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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

In the matter of:

MULTI MEDIA TECHNOLOGY
VENTURES, LTD. , a Nevada limited
partnership, AKA MMTV, LTD.
30872 S. Coast Highway, Suite 191
Laguna Beach, CA 92651

BILTMORE GROUP, INC. , a Nevada
corporation
30872 S. Coast Highway, Suite 191
Laguna Beach, CA 92651

GLOBAL TREK XPLOATION CORP. , a
California corporation
117 W 9^h St., Suite 1214
Los Angeles, CA 90015

CHRIS CORBETT and JANE DOE
CORBETT, husband and wife
30872 S. Coast Highway, Suite 191
Laguna Beach, CA 92651

GRAHAM INCH and JANE DOE INCH,
husband and wife
30872 S. Coast Highway, Suite 191
Laguna Beach, CA 92651.

C. RONALD PAXON and JANE DOE
PAXON, husband and wife
30872 S. Coast Highway, Suite 191
Laguna Beach, CA 92651

Respondents.

) Docket No. S-03554A-04-0000

) **TEMPORARY ORDER TO CEASE AND**
) **DESIST AND NOTICE OF OPPORTUNITY**
) **FOR HEARING**

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NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY
EACH RESPONDENT HAS 20 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 MultiMedia Technology Ventures, Ltd. a/k/a MMTV, Ltd., Biltmore Group, Inc., Global Trek Xploration Corp., Chris Corbett and Jane Doe Corbett, Graham Inch and Jane Doe Inch, and C. Ronald Paxon and Jane Doe Paxon engaged in or are about to engage in acts and practices that constitute violations of A.R.S. § 44-1801, *et seq.*, of the Arizona Securities Act (“Securities Act”), and that the public welfare requires immediate action.

I.
JURISDICTION

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

II.
RESPONDENTS

2. MULTI MEDIA TECHNOLOGY VENTURES, LTD. aka MMTV, LTD. (“MMTV”) is a Nevada limited partnership whose last known business address is 30872 S. Coast Highway, Suite 191, Laguna Beach, CA 92651.

3. BILTMORE GROUP, INC. (“BILTMORE GROUP”) is a Nevada corporation who last known business address is 30872 S. Coast Highway, Suite 191, Laguna Beach, CA 92651. The BILTMORE GROUP is the managing general partner of MMTV.

4. GLOBAL TREK XPLORATION CORPORATION is a California corporation aka GTX or Gtxc.biz (“GTX”) whose last known business address is 117 W. 9^h St., Suite 1214, Los Angeles, CA 90015.

5. CHRIS CORBETT (“CORBETT”) is an individual whose last known business address is 30872 S. Coast Highway, Suite 191, Laguna Beach, CA 92651.

1 6. CORBETT represents himself as the Vice President, Business Development of
2 MMTV and representative of GTX.

3 7. JANE DOE CORBETT was at all relevant times the spouse of CORBETT. JANE
4 DOE CORBETT is joined in this action under A.R.S. §44-2031 (C) solely for purposes of
5 determining the liability of the marital community.

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

8 9. GRAHAM INCH (“INCH”) is an individual whose last known business address is
9 30872 S. Coast Highway, Suite 191, Laguna Beach, CA 92651.

10 10. INCH represents himself as an agent of GTX and of MMTV.

11 11. JANE DOE INCH was at all relevant times the spouse of INCH. JANE DOE INCH
12 is joined in this action under A.R.S. §44-2031 (C) solely for purposes of determining the liability of
13 the marital community.

14 12. At all times relevant, INCH and JANE DOE INCH were acting for their own benefit,
15 and for the benefit or in furtherance of the marital community.

16 13. C. RONALD PAXON (“PAXON”) is an individual whose last known business
17 address is 30872 S. Coast Highway, Suite 191, Laguna Beach, CA 92651.

18 14. PAXON represents himself as President of BILTMORE GROUP.

19 15. JANE DOE PAXON was at all relevant times the spouse of PAXON. JANE DOE
20 PAXON is joined in this action under A.R.S. §44-2031 (C) solely for purposes of determining the
21 liability of the marital community.

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

24 17. MMTV, BILTMORE GROUP, GTX, CORBETT, INCH and PAXON may be
25 collectively referred to as “RESPONDENTS.” JANE DOE CORBETT, JANE DOE INCH, AND
26 JANE DOE PAXON may also be referred to herein as “RESPONDENT SPOUSES.”

1 **III.**

2 **FACTS**

3 18. Each of the preceding paragraphs is incorporated herein by reference.

4 19. Since at least April 1, 2003, RESPONDENTS have been directly or indirectly
5 engaged in the offer and sale of securities to the general public in Arizona in the form of investment
6 contracts as defined by A.R.S. § 44-1801(25).

7 20. Arizona offerees are being solicited through the use of unsolicited telephone calls
8 (“cold calls”) from MMTV representatives and through the use of its web-site, www.mmtvlt.com,
9 (“Web-site”) to invest in MMTV.

10 21. Information contained on the Web-site indicates that MMTV, *“a venture capital*
11 *firm, assists in making opportunities materialize for privately held companies. Multi Media*
12 *targets companies in early stage, high growth, information technology, Internet infrastructure,*
13 *telecommunications, wireless, convergence, and other technology related opportunities”* (emphasis
14 added). The Web-site directs potential investors to browse the Web-site for “revolutionary
15 technology products” (i.e., “Technology Profile List”) or contact the company directly for
16 investment information. The Technology Profile List contains a brief description about a particular
17 business and its new technology idea. With the exception of the foregoing, the Web-site does not
18 provide any other information to offerees about the business of MMTV, the businesses on the
19 Technology Profile List, or their respective principals involved.

20 22. Arizona offerees receiving cold-calls from CORBETT are advised about an
21 investment opportunity involving GTX and its new product, described as a global tracking system
22 which could be utilized to locate lost or abducted children, elderly lost or confused people, pets, or
23 in other situations wherein one may be placed in a vulnerable position (e.g., outdoor hikes) (the
24 “GPS”). Pursuant to the marketing pitch, the GPS device could be placed or installed in bracelets,
25 necklaces or shoes. The MMTV representative further states that MMTV has been in contact with
26

1 and/or in negotiation with The Walt Disney Company to have the GPS worn by children while
2 visiting the Disneyland® theme parks.

3 23. Representatives from The Walt Disney Company deny that any of the
4 RESPONDENTS have had any authorized conversations with persons at the Disneyland® Resort
5 regarding the use of the GPS device.

6 24. In response to any interest in GTX, MMTV representatives provide a package of
7 documents contained in a two-pocket file folder (the “MMTV Investment Package”). The
8 documents included in the MMTV Investment Package are (i) a GTX (a) “Confidential Business
9 Plan,” (b) “Business & Investment Overview,” (c) marketing information, (d) financial projection,
10 and (e) testimonials and management profiles (collectively, the “GTX Investment Materials”) and
11 (ii) an Exhibit “C” entitled MMTV “Subscription Agreement and Suitability Questionnaire”
12 (“MMTV Subscription Agreement”). Although the introductory paragraph of the MMTV
13 Subscription Agreement refers to and, further, states that the “*Subscriber hereby acknowledges*
14 *having received, read and understood in its entirety*” the contents of a “*Confidential Offering*
15 *Memorandum dated September 15, 2002 (“Memorandum”) and the Exhibits thereto including the*
16 *Limited Partnership Agreement (“Limited Partnership Agreement”),*” (emphasis added) no such
17 documents are included in the MMTV Investment Package.

18 25. Pursuant to the terms of the MMTV Subscription Agreement (the “MMTV
19 Investment Opportunity”), investors are required to invest a minimum of Ten Thousand and 00/100
20 Dollars (\$10,000.00) per unit (i.e., single limited partnership interest) (“Unit”) to participate in the
21 program, but they may invest in excess of one unit. The total amount of Units being offered, the
22 total amount of capital sought to be raised by MMTV, and the purpose and use of the investor
23 funds are not disclosed. Investors are advised to complete the MMTV Subscription Agreement and
24 forward all funds to MMTV.

25 26. Although GTX Investment Materials are distributed to prospective investors by
26 MMTV representatives, potential investors are not apprised as to the financial condition of

1 MMTV, are not informed as to the uses of the MMTV investment funds, are not afforded
2 background information regarding the principals of MMTV, and are not afforded financial
3 statements reflecting the degree of solvency MMTV.

4 27. As a result of the marketing scheme being utilized by the RESPONDENTS, the
5 potential investors are being led to believe that they are investing in the business entity and/or such
6 business' new product then being promoted by MMTV (i.e., GTX and/or the GPS device) rather
7 than in that entity in which such investment would actually be made, MMTV.

8 **IV.**

9 **VIOLATION OF A.R.S. § 44-1841**

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

11 28. Each of the preceding paragraphs is incorporated herein by reference.

12 29. Since at least April 1, 2003, RESPONDENTS offered or sold securities in the form
13 of investment contracts within or from Arizona.

14 30. The securities referred to above were not registered pursuant to Articles 6 or 7 of the
15 Securities Act.

16 31. This conduct violates A.R.S. § 44-1841.

17 **V.**

18 **VIOLATION OF A.R.S. § 44-1842**

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

20 32. Each of the preceding paragraphs is incorporated herein by reference.

21 33. RESPONDENTS offered or sold securities within or from Arizona while not
22 registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

23 34. This conduct violates A.R.S. § 44-1842.

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VI.

VIOLATION OF A.R.S. § 44-1991

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

35. Each of the preceding paragraphs is incorporated herein by reference.

36. In connection with the offer or sale of securities within or from Arizona, RESPONDENTS directly or indirectly: (i) employed a device, scheme or artifice to defraud; (ii) made untrue statements of material fact or omitted to state material facts which were necessary in order to make the statements made not misleading in light of the circumstances under which they were made; or (iii) engaged in transactions, practices or courses of business which operated or would operate as a fraud or deceit upon offerees and investors. RESPONDENTS' conduct includes, but is not limited to, the following:

a) Failing to disclose to potential investors material information about the investment in MMTV, including disclosure statements, prospectuses or financial statements;

b) Failing to disclose to potential investors the risks associated with the investment in MMTV;

c) Failing to disclose to potential investors any material background information about the issuer, its affiliates, or its principals ;

d) Failing to disclose how partnership and/or investment funds are to be utilized; and

e) Misrepresenting the nature and identity of the investment .

37. This conduct violates A.R.S. § 44-1991.

38. RESPONDENT S PAXON, BILTMORE GROUP, and GTX directly or indirectly controlled persons within the meaning of A.R.S. § 44-1999. Therefore, RESPONDENTS PAXON, BILTMORE GROUP and GTX are each liable to the same extent as the controlled persons for their violations of A.R.S. § 44-1991.

1 McFarlin, Executive Assistant to the Executive Secretary, voice phone number 602/542-3931, e-
2 mail ymcfarlin@cc.state.az.us. Requests should be made as early as possible to allow time to
3 arrange the accommodation.

4 **X.**

5 **ANSWER REQUIREMENT**

6 Pursuant to A.A.C. R14-4-305, if any RESPONDENT requests a hearing, the
7 RESPONDENT must deliver or mail an Answer to this Temporary Order and Notice to Docket
8 Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within
9 30 calendar days after the date of service of this Temporary Order to Cease and Desist and Notice
10 of Opportunity for Hearing. A Docket Control cover sheet must accompany the Answer. A cover
11 sheet form and instructions may be obtained from Docket Control by calling (602) 542-3477 or on
12 the Commission's Internet web site at www.cc.state.az.us/utility/forms/index.htm.

13 Additionally, the RESPONDENT must serve the Answer upon the Division. Pursuant to
14 A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a
15 copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix Arizona,
16 addressed to Julie A. Coleman.

17 The Answer shall contain an admission or denial of each allegation in this Temporary
18 Order and Notice and the original signature of each RESPONDENT or the RESPONDENT's
19 attorney. A statement of a lack of sufficient knowledge or information shall be considered a denial
20 of an allegation. An allegation not denied shall be considered admitted.

21 When a RESPONDENT intends in good faith to deny only a part or a qualification of an
22 allegation, the RESPONDENT shall specify that part or qualification of the allegation and shall
23 admit the remainder. The RESPONDENT waives any affirmative defense not raised in the
24 answer.

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

