investors that the 2006 Order prohibited him from
4 exercising "any control over any entity that offers or sells securities ... within or from Arizona;"

5 e) Omitting to disclose to investors that in 2004 he had filed for bankruptcy.

6 f) Omitting to disclose to investors that he intended to use their investment funds
7 to pay his personal living expenses.

8 31. This conduct violates A.R.S. § 44-1991.

9 **VII.**

10 **REQUESTED RELIEF**

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

12 1. Order KUNOWSKI to permanently cease and desist from violating the Securities Act
13 pursuant to A.R.S. §§ 44-2032, 44-1961, and 44-1962;

14 2. Order KUNOWSKI to take affirmative action to correct the conditions resulting from
15 his acts, practices, or transactions, including a requirement to make restitution pursuant to A.R.S. §§
16 44-2032, 44-1961, and 44-1962;

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

19 4. Order KUNOWSKI to pay the State of Arizona administrative penalties, pursuant to
20 A.R.S. §§ 44-1961 and 44-1962; and

21 5. Order any other relief that the Commission deems appropriate.

22 **VIII.**

23 **HEARING OPPORTUNITY**

24 Respondent may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-306. **If**
25 **Respondent requests a hearing, Respondent must also answer this Notice.** A request for hearing
26 must be in writing and received by the Commission within 10 business days after service of this

1 Notice of Opportunity for Hearing. Respondent must deliver or mail the request to Docket Control,
2 Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007. Filing instructions
3 may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web
4 site at <http://www.azcc.gov/divisions/hearings/docket.asp>.

5 If a request for a hearing is timely made, the Commission shall schedule the hearing to begin
6 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the
7 parties, or ordered by the Commission. If a request for a hearing is not timely made the Commission
8 may, without a hearing, enter an order granting the relief requested by the Division in this Notice of
9 Opportunity for Hearing.

10 Persons with a disability may request a reasonable accommodation such as a sign language
11 interpreter, as well as request this document in an alternative format, by contacting Shaylin A.
12 Bernal, ADA Coordinator, voice phone number 602/542-3931, e-mail sabernal@azcc.gov.
13 Requests should be made as early as possible to allow time to arrange the accommodation.
14 Additional information about the administrative action procedure may be found at
15 <http://www.azcc.gov/divisions/securities/enforcement/AdministrativeProcedure.asp>

16 **IX.**

17 **ANSWER REQUIREMENT**

18 Pursuant to A.A.C. R14-4-305, if Respondent requests a hearing, Respondent must deliver
19 or mail an Answer to this Notice of Opportunity for Hearing to Docket Control, Arizona
20 Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days
21 after the date of service of this Notice. Filing instructions may be obtained from Docket Control by
22 calling (602) 542-3477 or on the Commission's Internet web site at
23 <http://www.azcc.gov/divisions/hearings/docket.asp>.

24 Additionally, Respondent must serve the Answer upon the Division. Pursuant to A.A.C.
25 R14-4-303, service upon the Division may be made by mailing or by hand-delivering a copy of the
26

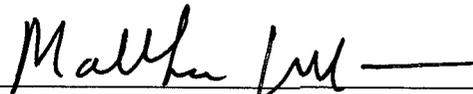
1 Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix, Arizona, 85007, addressed to
2 James D. Burgess.

3 The Answer shall contain an admission or denial of each allegation in this Notice and the
4 original signature of Respondent or Respondent's attorney. A statement of a lack of sufficient
5 knowledge or information shall be considered a denial of an allegation. An allegation not denied
6 shall be considered admitted.

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

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

12 Dated this 18 day of June, 2015.

13
14 
15 _____
16 Matthew J. Neubert
17 Director of Securities
18
19
20
21
22
23
24
25
26