



# COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS  
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## COMMISSION HALTS SECURITIES OFFERING BEFORE IT SPREADS, SANCTIONS SCOTTSDALE MAN FOR UNREGISTERED SALES

PHOENIX – The Arizona Corporation Commission entered into consent orders with individuals and companies who agreed to return a total of \$458,500 to investors and to pay \$19,500 to the State of Arizona. In one proactive case, the Commission was able to stop an unregistered securities offering before a significant amount of sales occurred. The second case involved a Scottsdale man who ignored a previous Commission order and continued selling unregistered investment contracts.

### **MultiMedia Technology Ventures, Ltd., et al.**

Following a tip from an Arizona resident, the Commission's Securities Division began an investigation of a California-based investment opportunity only to discover that the offering was not registered and did not qualify for an exemption in Arizona. Soon after, the Commission entered into a consent order with two California companies and three individuals who agreed to stopping offering and selling the unregistered securities. The Commission named the following Laguna Beach, California residents and companies, who agreed to pay a \$2,500 penalty to the State of Arizona:

- MultiMedia Technology Ventures, Ltd.
- Biltmore Group, Inc.
- Chris Corbett
- Graham Inch
- C. Ronald Paxson

Since at least April 2003, the respondents directly or indirectly engaged in the offer and sale of securities to potential investors in Arizona. The respondents were neither registered to offer or sell securities nor exempt from registration in Arizona.

The investment opportunity was the acquisition of a limited partnership interest or unit in MultiMedia Technology Ventures, a venture capital firm that targets companies in early state, high-growth “revolutionary” technology products.

MultiMedia Technology Ventures and its agents marketed the investment opportunity to Arizona residents through its website and through unsolicited telephone calls. The Commission’s Securities Division became aware of the securities offering as a result of an Arizona resident who, after receiving one MultiMedia’s telephone solicitations, submitted a complaint to the Commission’s Securities Division.

No Arizona investors were harmed as a result of the MultiMedia Technology Ventures investment opportunity, an outcome that can be credited to an alert Arizona resident and the swift intervention of the Commission’s Securities Division.

### **Mark Kesler**

The Commission entered into a consent order with 33-year-old Mark Kesler of Scottsdale, who agreed to pay \$363,500 in restitution to investors and a \$15,000 penalty for selling unregistered investment contracts.

From about October 2002 through January 2003, Kesler offered and sold interest in two different investment opportunities to at least nine individuals, seven of whom were Arizona residents. The investment involved interest in two Arizona limited liability companies, Ashberry Apartments, LLC, and Williamsburg Apartments, LLC. These companies raised money from investors to fund loans secured by real estate.

In this case, Kesler raised the funds for one borrower who received funds from the Ashberry and Williamsburg trusts. The borrower was to complete documentation transferring the beneficial interest in their property to the trust and the investors through HCH Enterprise, LLC. The borrower also signed a promissory note setting forth the terms of repayment and interest rate.

Although the investors believed the investment would be secured by real estate, the final documents signed by the

borrower and the trustee indicated that the documents would not be recorded unless the borrower defaulted on the loans. The Commission found that Kesler did not make investors aware that it was their responsibility to record their interest in the real property if the borrower defaulted on the loans.

The Commission found that Kesler also failed to notify investors that he was under a temporary cease and desist order issued by the Commission on September 5, 2002, just one month prior to his selling the investments with HCH Enterprise. In addition, Kesler is a defendant in a pending Maricopa County Superior Court action involving American National Mortgage Partners, LLC, and other respondents.

HCH Enterprise and its sole agent, 40-year-old Helen C. Hartze, who is a licensed mortgage broker from Chandler, are scheduled for a Commission hearing on October 12, 2004.

Before investing, people should verify the registration of sellers and investment opportunities, including disciplinary histories, by contacting the Arizona Corporation Commission's Securities Division at 602-542-4242 or toll free outside the Phoenix metropolitan area and Arizona at 1-866-VERIFY-9. The Division's web site also has helpful information for investors at **[www.azinvestor.gov](http://www.azinvestor.gov)**.

The Commission's final order against the named respondents will be posted to the Securities Division web site under Enforcement/Orders as soon as it is signed by all of the Commissioners. To access the full text of the Commission's order, please check the web site in a few days:

**<http://www.azinvestor.gov/enforcement/enforce-orders.asp>**.

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