



ARIZONA CORPORATION COMMISSION

FOR IMMEDIATE RELEASE: June 13, 2017

MEDIA CONTACT: Angie Holdsworth (602) 542-0844

Commission Finds Million-Dollar Fraud in Investment Program Funding Chandler Beverage and Snack Company

PHOENIX, AZ—The Arizona Corporation Commission today found that the owner of Shadow Beverages and Snacks, LLC in Chandler violated securities laws and defrauded many of his investors. In addition to restitution, the Commission ordered Lucio George Martinez and his company to pay an administrative penalty of \$50,000 for their securities violations.

The Commission found that, while not registered as an Arizona securities salesman or dealer, Martinez and his company raised a total of \$2.14 million from the sale of unregistered securities. The Commission found, however, that none of the 17 investments were repaid when they came due. The Commission found that, in most of the transactions, investors were not told about the prior defaults before making their investments. Also, some investors were not told about a prior judgement against Shadow Beverages and Snacks, LLC.

Additionally, the Commission found that Martinez and his company repaid the full principal amount for five of the investments and partially repaid the principal for another five investments, paying out a total of \$552,500.

More caution for investors:

Even when investing with someone they know, investors should verify the registration of sellers and investment opportunities and investigate disciplinary histories by contacting the Arizona Corporation Commission's Securities Division at 602-542-0662 or toll free in Arizona, 1-866-VERIFY-9. The Division's investor education website also has helpful information at www.azinvestor.gov.

Established by Article 15 of the state's constitution, the Arizona Corporation Commission is responsible for the regulation of public utilities, overseeing the incorporation or registration of companies wishing to do business in Arizona. Additionally, the Corporation Commission registers and oversees securities offerings and dealers, and enforces railroad and pipeline safety. The five commissioners that make up the Commission are elected by the people of Arizona for a four-year term, with the option of serving for two consecutive terms. To learn more about the Arizona Corporation Commission and the Commissioners, please check out <http://www.azcc.gov/Divisions/Administration/about.asp>

###