



BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission
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AZ CORP COMMISSION
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IN THE MATTER OF:

DOCKET NO. S-20948A-15-0422

SHADOW BEVERAGES AND SNACKS, LLC, an
Arizona Limited Liability company,

LUCIO GEORGE MARTINEZ and LISA K.
MARTINEZ, husband and wife,

SAMUEL A. JONES, a married man

Respondents.

**THIRD
PROCEDURAL ORDER
(Schedules Hearing)**

BY THE COMMISSION:

On December 30, 2015, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, for Restitution, for Administrative Penalties, and for Other Affirmative Action ("Notice") against Shadow Beverages and Snacks, LLC ("Shadow Beverages"), Lucio George Martinez and Lisa K. Martinez, husband and wife (the "Martinezes"), and Samuel A. Jones (collectively "Respondents") in which the Division alleged violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of promissory notes and/or investment contracts.

The spouse of Lucio George Martinez, Lisa K. Martinez ("Respondent Spouse"), is joined in the action pursuant to A.R.S. § 44-2031(C) solely for the purpose of determining the liability of the marital community.

The Respondents were duly served with a copy of the Notice.

On January 20, 2016, Respondent Samuel A. Jones filed a Request for Hearing pursuant to A.A.C. R14-4-306.

1 On February 1, 2016, by Procedural Order, a pre-hearing conference was scheduled to
2 commence on February 23, 2016.

3 On February 4, 2016, Respondent Samuel A. Jones filed an Answer to the Notice.

4 On February 8, 2016, Respondent George Martinez filed a "Response to Docket No – S-
5 20948A-15-0422" ("Response"). The Response made factual assertions and argued against the
6 applicability of the statutory violations alleged by the Division.

7 On February 9, 2016, by Procedural Order, the pre-hearing conference was affirmed. Mr.
8 Martinez's Response was considered a request for hearing and answer to the Notice, and he was
9 provided notice of the upcoming pre-hearing conference.

10 On February 23, 2016, the pre-hearing conference was held as scheduled. The Division
11 appeared through counsel, as did Mr. Jones. Mr. Martinez appeared on his own behalf and stated that
12 he was in the process of obtaining counsel. The scheduling of a hearing date was discussed. Mr.
13 Martinez was informed that because he is not an attorney, he cannot represent Respondent Spouse. The
14 Division stated that it interpreted Mr. Martinez's Response to also include a request for hearing by
15 Respondent Spouse.

16 Accordingly, a hearing should be scheduled.

17 **IT IS THEREFORE ORDERED that a hearing shall be held commencing on June 6, 2016,**
18 **at 10:00 a.m., at the Commission's offices, 1200 West Washington Street, Hearing Room No. 2,**
19 **Phoenix, Arizona.**

20 **IT IS FURTHER ORDERED that the parties shall also reserve June 7-10, 13, and 15-17**
21 **2016, for additional days of hearing, if necessary.**

22 **IT IS FURTHER ORDERED that the Division and Respondents shall exchange copies of**
23 **their Witness Lists and copies of the Exhibits by April 22, 2016, with courtesy copies provided to**
24 **the presiding Administrative Law Judge.**

25 **IT IS FURTHER ORDERED that if the parties reach a resolution of the issues raised in the**
26 **Notice prior to the hearing, the Division shall file a Motion to Vacate the Proceeding.**

27 **IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized**
28 **Communications) is in effect and shall remain in effect until the Commission's Decision in this matter**

1 is final and non-appealable.

2 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 39 of the Rules of
3 the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission *pro*
4 *hac vice*.

5 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
6 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona
7 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings
8 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for
9 discussion, unless counsel has previously been granted permission to withdraw by the Administrative
10 Law Judge or the Commission.

11 IT IS FURTHER ORDERED that the Presiding Administrative Law Judge may rescind, alter,
12 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by
13 ruling at hearing.

14 DATED this 23rd day of February, 2016.

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16 
17 _____
MARK PRENY
ADMINISTRATIVE LAW JUDGE

18 Copies of the foregoing mailed/delivered
19 this 23rd day of February, 2016, to:

20 Alan S. Baskin
21 David E. Wood
22 BASKIN RICHARDS PLC
23 2901 North Central Avenue, Suite 1150
24 Phoenix, AZ 85012
25 Attorneys for Respondent Samuel A. Jones

Matthew Neubert, Director
Securities Division
ARIZONA CORPORATION COMMISSION
1300 West Washington Street
Phoenix, AZ 85007

23 Lucio George Martinez
24 Lisa K. Martinez
25 1772 S. Comanche Dr.
Chandler, AZ 85286

COASH & COASH, INC.
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Videoconferencing
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26 By: 
27 _____
Rebecca Unquera
Assistant to Mark Preny