



COMMISSION NEWS

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

TO: EDITORS, NEWS DIRECTORS
FOR: IMMEDIATE RELEASE

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M.A.C. INVESTMENT SALES ORDERED TO HALT OFFERING ACC Alleges Multiple Violations of Securities Laws

PHOENIX – The Arizona Corporation Commission’s Securities Division today issued a temporary cease and desist order against four individuals and their spouses and the Nevada and Arizona corporations with which they are affiliated. The Securities Division alleges multiple violations of securities regulations in connection with the offer and sale of investments in automatic teller machines (ATMs). Investors and sales agents should be on notice that it is against the law to offer or sell these investments while the temporary cease and desist order is in effect.

Those named in the action include:

- Maricruz Alvarado a.k.a. Mariacruz Alvarado a.k.a. Maricruz Albarado;
- Aldemaro Gonzales Gamez a.k.a. Aldemaro Gonzalez;
- Maria Elena Gonzalez;
- Kevin Polardi;
- M.A.C. Investments, Inc. of Arizona with a post office box in Tempe;
- M.A.C. Investment Sales, Inc. with an address of 925 West Baseline Road, Suite 105 in Tempe; and
- M.A.C. Investments Sales, Inc., a Nevada Corporation with the same Tempe address.

The Commission’s temporary order allows the respondents to request a hearing to respond to the Commission’s allegations. The 16-page temporary order outlines the following potential violations:

- The companies used websites – www.macinvestmentsales.com and www.atmsales.stats – and advertisements in local and national newspapers to entice mostly out-of-state investors. Investors were led to believe that the companies are full service providers of automatic teller machines. According to the

Securities Division's temporary order, the company recently claimed to be operating 50,000 ATMs in the United States.

- The respondents allegedly tell investors that the return on their investments is calculated as a percentage of the fee charged to the holder of the credit card and varies based on the location and frequency of use. The location of the machines is not disclosed to investors and, according to the Securities Division, has been denied to investors, despite their "ownership" of the ATMs.
- The respondents allegedly failed to disclose risks associated with the investments. Additionally, the Division believes that the companies never gave investors prospectuses or actual or audited financial statements.
- None of the companies or individuals are registered to offer or sell securities in or from the state of Arizona.

The Commission's Securities Division believes that there are 300 or more investors, most of whom are located outside of Arizona. Investigators believe that more than \$9 million may have been invested.

The Companies and individuals have 30 calendar days to respond to the Commission's temporary cease and desist order.

Caution for Investors

Before investing, people should verify the registration of sellers and investment opportunities and investigate disciplinary histories by contacting the Arizona Corporation Commission's Securities Division at 602-542-4242 or toll free outside the Phoenix metropolitan area and Arizona at 1-866-VERIFY-9. The Division's investor education web site also has helpful information at www.azinvestor.gov.

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Frequently Asked Questions about Temporary Cease & Desist Orders

I found the Commission News releases about these investments. What is a Temporary Cease & Desist Order and what does it mean?

As the regulator of the securities market in Arizona, when the Commission believes a person or company has violated the state laws regarding securities and investments, there are several actions the Commission can take. In this case, the Commission issued a temporary cease and desist order.

The temporary cease and desist order is still in effect and will remain in effect until the Commission rules on the allegations contained in the order. This means it is against the law for the individuals or companies named in the case (collectively known as “the respondents”) to sell or offer these investments in Arizona or from another state to Arizona investors.

How can I find out more?

The Arizona Corporation Commission’s Securities Division issued its initial temporary cease and desist order on February 15, 2005. You can view that order and the allegations contained in it by clicking on the February 15, 2005 document at <http://www.ccsd.cc.state.az.us/enforcement/enforce-actions.asp>.

In response to the Commission’s allegations, the respondents have the right to hire an attorney or represent themselves at a hearing.

What does it mean to request a hearing?

By rule, respondents are allowed to request a hearing to challenge one or more of the Division’s allegations. When the Commission takes a public action like issuing a cease and desist order, the case is assigned to an Administrative Law Judge (ALJ). Just like a judge in a civil or criminal case, the ALJ presides over the case until it reaches a final conclusion. The judge will review pre-filed testimony, set schedules for various steps along the way and preside over the hearing, if one is held.

At the hearing, the judge will take place witnesses under oath and listen to their testimony. The judge often asks questions of the witnesses and will also allow witnesses to be cross-examined – in other words, the other parties may ask questions of the witness while he or she is still under oath.

After the hearing, the judge will prepare a detailed, written recommendation for review by the Commissioners – five statewide elected officials who vote on these cases. The Commissioners can accept, modify or deny the recommendations of the judge.

Do all cases result in a hearing?

No. Sometimes cases are resolved through something called a consent order or consent agreement. Sometimes respondents believe it is better to enter into an agreement with the regulators – frequently with penalties and other sanctions – than to fight the case and risk that the judge might impose a harsher penalty. Consent orders still must be approved by a majority of Commissioners.

If respondents do not appear to challenge any of the allegations, the Commission can issue a default order.

I have money invested with these respondents. What should I do?

As regulators, the Commission's Securities Division cannot offer any legal or investment advice. Our staff members cannot recommend that you take any specific actions either. Our duty is to ensure that the securities market in the state of Arizona is functioning properly, that promoters and securities are properly registered and to make sure investors are given full, fair and proper disclosure about the nature of the investments they are making.

Any investment carries with it a corresponding risk of loss – some types of investments are riskier than others. You should evaluate your risk tolerance and the information about our enforcement actions carefully and consider discussing it with a trusted friend, colleague, lawyer or financial adviser. Then, make your decisions accordingly.

Should I contact the Arizona Corporation Commission's Securities Division?

You should contact the Commission's Securities Division if either of the following situations apply. Information you have could be helpful to our investigators and attorneys.

- Were the investments sold to you while you were in Arizona? If yes, please call 602-542-4242 (within Metro Phoenix) or 1-866-VERIFY-9 (outside Metro Phoenix and Arizona) and ask to speak someone assigned to the case.
- Were the investments sold to you by someone based in Arizona? If yes, please call 602-542-4242 (within Metro Phoenix) or 1-866-VERIFY-9 (outside Metro Phoenix and Arizona) and ask to speak someone assigned to the case.
- **If the answer to both of these questions is "NO," what should I do?**
You may wish to speak with your state's securities regulator to see if they are gathering information about this case or the people through whom you invested. To find a list of state securities regulators, please visit the website of the North American Securities Administrators Association www.nasaa.org and click on "Find Regulator" or call (202) 737-0900.

If I lose money, is the Commission going to help me get it back?

The Commission's first obligation is to ensure that the federal and state regulations regarding securities are being followed. Our cases often result in orders for restitution or, in the case of a salesperson, an order to refund any commissions he or she earned.

Sometimes we are quite successful in recapturing money for investors. Other times – particularly in the larger cases involving thousands of transactions, sophisticated or complex schemes, or offshore accounts – it becomes more difficult for the state to find where money is hidden. And, sometimes the money is already spent by the time a case comes to our attention.

If we are able to recover funds, it gets returned to investors on a pro-rata basis. In other words, if your investment represented three percent of the total money invested in a particular case, you would stand to receive three percent of whatever money is recovered.

The fact that the Commission has taken action in a case does NOT prevent you or other investors from filing your own court case, such as a civil suit or class action suit. When you hire a lawyer working on your own behalf, you

have someone looking out for your personal interests. The Commission takes action on behalf of the State of Arizona and all investors in a particular case.