

ORIGINAL NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

AZ CORP COMMISSION

DOCKET CONTROL

DOUG LITTLE - Chairman

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2016 OCT 3 PM 3 09

In the matter of:

DOCKET NO. S-20987A-16-0351

Ryan Miguel (CRD # 4581157) aka Ryan Miguel Pina aka Ryan Lee Oliver, a single man,

NOTICE OF OPPORTUNITY FOR HEARING REGARDING PROPOSED ORDER TO CEASE AND DESIST, ORDER FOR RESTITUTION, ORDER FOR

Robert Eric Hawkins, a single man, and

ADMINISTRATIVE PENALTIES, ORDER OF REVOCATION AND ORDER FOR OTHER AFFIRMATIVE ACTION

Infinity Fuels, Inc., a Nevada corporation,

Respondents.

NOTICE: EACH RESPONDENT HAS 10 DAYS TO REQUEST A HEARING EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondents Ryan Miguel (CRD # 4581157) aka Ryan Miguel Pina aka Ryan Lee Oliver, Robert Eric Hawkins, and Infinity Fuels, Inc. have engaged in acts, practices, and transactions that constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 et seq. ("Securities Act").

The Division also alleges that Ryan Miguel and Robert Eric Hawkins are persons controlling Infinity Fuels, Inc. within the meaning of A.R.S. § 44-1999(B), so that they are jointly and severally liable under A.R.S. § 44-1999(B) to the same extent as Infinity Fuels, Inc. for its violations of the antifraud provisions of the Securities Act.

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Arizona Corporation Commission

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I.

JURISDICTION

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

II.

RESPONDENTS

2. Ryan Miguel aka Ryan Miguel Pina aka Ryan Lee Oliver (“Miguel”) has been registered as a securities salesman by the Commission (CRD # 4581157) since March 28, 2012. Miguel was also registered as a securities salesman by the Commission from February 2005 until November 2008.

3. Miguel is not currently registered with FINRA, and his registration with the Commission has lapsed because he is not currently associated with a registered dealer. Miguel was most recently associated with Merrill Lynch, Pierce, Fenner & Smith Incorporated until August 5, 2015, when he voluntarily terminated from that registered dealer.

4. Under A.R.S. § 44-1963(D), Miguel continues to be subject to the Commission’s jurisdiction for two years after the lapse of his registration for the purpose of denying, suspending or revoking his registration in connection with conduct that began before the lapse of his registration.

5. Since July 18, 2005, Miguel has also been a licensed Arizona insurance producer (AZ License # 205041).

6. Upon information and belief, Miguel has been a single, unmarried man since 2005.

7. Respondent Robert Eric Hawkins (“Hawkins”) has been a licensed Arizona insurance producer (AZ License # 913032) since February 20, 2008. Upon information and belief, Hawkins has been a single, unmarried man since that time.

8. Hawkins has not been registered by the Commission as a securities salesman or dealer.

1 18. In addition, Miguel and Hawkins said Investor One would be guaranteed to receive
2 ten percent (10%) interest annually on his \$25,000.00 investment as profit sharing from Infinity.

3 19. They also told Investor One he would be a 02.50% owner in Infinity.

4 20. Miguel and Hawkins did not ask Investor One about his income or net worth.

5 21. Investor One decided to invest. At the end of their meeting, Investor One wrote a
6 check payable to Infinity for \$25,000.00.

7 22. In addition, Investor One and Hawkins, as Infinity's President, signed a Capital
8 Investment Agreement ("Agreement") between Infinity and Investor One. Miguel signed the
9 Agreement as a witness.

10 23. The Agreement stated that Infinity sought "funds for investment in operational and
11 start-up costs associated with waste to fuel refinery development throughout the U.S."

12 24. The Agreement stated Investor One was "participat[ing] by investing capital as a
13 guaranteed return of principal loan," and that his \$25,000.00 investment "is for a maximum time
14 period of the next 60 months...."

15 25. The Agreement provided Investor One would receive "[a]n annual fixed, non-
16 compounding interest rate of 10%," and that the interest rate was "guaranteed."

17 26. The Agreement further provided Investor One "holds a 02.50% passive ownership
18 on all projects" and that Infinity's "President, CEO and Secretary/Treasurer ... shall retain
19 operational control and management...."

20 27. When they sold Investor One his investment in Infinity, Miguel and Hawkins failed
21 to disclose to him:

22 a) Hawkins owed the Internal Revenue Service \$18,296 in unpaid taxes from
23 2002 and 2003; and

24 b) Miguel filed a Chapter 7 Bankruptcy petition on July 31, 2009.
25
26

1 28. After he invested, Investor One did not have any contact with Miguel, Hawkins or
2 Infinity for approximately one year, until Infinity failed to pay his first annual 10% interest
3 payment.

4 29. When Infinity failed to make the 10% interest payment, Investor One telephoned
5 and emailed both Hawkins and Miguel to inquire about his investment. Hawkins told Investor One
6 he was too busy to take Investor One's call. Hawkins did not return Investor One's subsequent
7 calls.

8 30. Miguel responded to Investor One's calls but said he (Miguel) was sorry and there
9 was nothing he could do. Eventually, after three or four months, Miguel stopped taking Investor
10 One's calls.

11 31. Investor One has not received any interest payments or any return of his \$25,000.00
12 investment from Miguel, Hawkins or Infinity.

13 32. In January 2016, Investor One wrote to Hawkins and Miguel to demand the return of
14 his \$25,000.00, a complete accounting and all financial records of Infinity.

15 33. Hawkins responded by informing Investor One that Infinity dissolved in 2011 and
16 denied any wrongdoing.

17 34. Hawkins did not return any of Investor One's \$25,000.00 or provide the accounting
18 and Infinity's financial records Investor One demanded.

19 35. Hawkins asserted, "I have ZERO assets, just barely surviving month to month and
20 still dependent on family for support." He urged Investor One not to "try[] to squeeze water from a
21 stone."

22 **Investor Two's \$25,000 Loss Investing with Respondents**

23 36. In 2011, Hawkins solicited an insurance client and Arizona resident to whom he had
24 sold an annuity, Investor Two, to invest \$25,000.00 in Infinity.

25 37. Hawkins told Investor Two that Infinity was a startup company that had a clean
26 fuels technology to turn waste into energy.

1 38. Hawkins said that in exchange for his \$25,000.00 investment, Investor Two would
2 become a 00.50% owner of Infinity, but he would not have any decision-making power or
3 operational responsibility for the company.

4 39. Hawkins also said Investor Two would receive an annual return of five percent (5%)
5 on his \$25,000.00 investment.

6 40. Hawkins did not ask Investor Two about his income, net worth or risk tolerance for
7 investing.

8 41. Hawkins told Investor Two that there “is no risk and you can’t lose since you’ll be
9 getting annual interest payments on your money.”

10 42. Hawkins also told Investor Two that in a few years he would be making millions of
11 dollars from Infinity’s technology as a part owner of the company.

12 43. Based on Hawkins’ representations, Investor Two invested \$25,000.00 in Infinity.

13 44. When Hawkins and Infinity sold Investor Two his investment in Infinity, they failed
14 to disclose to him:

15 a) Hawkins owed the Internal Revenue Service \$18,296 in unpaid taxes from
16 2002 and 2003;

17 b) Miguel, who was Infinity’s Chief Development Officer, filed a Chapter 7
18 Bankruptcy petition on July 31, 2009; and

19 c) Infinity’s corporate status had been revoked prior to the sale, and as such, it
20 was not a corporation.

21 45. After he invested, Investor Two did not hear from Hawkins or Infinity.

22 46. When after a year he did not receive the five percent (5%) return Infinity was
23 supposed to pay him, Investor Two tried calling Hawkins several times but his calls went
24 unanswered. Eventually, when Investor Two continued attempting to call Hawkins, he received a
25 recording stating that the number he was calling had blocked his number.

26 47. Investor Two has not received any return of his \$25,000.00 investment.

1 VI.

2 VIOLATION OF A.R.S. § 44-1991

3 (Fraud in Connection with the Offer or Sale of Securities)

4 56. In connection with the offer or sale of securities within or from Arizona, Miguel,
5 Hawkins and Infinity directly or indirectly: (i) employed devices, schemes, or artifices to defraud; (ii)
6 made untrue statements of material fact or omitted to state material facts that were necessary in order
7 to make the statements made not misleading in light of the circumstances under which they were
8 made; or (iii) engaged in transactions, practices, or courses of business that operated or would operate
9 as a fraud or deceit upon offerees and investors. Respondents' conduct includes, but is not limited to,
10 offering and selling Infinity's securities to Investors One and Two by misrepresenting that there was
11 no risk and no way to lose their investments, and by failing to disclose the following facts:

- 12 a) Hawkins owed the Internal Revenue Service \$18,296 in unpaid taxes from
13 2002 and 2003;
- 14 b) Miguel filed a Chapter 7 Bankruptcy petition on July 31, 2009; and
- 15 c) As to Investor Two, Infinity's corporate status had been revoked prior to the
16 sale, and as such, it was not a corporation.

17 57. This conduct violates A.R.S. § 44-1991.

18 VII.

19 CONTROL PERSON LIABILITY PURSUANT TO A.R.S. § 44-1999

20 58. From at least January 28, 2010, through at least January 1, 2012, Hawkins has
21 been and/or held himself out as Infinity's President, Secretary, Treasurer and Director.

22 59. From at least January 28, 2010, through at least January 1, 2012, Hawkins directly
23 or indirectly controlled Infinity within the meaning of A.R.S. § 44-1999. Therefore, Hawkins is
24 jointly and severally liable to the same extent as Infinity for its violations of A.R.S. § 44-1991
25 from at least January 28, 2010, through at least January 1, 2012.
26

1 IX.

2 REQUESTED RELIEF

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

4 1. Order Respondents to permanently cease and desist from violating the Securities Act,
5 pursuant to A.R.S. §§ 44-2032 and 44-1962;

6 2. Order Respondents to take affirmative action to correct the conditions resulting from
7 Respondents' acts, practices, or transactions, including a requirement to make restitution pursuant to
8 A.R.S. §§ 44-2032 and 44-1962;

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

11 4. Order Miguel to pay the state of Arizona administrative penalties, pursuant to A.R.S.
12 § 44-1962(B);

13 5. Order the revocation of Miguel's registration as a securities salesmen pursuant to
14 A.R.S. § 44-1962; and

15 6. Order any other relief that the Commission deems appropriate.

16 X.

17 HEARING OPPORTUNITY

18 Each Respondent may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-306.
19 **If a Respondent requests a hearing, the requesting Respondent must also answer this Notice.** A
20 request for hearing must be in writing and received by the Commission within 10 business days after
21 service of this Notice of Opportunity for Hearing. The requesting Respondent must deliver or mail the
22 request to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona
23 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the
24 Commission's Internet web site at <http://www.azcc.gov/divisions/hearings/docket.asp>.

25 If a request for a hearing is timely made, the Commission shall schedule the hearing to begin
26 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the

1 parties, or ordered by the Commission. If a request for a hearing is not timely made the Commission
2 may, without a hearing, enter an order granting the relief requested by the Division in this Notice of
3 Opportunity for Hearing.

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

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11 **XI.**

12 **ANSWER REQUIREMENT**

13 Pursuant to A.A.C. R14-4-305, if a Respondent requests a hearing, the requesting
14 Respondent must deliver or mail an Answer to this Notice of Opportunity for Hearing to Docket
15 Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within
16 30 calendar days after the date of service of this Notice. Filing instructions may be obtained from
17 Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at
18 <http://www.azcc.gov/divisions/hearings/docket.asp>.

19 Additionally, the answering Respondent must serve the Answer upon the Division.
20 Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-
21 delivering a copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix,
22 Arizona, 85007, addressed to James D. Burgess.

23 The Answer shall contain an admission or denial of each allegation in this Notice and the
24 original signature of the answering respondent or respondent's attorney. A statement of a lack of
25 sufficient knowledge or information shall be considered a denial of an allegation. An allegation not
26 denied shall be considered admitted.

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

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

Dated this 3 day of October, 2016.



Matthew J. Neubert
Director of Securities