



1 KEVIN POLARDI and JANE DOE )  
 2 POLARDI, husband and wife )  
 3 925 West Baseline Road, Suite 105 )  
 4 Tempe, Arizona 85283 )  
 Respondents. )

**NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY**  
**EACH RESPONDENT HAS 20 DAYS TO REQUEST A HEARING**  
**EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER**

8 The Securities Division (“Division”) of the Arizona Corporation Commission  
 9 (“Commission”) alleges that M.A.C. INVESTMENTS, INC., M.A.C. INVESTMENT SALES,  
 10 INC., an Arizona corporation, M.A.C. INVESTMENTS SALES, INC., a Nevada corporation,  
 11 MARICRUZ ALVARADO a.k.a. MARIACRUZ ALVARADO a.k.a. MARICRUZ  
 12 ALBARADO, ALDEMARO GONZALES GAMEZ a.k.a. ALDEMARO GONZALEZ, MARIA  
 13 ELENA GONZALEZ, and KEVIN POLARDI, engaged in or are about to engage in acts and  
 14 practices that constitute violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act  
 15 (“Securities Act”) and that the public welfare requires immediate action.  
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**I.**

**JURISDICTION**

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

**II.**

**RESPONDENTS**

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 22  
 23 2. M.A.C. INVESTMENTS, INC. is an Arizona corporation with a business mailing  
 24 address of P.O. Box 26222, Tempe, Arizona 85282, as well as a business address of 925 West  
 25 Baseline Road, Suite 105, Tempe, AZ 85282.  
 26

1           3.       M.A.C. INVESTMENT SALES, INC. is an Arizona corporation with a business  
2 address of 925 West Baseline Road, Suite 105, Tempe, Arizona 85282.

3           4.       M.A.C. INVESTMENTS SALES, INC. is a Nevada corporation with a business  
4 address of 925 West Baseline Road, Suite 105, Tempe, Arizona 85282.

5           5.       MARICRUZ ALVARADO a.k.a. MARIACRUZ ALVARADO a.k.a.  
6 MARICRUZ ALBARADO is a married person with unknown residency; her business address is  
7 925 West Baseline Road, Suite 105, Tempe, Arizona 85283

8           6.       JOHN DOE ALVARADO was at all relevant times the spouse of MARICRUZ  
9 ALVARADO a.k.a. MARIACRUZ ALVARADO a.k.a. MARICRUZ ALBARADO. JOHN DOE  
10 ALVARADO is a fictitious name used to describe any person married to MARICRUZ  
11 ALVARADO a.k.a. MARIACRUZ ALVARADO a.k.a. MARICRUZ ALBARADO. JOHN DOE  
12 ALVARADO is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining  
13 the liability of the marital community.  
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15           7.       At all relevant times, MARICRUZ ALVARADO a.k.a. MARIACRUZ  
16 ALVARADO a.k.a. MARICRUZ ALBARADO and JOHN DOE ALVARADO were acting for  
17 their own benefit, and for the benefit or in furtherance of the marital community.

18           8.       ALDEMARO GONZALES GAMEZ a.k.a. ALDEMARO GONZALEZ is a married  
19 man with unknown residency; his business address is 925 West Baseline Road, Suite 105, Tempe,  
20 Arizona 85282.

21           9.       JANE DOE GONZALES GAMEZ was at all relevant times the spouse of  
22 ALDEMARO GONZALES GAMEZ a.k.a. ALDEMARO GONZALEZ. JANE DOE GONZALES  
23 GAMEZ is a fictitious name used to describe any person married to ALDEMARO GONZALES  
24 GAMEZ a.k.a. ALDEMARO GONZALEZ. JANE DOE GONZALES GAMEZ is joined in this  
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1 action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital  
2 community.

3 10. At all relevant times, ALDEMARO GONZALES GAMEZ a.k.a. ALDEMARO  
4 GONZALEZ and JANE DOE GONZALES GAMEZ were acting for their own benefit, and for the  
5 benefit or in furtherance of the marital community.

6 11. MARIA ELENA GONZALEZ is a married woman and a resident of Arizona; her  
7 address is 455 North Country Club Drive, Mesa, AZ 85201.

8 12. JOHN DOE GONZALEZ was at all relevant times the spouse of MARIA ELENA  
9 GONZALEZ. JOHN DOE GONZALEZ is a fictitious name used to describe any person married to  
10 MARIA ELENA GONZALEZ. JOHN DOE GONZALEZ is joined in this action under A.R.S.  
11 § 44-2031(C) solely for purposes of determining the liability of the marital community.  
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13 13. At all relevant times, MARIA ELENA GONZALEZ and JOHN DOE GONZALEZ  
14 were acting for their own benefit, and for the benefit or in furtherance of the marital community.

15 14. KEVIN POLARDI is a married man with unknown residency; his business address  
16 is 925 West Baseline Road, Suite 105, Tempe, Arizona 85282.

17 15. JANE DOE POLARDI was at all relevant times the spouse of KEVIN POLARDI.  
18 JANE DOE POLARDI is a fictitious name used to describe any person married to KEVIN  
19 POLARDI. JANE DOE POLARDI is joined in this action under A.R.S. § 44-2031(C) solely for  
20 purposes of determining the liability of the marital community.  
21

22 16. At all relevant times, KEVIN POLARDI and JANE DOE POLARDI were acting for  
23 their own benefit, and for the benefit or in furtherance of the marital community.

24 17. M.A.C. INVESTMENTS, INC., M.A.C. INVESTMENT SALES, INC. (an Arizona  
25 corporation), M.A.C. INVESTMENTS SALES (a Nevada corporation), MARICRUZ  
26 ALVARADO a.k.a. MARIACRUZ ALVARADO a.k.a. MARICRUZ ALBARADO,

1 ALDEMARO GONZALES GAMEZ a.k.a. ALDEMARO GONZALEZ, MARIA ELENA  
2 GONZALEZ, and KEVIN POLARDI, may be collectively referred to as “RESPONDENTS.”

3 18. JOHN DOE ALVARADO, JANE DOE GONZALES GAMEZ, JOHN DOE  
4 GONZALEZ, and JANE DOE POLARDI may be collectively referred to as “RESPONDENT  
5 SPOUSES.”

6 **III.**

7 **FACTS**

8 19. M.A.C. INVESTMENTS, INC. (“MAC”) is doing business in the State of  
9 Arizona. MAC filed as a corporation with the State of Arizona on or about September 24, 1993.

10 20. MAC is not registered or licensed to sell securities in the State of Arizona.

11 21. M.A.C. INVESTMENT SALES, INC. (“MAC SALES ARIZONA”) is doing  
12 business in the State of Arizona. MAC SALES ARIZONA filed as a corporation with the State of  
13 Arizona on or about March 20, 2003.

14 22. MAC SALES ARIZONA is not registered or licensed to sell securities in the State  
15 of Arizona.

16 23. M.A.C. INVESTMENTS SALES, INC. (“MAC SALES NEVADA”) is doing  
17 business in the State of Arizona. MAC SALES NEVADA filed as a corporation with the State of  
18 Nevada on or about October 27, 2003.

19 24. MAC SALES NEVADA is not registered or licensed to sell securities in the State  
20 of Arizona.

21 25. MARICRUZ ALVARADO a.k.a. MARIACRUZ ALVARADO a.k.a.  
22 MARICRUZ ALBARADO (“M. ALVARADO”) is an individual, who is the named Secretary of  
23 MAC SALES NEVADA. M. ALVARADO is the Incorporator of MAC SALES ARIZONA and  
24 is the named Statutory Agent. Since October 2003, M. ALVARADO is the named Vice President  
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1 of MAC, and one of MAC's Directors. M. ALVARADO owns 50% of MAC shares. M.  
2 ALVARADO is the Administrative Contact for the websites utilized by MAC, MAC SALES  
3 ARIZONA, and MAC SALES NEVADA. Her information as the Administrative Contact  
4 provides the 925 West Baseline address, and she receives email at  
5 [macinvestments2000@yahoo.com](mailto:macinvestments2000@yahoo.com). M. ALVARADO opened and controls telephone accounts for  
6 multiple telephone numbers used by salespersons for MAC. M. ALVARADO opened the mail  
7 account at the business address for MAC, MAC SALES NEVADA, and MAC SALES  
8 ARIZONA at 925 West Baseline Road, Suite 105, Tempe, AZ, which is a Mailboxes & More  
9 location. M. ALVARADO is not licensed or registered to sell securities in Arizona.

10 26. ALDEMARO GONZALES GAMEZ a.k.a. ALDEMARO GONZALEZ ("A.  
11 GONZALES GAMEZ") is an individual who is the General Manager for MAC SALES ARIZONA.  
12 He was authorized to open bank accounts for the corporation, and did so at Bank One of Arizona,  
13 and is a signor for Bank One of Arizona Account #646483438. Upon information and belief, A.  
14 GONZALES GAMEZ purchased the business name of MAC in April 2004. A. GONZALES  
15 GAMEZ is not licensed or registered to sell securities in Arizona.

17 27. MARIA ELENA GONZALEZ ("M. GONZALEZ") is an individual who opened  
18 a Bank One of Arizona Account #64683438 and 1<sup>st</sup> National Bank of Arizona Account  
19 #58504432 for MAC INVESTMENT SALES, INC., and is a signor on those accounts. M.  
20 GONZALEZ signed the majority of the checks issued from the Bank One account. M.  
21 GONZALEZ is identified as the Secretary of MAC SALES ARIZONA. M. GONZALEZ  
22 contracted for the production of investor packet material, including brochures. M. GONZALEZ  
23 is not licensed or registered to sell securities in Arizona.

25 28. KEVIN POLARDI ("K. POLARDI") is an individual. Since October 27, 2003, K.  
26 POLARDI has been the named President and one of the Directors of MAC. K. POLARDI also

1 holds 50% of MAC shares. In its information to investors, MAC claims “KEVIN POLARDI is  
2 President of MAC Investments and is a director and sole stock holder. His work history as  
3 follows 1993-present: President of MAC Investments.” This information is false. Upon  
4 information and belief, K. POLARDI also signed investor contracts for MAC. K. POLARDI is  
5 not licensed or registered to sell securities in Arizona.

6 29. RESPONDENTS, either directly or indirectly, have been actively offering for sale  
7 and selling securities since approximately February 2003.

8 30. RESPONDENTS, either directly or indirectly, are currently offering for sale or  
9 selling securities within and from the State of Arizona.

10 31. MAC and M.A.C. INVESTMENT SALES, INC. maintain web sites on the  
11 internet at [macinvestmentsales.com](http://macinvestmentsales.com) and [atmstats.com](http://atmstats.com). Through their web site  
12 [macinvestmentsales.com](http://macinvestmentsales.com), they advertise to the general public as full service providers of cashless  
13 automatic teller machines (“ATM”) systems, service transaction processing and management.  
14 The entity names are used interchangeably in the web site. The website lists addresses that have  
15 been identified to belong to all three corporations, MAC, MAC SALES ARIZONA, and MAC  
16 SALES NEVADA.  
17

18 32. Upon information and belief, MAC, MAC SALES ARIZONA, and MAC SALES  
19 NEVADA, have also induced investors through advertisements in newspapers, including *USA*  
20 *Today*.  
21

22 33. Both the internet and print advertisements direct investors to telephone an 800  
23 number in order to receive more information. Thereafter, the investor receives a telephone call  
24 from a salesperson for MAC, MAC SALES ARIZONA, and/or MAC SALES NEVADA.

25 34. Potential investors receive written offering material in the mail, including contract  
26 information. In general, the contracts directed the investor to provide money for the purchase of

1 a cashless ATM machine. Discounts are offered for multiple purchases. Under the contract, the  
2 investor has the option to contract with a third party for installation and maintenance of the ATM  
3 machine. However, the investor is responsible for all additional expenses for that independent  
4 third party installer. The contract price for the purchase of the ATM machine provides  
5 installation and maintenance of the ATM machine as an “included” benefit of the contract. Every  
6 investor that has been contacted by the Division has used the “included” services of MAC, MAC  
7 SALES ARIZONA, MAC SALES NEVADA for the installation and maintenance of the ATM  
8 machines.

9           35. Investors are directed to wire payments to 1st National Bank of Arizona Account  
10 #58504432, or instructed to mail payments to the address identified as the business addresses of  
11 MAC, MAC SALES ARIZONA, and MAC SALES NEVADA.  
12

13           36. Investors have no active role in the business, with the exception of supplying  
14 investment funds. The investment package information boasts, “In fact, with a few well placed  
15 machines, you could be on your way to financial freedom, with no selling, no collecting, no  
16 inventory, and best of all no work.”

17           37. Investors are told that the return on the investment is calculated as a percentage of  
18 the fee charged to the holder of the credit card for the services provided and varies based upon  
19 the location and the amount of traffic at the ATM location.  
20

21           38. Investors access income information for their ATM machines through the website  
22 [atmstats.com](http://atmstats.com) with their password and identification information. Alleged profits are posted on a  
23 monthly basis in a daily format for each ATM machine.

24           39. Investors are directed to call M. ALVARADO for concerns regarding the location  
25 of ATMs if, for example, an investor wants a machine moved in order to increase profits. The  
26

1 location of the ATM machines is not disclosed to investors; requested location information has  
2 been denied to investors, despite their “ownership” of the ATMs.

3 40. MAC, MAC SALES ARIZONA, MAC SALES NEVADA recently claimed to be  
4 operating over 50,000 ATM machines in the United States.

5 41. No cashless ATMs have been identified in any location. Upon information and  
6 belief, no information has been given to any investor to allow the investor to locate any specific  
7 ATM owned by the investor.

8 42. Written material and website information identify the address for Corporate Offices  
9 of M.A.C. INVESTMENTS INC/MAC INVESTMENT SALES as 604 W. Wesleyan Drive,  
10 Tempe, AZ 85282. This is a residential address. Written material and website information identify  
11 the address for Processing Offices of M.A.C. INVESTMENTS INC/MAC INVESTMENT SALES  
12 as 925 W. Baseline Road, Suite 105, Tempe AZ 85283. This address is a Mailboxes & More  
13 location.  
14

15 43. RESPONDENTS failed to disclose risk factors associated with the investor contracts  
16 to investors, nor did they provide prospectus information to investors. RESPONDENTS failed to  
17 provide adequate financial statements to investors.

18 44. RESPONDENTS did not disclose the backgrounds and experience of corporation  
19 officers.  
20

21 45. RESPONDENTS failed to disclose that investor funds would be used for personal  
22 expenses for some individual RESPONDENTS, and failed to disclose the financial condition and  
23 history of the offeror.

24 46. RESPONDENTS refused to disclose the location of the ATM machines that were  
25 supposedly purchased by investors.  
26

1 47. Upon information and belief, there are over 300 investors throughout the United  
2 States.

3 48. Upon information and belief, RESPONDENTS have taken in an excess of \$9  
4 million in investments.

5 **IV.**

6 **VIOLATION OF A.R.S. § 44-1841**

7 **(Offer and Sale of Unregistered Securities)**

8 49. From on or about February 2003, RESPONDENTS have offered or sold securities  
9 in the form of investment contracts, within or from the State of Arizona.

10 50. The securities referred to above were not registered pursuant to Articles 6 or 7 of the  
11 Securities Act.

12 51. This conduct violates A.R.S. § 44-1841.

13 **V.**

14 **VIOLATION OF A.R.S. § 44-1842**

15 **(Transactions by Unregistered Dealers or Salesmen)**

16 52. RESPONDENTS offered or sold securities within or from Arizona while not  
17 registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

18 53. This conduct violates A.R.S. § 44-1842.

19 **VI.**

20 **VIOLATION OF A.R.S. § 44-1991**

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

22 54. In connection with the offer or sale of securities within or from Arizona,  
23 RESPONDENTS directly or indirectly: (i) employed a device, scheme or artifice to defraud; (ii)  
24 made untrue statements of material fact or omitted to state material facts which were necessary in  
25  
26

1 order to make the statements made not misleading in light of the circumstances under which they  
2 were made; or (iii) engaged in transactions, practices or courses of business which operated or  
3 would operate as a fraud or deceit upon offerees and investors. RESPONDENTS' conduct includes,  
4 but is not limited to, the following:

- 5 a) Failing to disclose risk factors associated with the investor contracts.
- 6 b) Failing to provide prospectus information to investors.
- 7 c) Failing to provide adequate financial statements to investors.
- 8 d) Failing to disclose that investor funds would be used for personal expenses  
9 for some individual RESPONDENTS.
- 10 e) Providing misleading information regarding the financial history of the  
11 offeror.
- 12 f) Failing to disclose the backgrounds and experience of corporation officers.
- 13 g) Failing to disclose the location of the ATM machines that were purportedly  
14 purchased by investors.  
15

16 55. This conduct violates A.R.S. § 44-1991.

17 **VII.**

18 **VIOLATION OF A.R.S. § 44-1999**

19 **(Controlling Persons; Liability)**

20 56. MARICRUZ ALVARADO a.k.a. MARIACRUZ ALVARADO a.k.a.  
21 MARICRUZ ALBARADO, ALDEMARO GONZALES GAMEZ a.k.a. ALDEMARO  
22 GONZALEZ, MARIA ELENA GONZALEZ, and KEVIN POLARDI, directly or indirectly  
23 controlled persons and/or entities, including but not limited to MARICRUZ ALVARADO a.k.a.  
24 MARIACRUZ ALVARADO a.k.a. MARICRUZ ALBARADO, ALDEMARO GONZALES  
25 GAMEZ a.k.a. ALDEMARO GONZALEZ, MARIA ELENA GONZALEZ, KEVIN POLARDI,  
26

1 M.A.C. INVESTMENTS, INC., M.A.C. INVESTMENT SALES, INC. (an Arizona corporation)  
2 and/or M.A.C. INVESTMENTS SALES, INC., (a Nevada corporation), within the meaning of  
3 A.R.S. § 44-1999. Therefore, MARICRUZ ALVARADO a.k.a. MARIACRUZ ALVARADO  
4 a.k.a. MARICRUZ ALBARADO, ALDEMARO GONZALES GAMEZ a.k.a. ALDEMARO  
5 GONZALEZ, MARIA ELENA GONZALEZ, and KEVIN POLARDI, are liable to the same  
6 extent as the controlled persons for their violations of A.R.S. § 44-1991.

7 57. RESPONDENTS made, participated in or induced the sale and/or purchase of a  
8 security within the meaning of A.R.S. § 44-2003(A). Therefore, RESPONDENTS are jointly and  
9 severally liable for the above violations of A.R.S. §§ 44-1841, 44-1842, and 44-1991.

10  
11 **VIII.**

12 **TEMPORARY ORDER**

13 **Cease and Desist from Violating the Securities Act**

14 THEREFORE, based on the above allegations, and because the Division has determined that  
15 the public welfare requires immediate action,

16 IT IS ORDERED, pursuant to A.R.S. § 44-2032 and A.A.C. R14-4-307, that the  
17 RESPONDENTS, their agents, servants, employees, successors, assigns, and those persons in active  
18 concert or participation with them CEASE AND DESIST from any violations of the Securities Act.

19 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032 and A.A.C. R14-4-307, that the  
20 RESPONDENTS are specifically to CEASE AND DESIST from the following:

- 21
- 22 1. Offering to sell or selling the investment contracts as described in Section III above,  
23 or offering to sell or selling any similar type of security within or from the State of  
24 Arizona, unless such securities are registered with the Commission pursuant to  
25 Articles 6 and 7 of the Act;
- 26



1 subject to any order of restitution, rescission, administrative penalties, or other appropriate  
2 affirmative action pursuant to A.R.S. § 25-215;

3 5. Order that the marital community of ALDEMARO GONZALES GAMEZ a.k.a.  
4 ALDEMARO GONZALEZ and JANE DOE GONZALES GAMEZ be subject to any order of  
5 restitution, rescission, administrative penalties, or other appropriate affirmative action pursuant to  
6 A.R.S. § 25-215;

7 6. Order that the marital community of MARIA ELENA GONZALEZ and JOHN  
8 DOE GONZALEZ be subject to any order of restitution, rescission, administrative penalties, or  
9 other appropriate affirmative action pursuant to A.R.S. § 25-215;

10 7. Order that the marital community of KEVIN POLARDI and JANE DOE POLARDI  
11 be subject to any order of restitution, rescission, administrative penalties, or other appropriate  
12 affirmative action pursuant to A.R.S. § 25-215; and

13 8. Order any other relief that the Commission deems appropriate.  
14

15 **X.**

16 **HEARING OPPORTUNITY**

17 RESPONDENTS and/or RESPONDENT's SPOUSES may request a hearing pursuant to  
18 A.R.S. § 44-1972 and A.A.C. Rule 14-4-307. **If any RESPONDENT or RESPONDENT**  
19 **SPOUSE requests a hearing, the RESPONDENT or RESPONDENT SPOUSE must also**  
20 **answer this Temporary Order and Notice.** A request for hearing must be in writing and received  
21 by the Commission within 20 days after service of this Temporary Order to Cease and Desist. Each  
22 RESPONDENT and/or RESPONDENT SPOUSE must deliver or mail the request for hearing to  
23 Docket Control, Arizona Corporation Commission, 1200 West Washington, Phoenix, Arizona  
24 85007. A Docket Control cover sheet must also be filed with the request for hearing. A cover sheet  
25  
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1 form and instructions may be obtained from Docket Control at (602) 542-3477 or on the  
2 Commission's Internet web site at [www.cc.state.az.us/utility/forms/index.htm](http://www.cc.state.az.us/utility/forms/index.htm).

3 If a request for hearing is timely made, the Commission shall schedule a hearing to begin 10  
4 to 30 days from the receipt of the request unless otherwise provided by law, stipulated by the parties,  
5 or ordered by the Commission. **Unless otherwise ordered by the Commission, this Temporary  
6 Order shall remain effective from the date a hearing is requested until a decision is entered.**

7 After a hearing, the Commission may vacate, modify or make permanent this Temporary Order,  
8 with written findings of fact and conclusions of law. A permanent Order may include ordering  
9 restitution, assessing administrative penalties or other action.

10 If a request for hearing is not timely made, the Division will request that the Commission  
11 make permanent this Temporary Order, with written findings of fact and conclusions of law, which  
12 may include ordering restitution, assessing administrative penalties or other relief.

13  
14 Persons with a disability may request a reasonable accommodation such as a sign language  
15 interpreter, as well as request this document in an alternative format, by contacting Linda Hogan,  
16 Executive Assistant to the Executive Secretary, voice phone number (602) 542-3931, or e-mail  
17 [lhogan@cc.state.az.us](mailto:lhogan@cc.state.az.us). Requests should be made as early as possible to allow time to arrange the  
18 accommodation.

19  
20 **XI.**

21 **ANSWER REQUIREMENT**

22 Pursuant to A.A.C. R14-4-305, if any RESPONDENT or RESPONDENT SPOUSE  
23 requests a hearing, the RESPONDENT or RESPONDENT SPOUSE must deliver or mail an  
24 Answer to this Temporary Order and Notice to Docket Control, Arizona Corporation Commission,  
25 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of  
26 this Temporary Order to Cease and Desist and Notice of Opportunity for Hearing. A Docket

1 Control cover sheet must accompany the Answer. A cover sheet form and instructions may be  
2 obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site  
3 at www.cc.state.az.us/utility/forms/index.htm.

4 Additionally, RESPONDENT and/or RESPONDENT SPOUSE, must serve the Answer  
5 upon the Division. Pursuant to A.A.C. R14-4-303, service upon the Division may be made by  
6 mailing or by hand-delivering a copy of the Answer to the Division at 1300 West Washington, 3<sup>rd</sup>  
7 Floor, Phoenix Arizona, addressed to Michelle M. Allen.

8 The Answer shall contain an admission or denial of each allegation in this Temporary  
9 Order and Notice and the original signature of each RESPONDENT, RESPONDENT SPOUSE,  
10 RESPONDENT's attorney or RESPONDENT SPOUSE's attorney. A statement of a lack of  
11 sufficient knowledge or information shall be considered a denial of an allegation. An allegation  
12 not denied shall be considered admitted.  
13

14 When a RESPONDENT or RESPONDENT SPOUSE intends in good faith to deny only a  
15 part or a qualification of an allegation, the RESPONDENT or RESPONDENT SPOUSE shall  
16 specify that part or qualification of the allegation and shall admit the remainder. The  
17 RESPONDENT or RESPONDENT SPOUSE waives any affirmative defense not raised in the  
18 answer.

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

21  
22 BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 15<sup>th</sup> day of  
23 February, 2005.

24 /s/ Matthew J. Neubert  
25 Matthew J. Neubert  
26 Director of Securities