

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 72249 / May 23, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15886

In the Matter of

MARCUS A. LUNA, ESQ.

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS AND
IMPOSING TEMPORARY SUSPENSION
PURSUANT TO RULE 102(e)(3)(i)(B) OF
THE COMMISSION'S RULES OF
PRACTICE**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Marcus A. Luna (“Respondent” or “Luna”) pursuant to Rule 102(e)(3)(i)(B)¹ of the Commission’s Rules of Practice [17 C.F.R. 200.102(e)(3)(i)(B)].

II.

The Commission finds that:

1. Luna is a resident of Henderson, Nevada and is an attorney.
2. On December 14, 2010, the Commission filed civil fraud charges against Luna and others in the United States District Court for the District of Nevada, charging him with violating Section 17(a) of the Securities Act of 1933, 15 U.S.C. 77q(a), and Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. 78j(b), and Rule 10b-5 thereunder, 17 C.F.R.

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, temporarily suspend from appearing or practicing before it any attorney . . . who has been by name: (B) found by any court of competent jurisdiction in an action brought by the Commission to which he or she is a party or found by the Commission in any administrative proceeding to which he or she is a party to have violated (unless the violation was found not to have been willful) or aided and abetted the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

240.10b-5. In addition, the Commission charged Luna and the other defendants with violating Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. 77e(a) and (c). *Securities and Exchange Commission v. Marcus A. Luna, et al.*, 10-CV-2166-PMP (D. Nev.).

3. On February 26, 2014, the court granted summary judgment against all of the defendants. In relevant part, the court held that Luna had violated Sections 5, 17(a)(1), (2), and (3) of the Securities Act, Section 10(b) of the Securities Exchange Act, and Rule 10b-5. The court made no finding that the violations were not willful.

4. The court found that from 2005-2006, the President and CEO of the privately-held corporation Axis Technologies, Inc., sought financing to expand the company's operations. They were referred to Luna, an attorney, to help raise capital. Luna identified Riverside Entertainment as a publicly-traded company whose shares were quoted on the Pink Sheets and advised the President and CEO that Axis Technologies, Inc. should engage in a reverse merger with Riverside Entertainment and issue and sell shares in the newly-named public company to accredited investors. Luna coordinated the reverse merger and arranged for a reverse stock split, changing the name of the company to Axis Technologies Group, Inc. ("Axis Group").

5. The court found that during that same time period, Luna incorporated several corporate entities in the state of Minnesota. He set himself up as the principal of St. Paul Venture Fund ("St. Paul VF") and named others as the principals of Minnesota Venture Capital, Inc. ("Minnesota VC"), Real Estate of Minnesota, Inc. ("Real Estate MN"), and Matrix Venture Capital, Inc. ("Matrix VC"). Luna created these entities merely to act as conduits to allow him and the others to sell their stock into the public market.

6. The court found that Luna then authored and issued a false legal opinion letter to Axis Group's transfer agent claiming that the shares of common stock issued by the newly-formed public company were not restricted and were freely tradable. One of his bases for this claim was that St. Paul VF, Minnesota VC, Real Estate MN, and Matrix VC were accredited investors under Minnesota and federal law. The Commission had alleged that this was false and Luna knew that they did not meet the definition of accredited investors. The court found that soon after these alleged accredited investors received their shares, they transferred shares to promoters and sold the remaining shares through a broker-dealer to the public. By use of these entities, Luna gained approximately \$2 million from unregistered stock sales. The principals of Minnesota VC, Real Estate MN, and Matrix VC collected approximately \$6 million from unregistered stock sales. From their profits, these principals paid Luna approximately \$1.8 million in kickbacks.

III.

Based upon the foregoing, the Commission finds a court of competent jurisdiction in an action brought by the Commission has found that Luna violated provisions of the securities laws and rules thereunder. In view of this finding, the Commission deems it appropriate and in the public interest that Luna be temporarily suspended from appearing or practicing before the Commission.

IT IS HEREBY ORDERED that Luna be, and hereby is, temporarily suspended from appearing or practicing before the Commission. This Order will be effective upon service on the Respondent.

IT IS FURTHER ORDERED that Luna may, within thirty days after service of this Order, file a petition with the Commission to lift the temporary suspension. If the Commission receives no petition within thirty days after service of the Order, the suspension will become permanent pursuant to Rule 102(e)(3)(ii).

If a petition is received within thirty days after service of this Order, the Commission will, within thirty days after the filing of the petition, either lift the temporary suspension, or set the matter down for hearing at a time and place to be designated by the Commission, or both. If a hearing is ordered, following the hearing, the Commission may lift the suspension, censure the petitioner, or disqualify the petitioner from appearing or practicing before the Commission for a period of time, or permanently, pursuant to Rule 102(e)(3)(iii).

This Order shall be served upon Luna personally or by certified mail at his last known address.

By the Commission.

Jill M. Peterson
Assistant Secretary