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BEFORE THE ARIZONA CORPORATION C

COMMISSIONERS

DOUG LITTLE – Chairman  
BOB STUMP  
BOB BURNS  
TOM FORESE  
ANDY TOBIN

AZ CORP COM  
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DOCKETED  
AUG 9 9 2016  
[Signature]

IN THE MATTER OF:  
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.

DOCKET NO. S-20948A-15-0422

**FOURTH**  
**PROCEDURAL ORDER**  
**(Grants Consent to Email Service)**

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.

On February 1, 2016, by Procedural Order, a pre-hearing conference was scheduled to

1 commence on February 23, 2016.

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

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

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

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

15 On February 23, 2016, by Procedural Order, a hearing was scheduled to commence on June 6,  
16 2016, at 10:00 a.m.

17 On April 19, 2016, the Securities Division filed a Proposed Consent Order in regards to  
18 Respondent Samuel A. Jones.

19 On May 13, 2016, the Commission issued Decision No. 75552, Order to Cease and Desist,  
20 Order for Restitution, and Order for Administrative Penalties and Consent to Same by: Samuel A.  
21 Jones.

22 On June 3, 2016, Respondent George Martinez filed a document titled "Critical Information  
23 and Plea to Docket No. S-20948A-15-0422." In the document, Mr. Martinez provided information and  
24 argument in support of his request that Mrs. Martinez "be dismissed from this hearing" and that he be  
25 held not responsible "for acting solely on the behalf of and for the benefit of Shadow Beverages with  
26 no personal gain for myself over the past 5 years."

27 On June 6, 2017, a full public hearing was commenced before a duly authorized Administrative  
28 Law Judge of the Commission at its offices in Phoenix, Arizona. The Division was represented by

1 counsel and the Martinezes appeared on their own behalf. An additional day of hearing was held on  
2 June 7, 2016. At the conclusion of the hearing, the matter was taken under advisement and a schedule  
3 for the filing of post-hearing briefs was established.

4 On July 20, 2016, the Division filed its Post-Hearing Brief.

5 On August 5, 2016, the Division filed a Consent to Email Service.

6 The Division has opted to receive service of all filings in this docket, including all filings by  
7 parties and all Procedural Orders and Recommended Opinions and Orders/Recommended Orders  
8 issued by the Commission's Hearing Division, via its designated email addresses rather than via U.S.  
9 Mail. The Division has exercised this option by docketing a hard copy of its Consent to Email Service,  
10 and by sending an email containing its name and the docket number for this matter to  
11 HearingDivisionServicebyEmail@azcc.gov from its designated email address. The Hearing Division  
12 has verified the validity of its designated email address, which now appears on the service list for this  
13 matter in addition to its address for U.S. Mail. In addition, courtesy email addresses appear for delivery  
14 of courtesy emails to other individuals associated with the Division.

15 The Consent to Email Service filed by the Division should be granted.

16 IT IS THEREFORE ORDERED that the request by the Division to receive service of all filings  
17 in this docket, including all filings by parties and all Procedural Orders and Recommended Opinions  
18 and Orders/Recommended Orders issued by the Commission's Hearing Division, via its respective  
19 designated email address rather than via U.S. Mail, is hereby approved.

20 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
21 Communications) is in effect and shall remain in effect until the Commission's Decision in this matter  
22 is final and non-appealable.

23 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules  
24 31, 38, 39, and 42, and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

25 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance  
26 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona  
27 Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings  
28 and procedural conferences, as well as all Open Meetings for which the matter is scheduled for

1 discussion, unless counsel has previously been granted permission to withdraw by the Administrative  
2 Law Judge or the Commission.

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

6 DATED this 9<sup>th</sup> day of August, 2016.

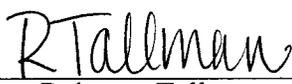
7  
8   
9 MARK PRENY  
ADMINISTRATIVE LAW JUDGE

10 On this 9<sup>th</sup> day of August, 2016, the foregoing document was filed with Docket Control as a  
11 Procedural Order – Grants Consent to Email Service, and copies of the foregoing were mailed on behalf  
12 of the Hearing Division to the following who have not consented to email service. On this date or as  
soon as possible thereafter, the Commission’s eDocket program will automatically email a link to the  
foregoing to the following who have consented to email service

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**Consented to Service by Email**

24  
25 By:   
26 Rebecca Tallman  
27 Assistant to Mark Preny  
28