



BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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DOUG LITTLE - Chairman
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ANDY TOBIN

DEC 29 2016

DOCKETED BY R.A.

In the matter of: CLEAR ENERGY GROUP, LLC, an Arizona limited liability company, and PAUL W. RAMIREZ, a single man, Respondents.) DOCKET NO. S-20999A-16-0483)) 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
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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 Clear Energy Group, LLC and Paul W. Ramirez 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 Paul W. Ramirez is a controlling person of Clear Energy Group, LLC within the meaning of A.R.S. § 44-1999(B) to the same extent as the entity for its violations of the antifraud provisions of the Securities Act.

I.

JURISDICTION

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

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II.
RESPONDENTS

2. Paul W. Ramirez is a single man who resided in Scottsdale during the times relevant to this Notice, i.e. April 2014 through 2015.

3. Clear Energy Group, LLC (“Clear Energy”) is a manager-managed Arizona limited liability company formed on April 22, 2014. Paul Ramirez is listed as Clear Energy’s manager in its Articles of Organization. He is also listed as the sole member, the organizer, and the statutory agent. Ramirez’s address and Clear Energy’s domestic address is a residence in Scottsdale, Arizona.

4. Ramirez and Clear Energy may be referred to collectively as “Respondents.”

III.
FACTS

5. In April 2015, a mutual business associate told M.H., a California resident, about Ramirez and Clear Energy.

6. In phone conversations between Ramirez and M.H., Ramirez described an investment opportunity in an oil well in Olean, New York. According to Ramirez, oil had already been discovered and \$1,000,000 had already been invested in the well. Ramirez told M.H. that additional investor money was needed to complete the well through fracking. Ramirez further represented that the investment was 100% guaranteed.

7. Based on these representations, M.H. invested \$45,000 in Clear Energy through his company, S.S. He invested \$22,500 on April 9, 2015, and another \$22,500 on April 22, 2015.

8. M.H. expected his investment to be used only on fracking an oil well in Olean, New York.

9. For each investment, S.S., received a note from Clear Energy. The two notes were largely identical. Each paid 24% interest per annum, with six monthly payments of \$450 and a balloon payment at the end of the six-month period.

VII.

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

25. From at least April 2014 through at least December 2016, Ramirez directly or indirectly controlled Clear Energy within the meaning of A.R.S. § 44-1999. Therefore, Ramirez is jointly and severally liable to the same extent as Clear Energy for its violations of A.R.S. § 44-1991.

VIII.

REQUESTED RELIEF

The Division requests that the Commission grant the following relief:

1. Order Respondents to permanently cease and desist from violating the Securities Act pursuant to A.R.S. § 44-2032;
2. Order Respondents to take affirmative action to correct the conditions resulting from Respondents' acts, practices, or transactions, including a requirement to make restitution pursuant to A.R.S. § 44-2032;
3. Order Respondents to pay the state of Arizona administrative penalties of up to \$5,000 for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;
4. Order Respondents to pay the state of Arizona administrative penalties, pursuant to A.R.S. § 44-3201;
5. Order any other relief that the Commission deems appropriate.

IX.

HEARING OPPORTUNITY

Each respondent may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-306. **If a Respondent requests a hearing, the requesting respondent must also answer this Notice.** A request for hearing must be in writing and received by the Commission within 10 business days after service of this Notice of Opportunity for Hearing. The requesting respondent must deliver or mail the request to Docket Control, Arizona Corporation Commission, 1200 W. Washington St., Phoenix,

1 Arizona 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or
2 on the Commission's website at <http://www.azcc.gov/divisions/hearings/docket.asp>.

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

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

14 **X.**

15 **ANSWER REQUIREMENT**

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

21 Additionally, the answering respondent must serve the answer upon the Division. Pursuant to
22 A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a copy
23 of the answer to the Division at 1300 West Washington, 3rd Floor, Phoenix, Arizona, 85007,
24 addressed to Ryan Millecam.

25 The answer shall contain an admission or denial of each allegation in this Notice and the
26 original signature of the answering respondent or respondent's attorney. A statement of a lack of


1 sufficient knowledge or information shall be considered a denial of an allegation. An allegation not
2 denied shall be considered admitted.

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

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

8 Dated this 29 day of December, 2016.

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Matthew J. Neubert
Director of Securities