

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF CORPORATIONS

4 TO: Martians Incorporated
5 F.G. Hunter, Inc.
6 Daniel Jay Scheuer a.k.a. Dan Scheuer, Danny Scheuer and Dan Shire
7 901 Dove Street, Suite 215
8 Newport Beach, California 92660

9 **DESIST AND REFRAIN ORDER**

10 (For violations of sections 25110 and 25401 of the California Corporations Code)

11 The California Corporations Commissioner finds that:

12 1. At all relevant times herein, Martians Incorporated (“Martians”), was an active
13 California corporation, which was formed in January 2003 and was located at 901 Dove Street, Suite
14 215, Newport Beach, CA 92660. At all relevant times herein, Martians offered and sold “units”
15 consisting of common stock and non-redeemable warrants.

16 2. At all relevant times herein, F.G. Hunter, Inc. (“F.G. Hunter”), was a suspended
17 California corporation, which was formed in February 2003 and was located at 901 Dove Street,
18 Suite 215, Newport Beach, CA 92660. At all relevant times herein, F.G. Hunter solicited investors to
19 purchase units on behalf of Martians.

20 3. At all relevant times herein, Daniel Jay Scheuer (“Scheuer”) was the Chairman,
21 President, Chief Executive Officer and a control person of Martians. At all relevant times, Scheuer
22 was the Chairman, President, Chief Executive Officer and control person of F.G. Hunter.

23 4. At all relevant times herein, Martians and Scheuer have purportedly been in the
24 business of creating an animated television series called Martians, Inc.

25 5. At all relevant times herein, F.G. Hunter and Scheuer have purportedly been in the
26 business of: *“equity participation, management consulting, finance, marketing and distribution. On
27 occasion, company principals or representatives assume management positions with affiliate
28 businesses to enhance performance or to development a more promising financial model”.*

1 6. In or about September of 1998, the California Department of Corporations issued a
2 “Desist and Refrain Order” against Scheuer for the offer and sale of unqualified securities in violation
3 of Corporations Code section 25110.

4 7. In or about October of 2000, the California Department of Corporations issued a
5 second “Desist and Refrain Order” against Scheuer for fraud in the offer and sale of securities in
6 violation of Corporations Code section 25401.

7 8. In or about March of 2012, the Pennsylvania Securities Commission issued a
8 “Summary Order to Cease and Desist” against Martians, F.G. Hunter and Scheuer for the offer and
9 sale of non-exempt securities pursuant to Pennsylvania securities registration requirements in
10 violation of Section 201 of the Pennsylvania Securities Act of 1972. The same order also charged
11 F.G. Hunter and Scheuer with acting as unregistered broker-dealers in violation of Section 301 of the
12 Pennsylvania Securities Act of 1972.

13 9. F.G. Hunter and Scheuer own, control, operate and utilize an internet website at:
14 www.fghunter.com.

15 10. Martians and Scheuer own, control, operate and utilize the internet websites at:
16 www.mightymartians.com; www.martiansinc.com and www.martiansincorporated.com.

17 11. Each of the above-listed internet websites link to the “Offering Circular” by Martians,
18 F.G. Hunter and Scheuer for the sale of “common stock” and “non-redeemable warrants” in Martians.

19 12. At least one Pennsylvania state resident was solicited by Martians, F.G. Hunter and
20 Scheuer either directly or through their agents/employees after being served with the State of
21 California’s second “Desist and Refrain Order”, without disclosing the existence of that order.

22 13. At least one Pennsylvania state resident was solicited by Martians, F.G. Hunter and
23 Scheuer with an “Offering Circular” posted on the above-listed internet website with the following
24 untrue statement: *“The California Department of Corporations has approved of this offering to
25 California residents based on each meeting certain suitability requirements as described herein. As
26 such, this Offering document and the Company did not have to demonstrate compliance with some of
27 the merit regulations established by the Department of Corporations as found in Title 10, California
28*

1 *Code of Regulations – Rule 260.1.40.*” The California Department of Corporations has not approved
2 this offering.

3 14. The Pennsylvania resident that was solicited by Martians, F.G. Hunter and Scheuer
4 had no substantive, pre-existing relationship with Martians, F.G. Hunter or Scheuer.

5 15. The Pennsylvania resident that was solicited by Martians, F.G. Hunter and Scheuer
6 was not an accredited investor under the Rule 501 of Regulation D of the United States Securities Act
7 of 1933, and did not have sufficient knowledge and experience in financial and business matters to be
8 capable of evaluating the merits and risks of the investment offered.

9 16. At least one California resident was solicited by Martians and Scheuer after Martians
10 and Scheuer were served with the Pennsylvania “Summary Order to Cease and Desist”, without
11 disclosing the existence of that order.

12 17. The California resident that was solicited by Martians and Scheuer had no substantive
13 pre-existing personal or business relationship with Martians, F.G. Hunter or Scheuer.

14 18. The California resident informed Martians and Scheuer that he was not an “accredited
15 investor” under Rule 501 of Regulation D of the United States Securities Act of 1933. Martians and
16 Scheuer told the California resident that he could nonetheless invest because Martians had filed an
17 exemption with the Department of Corporations under Corporations Code section 25102 (f).

18 19. The California resident was directed by Martians and Scheuer to the company’s
19 website at: www.martiansinc.com, in order to view the offering materials. Martians and Scheuer did
20 not disclose, either verbally or in the offering materials, the previous Desist and Refrain Order issued
21 in October 2000 by the California Department of Corporations against Scheuer or the Summary
22 Order to Cease and Desist issued in March 2012 by the Pennsylvania Securities Commission against
23 Martians, F.G. Hunter and Scheuer.

24 20. The California resident viewed the Offering Circular posted on the above-listed
25 internet website with the following untrue statement: *“The California Department of Corporations*
26 *has approved of this offering to California residents based on each meeting certain suitability*
27 *requirements as described herein. As such, this Offering document and the Company did not have to*
28 *demonstrate compliance with some of the merit regulations established by the Department of*

1 *Corporations as found in Title 10, California Code of Regulations – Rule 260.1.40.”* The California
2 Department of Corporations has not approved this offering.

3 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
4 that the common stock and non-redeemable warrants which have been offered or sold by Martians
5 Incorporated, F.G. Hunter Inc., and Daniel Jay Scheuer a.k.a. Dan Scheuer, Danny Scheuer and Dan
6 Shire are subject to qualification under the California Corporate Securities Law of 1968 and are or
7 have been offered or sold without being qualified or exempt, in violation of section 25110 of
8 Corporate Securities Law of 1968.

9 Pursuant to section 25532 of the Corporate Securities Law of 1968, Martians Incorporated,
10 F.G. Hunter Inc., and Daniel Jay Scheuer a.k.a. Dan Scheuer, Danny Scheuer and Dan Shire are
11 hereby ordered to desist and refrain from the offer and sale of securities in the State of California,
12 including by not limited to common stock and non-redeemable warrants, unless and until
13 qualification has be made under the law or unless exempt.

14 Based on the foregoing findings, the California Corporations Commissioner is of the opinion
15 that the common stock and non-redeemable warrants which have been offered or sold by Martians
16 Incorporated, F.G. Hunter Inc., and Daniel Jay Scheuer a.k.a. Dan Scheuer, Danny Scheuer and Dan
17 Shire were offered and sold in this state by means of written or oral communications that included
18 untrue statements of material fact or omitted to state material facts necessary in order to make the
19 statements made, in the light of the circumstances under which they were made, not misleading, in
20 violation of section 25401 of the Corporate Securities Law of 1968.

21 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Martians Incorporated,
22 F.G. Hunter Inc., and Daniel Jay Scheuer a.k.a. Dan Scheuer, Danny Scheuer and Dan Shire are
23 hereby ordered to desist and refrain from the offer and sale of securities in the State of California,
24 including but not limited to, common stock and non-redeemable warrants, by means of any written or
25 oral communication which includes an untrue statement of a material fact or omits to state a material
26 fact necessary in order to make the statements made, in the light of the circumstances under which
27 they were made, not misleading.
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1 This Order is necessary, in the public interest, for the protection of investors and consistent
2 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

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4 Dated: July 10, 2012
5 Los Angeles, California

6 JAN LYNN OWEN
7 California Corporations Commissioner

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9 By _____
10 ALAN S. WEINGER
11 Deputy Commissioner
12 Enforcement Division

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