

**BEFORE THE ARIZONA CORPORATION COMMISSION**

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COMMISSIONERS

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MARC SPITZER  
MIKE GLEASON  
KRISTIN K. MAYES

In the matter of )  
M.A.C. INVESTMENTS, INC., an Arizona )  
corporation )  
P. O. Box 26222 )  
Tempe, Arizona 85285 )  
M.A.C. INVESTMENTS SALES, INC., a )  
Nevada corporation )  
925 West Baseline Road, Suite 105 )  
Tempe, Arizona 85283 )  
M.A.C. INVESTMENT SALES, INC., an )  
Arizona corporation )  
925 West Baseline Road, Suite 105 )  
Tempe, Arizona 85283 )  
MARICRUZ ALVARADO a.k.a. )  
MARIACRUZ ALVARADO a.k.a. )  
MARICRUZ ALBARADO and JOHN )  
DOE ALVARADO, wife and husband )  
925 West Baseline Road, Suite 105 )  
Tempe, Arizona 85283 )  
ALDEMARO GONZALES GAMEZ a.k.a. )  
ALDEMARO GONZALEZ and JANE )  
DOE GONZALES GAMEZ, husband )  
and wife )  
925 West Baseline Road, Suite 105 )  
Tempe, Arizona 85283 )  
MARIA ELENA GONZALEZ and JOHN )  
DOE GONZALEZ, wife and husband )  
455 North Country Club Drive )  
Mesa, AZ 85201 )

DOCKET NO. S-03586A-05-0000

DECISION NO. 67928

**ORDER TO CEASE AND DESIST, ORDER  
OF RESTITUTION, ORDER FOR  
ADMINISTRATIVE PENALTIES**

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

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I.

**INTRODUCTION**

7 On February 15, 2005, the Securities Division (“Division”) of the Arizona Corporation  
 8 Commission (“Commission”) filed a Temporary Order to Cease and Desist and Notice of  
 9 Opportunity for Hearing against M.A.C. INVESTMENTS, INC., M.A.C. INVESTMENT  
 10 SALES, INC., an Arizona corporation, M.A.C. INVESTMENTS SALES, INC., a Nevada  
 11 corporation, MARICRUZ ALVARADO a.k.a. MARIACRUZ ALVARADO a.k.a. MARICRUZ  
 12 ALBARADO, JOHN DOE ALVARADO, ALDEMARO GONZALES GAMEZ a.k.a.  
 13 ALDEMARO GONZALEZ, JANE DOE GONZALES GAMEZ, MARIA ELENA GONZALEZ,  
 14 JOHN DOE GONZALES, KEVIN POLARDI, and JANE DOE POLARDI (“RESPONDENTS”)  
 15 alleging violations of the Arizona Securities Act (the “Act”). The Notice specified that  
 16 RESPONDENTS would be afforded an opportunity for an administrative hearing upon written  
 17 request filed with the Commission’s Docket Control within ten (10) days after receipt of the Notice,  
 18 in accordance with A.A.C. R14-4-306(B).  
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21 Subsequently, the Division made numerous efforts to locate and directly serve  
 22 RESPONDENTS. None of those efforts in locating or serving any RESPONDENT individual or  
 23 corporation were successful. Upon information and belief, none of the individual or corporation  
 24 RESPONDENTS are represented by counsel. Specific efforts to locate and serve each of the  
 25 RESPONDENTS are enumerated in Affidavits in Support of Publication, previously filed in this  
 26 case.

1 Pursuant to A.C.C. R14-4-303(H), the Division has published a statement regarding the  
2 administrative proceedings at least once a week for four consecutive weeks in the “Arizona  
3 Business Gazette” on March 3, 2005, March 10, 2005, March 17, 2005, and March 24, 2005. The  
4 “Arizona Business Gazette” is published in Maricopa County, which is the county of each of the  
5 RESPONDENTS’ last known county of residence or place of business. A certified copy of the  
6 notarized publication has previously been filed in this case.

7 Service of process of the Temporary Order to Cease and Desist and Notice of Opportunity for  
8 Hearing as to each of the RESPONDENTS is complete. RESPONDENTS failed to request an  
9 administrative hearing within ten (10) days after receipt of the Notice.  
10

## 11 II.

### 12 FINDINGS OF FACT

13 1. M.A.C. INVESTMENTS, INC. (“MAC”) is an Arizona corporation with a business  
14 mailing address of P.O. Box 26222, Tempe, Arizona 85282, as well as a business address of 925  
15 West Baseline Road, Suite 105, Tempe, AZ 85282.

16 2. M.A.C. INVESTMENT SALES, INC. (“MAC SALES ARIZONA”) is an Arizona  
17 corporation with a business address of 925 West Baseline Road, Suite 105, Tempe, Arizona 85282.

18 3. M.A.C. INVESTMENTS SALES, INC. (“MAC SALES NEVADA”) is a Nevada  
19 corporation with a business address of 925 West Baseline Road, Suite 105, Tempe, Arizona 85282.

20 4. MARICRUZ ALVARADO a.k.a. MARIACRUZ ALVARADO a.k.a.  
21 MARICRUZ ALBARADO (“M. ALVARADO”) is a married person with unknown residency; her  
22 business address is 925 West Baseline Road, Suite 105, Tempe, Arizona 85283  
23

24 5. JOHN DOE ALVARADO was at all relevant times the spouse of M. ALVARADO.  
25 JOHN DOE ALVARADO is a fictitious name used to describe any person married to M.  
26

1 ALVARADO. JOHN DOE ALVARADO is joined in this action under A.R.S. § 44-2031(C) solely  
2 for purposes of determining the liability of the marital community.

3 6. At all relevant times, M. ALVARADO and JOHN DOE ALVARADO were acting  
4 for their own benefit, and for the benefit or in furtherance of the marital community.

5 7. ALDEMARO GONZALES GAMEZ a.k.a. ALDEMARO GONZALEZ (“A.  
6 GONZALES GAMEZ”) is a married man with unknown residency; his business address is 925  
7 West Baseline Road, Suite 105, Tempe, Arizona 85282.

8 8. JANE DOE GONZALES GAMEZ was at all relevant times the spouse of A.  
9 GONZALES GAMEZ. JANE DOE GONZALES GAMEZ is a fictitious name used to describe  
10 any person married to A. GONZALES GAMEZ. JANE DOE GONZALES GAMEZ is joined in  
11 this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital  
12 community.  
13

14 9. At all relevant times, A. GONZALES GAMEZ and JANE DOE GONZALES  
15 GAMEZ were acting for their own benefit, and for the benefit or in furtherance of the marital  
16 community.

17 10. MARIA ELENA GONZALEZ (“M. GONZALES”) is a married woman and a  
18 resident of Arizona; her address is 455 North Country Club Drive, Mesa, AZ 85201.

19 11. JOHN DOE GONZALEZ was at all relevant times the spouse of M. GONZALES.  
20 JOHN DOE GONZALEZ is a fictitious name used to describe any person married to M.  
21 GONZALES. JOHN DOE GONZALEZ is joined in this action under A.R.S. § 44-2031(C) solely  
22 for purposes of determining the liability of the marital community.  
23

24 12. At all relevant times, M. GONZALES and JOHN DOE GONZALEZ were acting  
25 for their own benefit, and for the benefit or in furtherance of the marital community.  
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1           13.     KEVIN POLARDI (“K. POLARDI”) is a married man with unknown residency; his  
2 business address is 925 West Baseline Road, Suite 105, Tempe, Arizona 85282.

3           14.     JANE DOE POLARDI was at all relevant times the spouse of K. POLARDI. JANE  
4 DOE POLARDI is a fictitious name used to describe any person married to K. POLARDI. JANE  
5 DOE POLARDI is joined in this action under A.R.S. § 44-2031(C) solely for purposes of  
6 determining the liability of the marital community.

7           15.     At all relevant times, K. POLARDI and JANE DOE POLARDI were acting for their  
8 own benefit, and for the benefit or in furtherance of the marital community.

9           16.     MAC, MAC SALES ARIZONA, MAC SALES NEVADA, M. ALVARADO, A.  
10 GONZALES GAMEZ, M. GONZALEZ, and K. POLARDI, may be collectively referred to as  
11 “RESPONDENTS.”

12           17.     JOHN DOE ALVARADO, JANE DOE GONZALES GAMEZ, JOHN DOE  
13 GONZALEZ, and JANE DOE POLARDI may be collectively referred to as “RESPONDENT  
14 SPOUSES.”

15           18.     MAC is doing business in the State of Arizona. MAC filed as a corporation with  
16 the State of Arizona on or about September 24, 1993.

17           19.     MAC is not registered or licensed to sell securities in the State of Arizona.

18           20.     MAC SALES ARIZONA is doing business in the State of Arizona. MAC SALES  
19 ARIZONA filed as a corporation with the State of Arizona on or about March 20, 2003.  
20

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

23           22.     MAC SALES NEVADA is doing business in the State of Arizona. MAC SALES  
24 NEVADA filed as a corporation with the State of Nevada on or about October 27, 2003.  
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1           23.     MAC SALES NEVADA is not registered or licensed to sell securities in the State  
2 of Arizona.

3           24.     M. ALVARADO is an individual, who is the named Secretary of MAC SALES  
4 NEVADA. M. ALVARADO is the Incorporator of MAC SALES ARIZONA and is the named  
5 Statutory Agent. Since October 2003, M. ALVARADO is the named Vice President of MAC,  
6 and one of MAC's Directors. M. ALVARADO owns 50% of MAC shares. M. ALVARADO is  
7 the Administrative Contact for the websites utilized by MAC, MAC SALES ARIZONA, and  
8 MAC SALES NEVADA. Her information as the Administrative Contact provides the 925 West  
9 Baseline address, and she receives email at macinvestments2000@yahoo.com. M. ALVARADO  
10 opened and controls telephone accounts for multiple telephone numbers used by salespersons for  
11 MAC. M. ALVARADO opened the mail account at the business address for MAC, MAC  
12 SALES NEVADA, and MAC SALES ARIZONA at 925 West Baseline Road, Suite 105, Tempe,  
13 AZ, which is a Mailboxes & More location. M. ALVARADO is not licensed or registered to sell  
14 securities in Arizona.  
15

16           25.     A. GONZALES GAMEZ is an individual who is the General Manager for MAC  
17 SALES ARIZONA. He was authorized to open bank accounts for the corporation, and did so at  
18 Bank One of Arizona, and is a signor for Bank One of Arizona Account #646483438. Upon  
19 information and belief, A. GONZALES GAMEZ purchased the business name of MAC in April  
20 2004. A. GONZALES GAMEZ is not licensed or registered to sell securities in Arizona.  
21

22           26.     M. GONZALEZ is an individual who opened a Bank One of Arizona Account  
23 #64683438 and 1<sup>st</sup> National Bank of Arizona Account #58504432 for MAC INVESTMENT  
24 SALES, INC., and is a signor on those accounts. M. GONZALEZ signed the majority of the  
25 checks issued from the Bank One account. M. GONZALEZ is identified as the Secretary of  
26 MAC SALES ARIZONA. M. GONZALEZ contracted for the production of investor packet

1 material, including brochures. M. GONZALEZ is not licensed or registered to sell securities in  
2 Arizona.

3 27. K. POLARDI is an individual. Since October 27, 2003, K. POLARDI has been  
4 the named President and one of the Directors of MAC. K. POLARDI also holds 50% of MAC  
5 shares. In its information to investors, MAC claims “KEVIN POLARDI is President of MAC  
6 Investments and is a director and sole stock holder. His work history as follows 1993-present:  
7 President of MAC Investments.” This information is false. Upon information and belief, K.  
8 POLARDI also signed investor contracts for MAC. K. POLARDI is not licensed or registered to  
9 sell securities in Arizona.

10 28. RESPONDENTS, either directly or indirectly, have been actively offering for sale  
11 and selling securities since approximately February 2003.

12 29. RESPONDENTS, either directly or indirectly, are currently offering for sale or  
13 selling securities within and from the State of Arizona.

14 30. MAC and M.A.C. INVESTMENT SALES, INC. maintain web sites on the  
15 internet at [macinvestmentsales.com](http://macinvestmentsales.com) and [atmstats.com](http://atmstats.com). Through their web site  
16 [macinvestmentsales.com](http://macinvestmentsales.com), they advertise to the general public as full service providers of cashless  
17 automatic teller machines (“ATM”) systems, service transaction processing and management.  
18 The entity names are used interchangeably in the web site. The website lists addresses that have  
19 been identified to belong to all three corporations, MAC, MAC SALES ARIZONA, and MAC  
20 SALES NEVADA.  
21

22 31. Upon information and belief, MAC, MAC SALES ARIZONA, and MAC SALES  
23 NEVADA, have also induced investors through advertisements in newspapers, including *USA*  
24 *Today*.  
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1           32.     Both the internet and print advertisements direct investors to telephone an 800  
2 number in order to receive more information. Thereafter, the investor receives a telephone call  
3 from a salesperson for MAC, MAC SALES ARIZONA, and/or MAC SALES NEVADA.

4           33.     Potential investors receive written offering material in the mail, including contract  
5 information. In general, the contracts directed the investor to provide money for the purchase of  
6 a cashless ATM machine. Discounts are offered for multiple purchases. Under the contract, the  
7 investor has the option to contract with a third party for installation and maintenance of the ATM  
8 machine. However, the investor is responsible for all additional expenses for that independent  
9 third party installer. The contract price for the purchase of the ATM machine provides  
10 installation and maintenance of the ATM machine as an “included” benefit of the contract. Every  
11 investor that has been contacted by the Division has used the “included” services of MAC, MAC  
12 SALES ARIZONA, MAC SALES NEVADA for the installation and maintenance of the ATM  
13 machines.  
14

15           34.     Investors are directed to wire payments to 1st National Bank of Arizona Account  
16 #58504432, or instructed to mail payments to the address identified as the business addresses of  
17 MAC, MAC SALES ARIZONA, and MAC SALES NEVADA.

18           35.     Investors have no active role in the business, with the exception of supplying  
19 investment funds. The investment package information boasts, “In fact, with a few well placed  
20 machines, you could be on your way to financial freedom, with no selling, no collecting, no  
21 inventory, and best of all no work.”  
22

23           36.     Investors are told that the return on the investment is calculated as a percentage of  
24 the fee charged to the holder of the credit card for the services provided and varies based upon  
25 the location and the amount of traffic at the ATM location.  
26

1 37. Investors access income information for their ATM machines through the website  
2 atmstats.com with their password and identification information. Alleged profits are posted on a  
3 monthly basis in a daily format for each ATM machine.

4 38. Investors are directed to call M. ALVARADO for concerns regarding the location  
5 of ATMs if, for example, an investor wants a machine moved in order to increase profits. The  
6 location of the ATM machines is not disclosed to investors; requested location information has  
7 been denied to investors, despite their “ownership” of the ATMs.

8 39. MAC, MAC SALES ARIZONA, MAC SALES NEVADA recently claimed to be  
9 operating over 50,000 ATM machines in the United States.

10 40. No cashless ATMs have been identified in any location. Upon information and  
11 belief, no information has been given to any investor to allow the investor to locate any specific  
12 ATM owned by the investor.

13 41. Written material and website information identify the address for Corporate Offices  
14 of M.A.C. INVESTMENTS INC/MAC INVESTMENT SALES as 604 W. Wesleyan Drive,  
15 Tempe, AZ 85282. This is a residential address. Written material and website information identify  
16 the address for Processing Offices of M.A.C. INVESTMENTS INC/MAC INVESTMENT SALES  
17 as 925 W. Baseline Road, Suite 105, Tempe AZ 85283. This address is a Mailboxes & More  
18 location.  
19

20 42. RESPONDENTS failed to disclose risk factors associated with the investor contracts  
21 to investors, nor did they provide prospectus information to investors. RESPONDENTS failed to  
22 provide adequate financial statements to investors.

23 43. RESPONDENTS did not disclose the backgrounds and experience of corporation  
24 officers.  
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1 (c) engaging in transactions, practices, or courses of business which operate or would operate as  
2 a fraud or deceit.

3 7. RESPONDENTS' conduct is grounds for a cease and desist Order pursuant to A.R.S.  
4 § 44-2032.

5 8. RESPONDENTS' conduct is grounds for an Order of restitution to be provided pursuant  
6 to A.R.S. § 44-2032.

7 9. RESPONDENTS' conduct is grounds for administrative penalties under A.R.S. § 44-  
8 2036.

9 **V.**

10 **ORDER**

11  
12 THEREFORE, on the basis of the Findings of Fact and Conclusions of Law, the  
13 Commission finds that the following relief is appropriate, in the public interest, and necessary for  
14 the protection of investors:

15 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that RESPONDENTS, and any of  
16 RESPONDENTS' agents, employees, successors and assigns, permanently cease and desist from  
17 violating the Securities Act. Respondents shall not sell any securities in or from Arizona without  
18 being registered in Arizona as dealers or salesmen, or exempt from such registration.  
19 Respondents shall not sell securities in or from Arizona unless the securities are registered in  
20 Arizona or exempt from registration.

21  
22 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that RESPONDENTS and  
23 RESPONDENT SPOUSES shall pay, jointly and severally with each other, restitution to  
24 investors shown on the records of the Commission in the amount of \$9,516,872.88 plus interest  
25 at the rate of 10% per annum from the date of this Order until paid in full. Credit toward  
26

1 restitution may be given, if sufficient evidence is presented to the Securities Division of previous  
2 payment to investors.

3 IT IS FURTHER ORDERED that all payment shall be made by cashier’s check or money  
4 order payable to the “State of Arizona” to be placed in an interest-bearing account maintained  
5 and controlled by the Arizona Attorney General. The Arizona Attorney General shall disburse  
6 the funds on a pro rata basis to investors. Any funds that the Attorney General is unable to  
7 disburse shall revert to the State of Arizona.

8 If RESPONDENTS do not comply with this order of restitution, any outstanding balance  
9 shall be in default and shall be immediately due and payable, without further notice.

10 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that RESPONDENTS shall  
11 pay an administrative penalty in the amount of \$50,000.00. Payment shall be made in full by  
12 cashier’s check or money order on the date of this Order, payable to the “State of Arizona.” The  
13 payment obligations for these administrative penalties shall be subordinate to any restitution  
14 obligations ordered herein and shall become immediately due and payable only after restitution  
15 payments have been paid in full, or if RESPONDENTS have defaulted prior to fulfilling  
16 RESPONDENTS’ restitution obligations. For the purposes of this Order, a bankruptcy filing by  
17 a RESPONDENT shall be an act of default on that RESPONDENT’S restitution obligations.  
18

19 If RESPONDENTS do not comply with this order for administrative penalties, any  
20 outstanding balance may be deemed in default and shall be immediately due and payable,  
21 without further notice.  
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