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## ARIZONA CORPORATION COMMISSION

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### **Commission Orders Millions in Restitution for Investors** *Revokes Salesman Registration and Denies Investment Adviser Licenses*

PHOENIX, AZ—The Arizona Corporation Commission today issued multiple orders involving unregistered securities sales, requiring the return of over \$19.2 million to investors and the payment of \$350,000 in administrative penalties.

The Commission revoked the securities registration of Michael Dawes of Tucson, a former branch manager for the Sierra Vista and Green Valley offices of investment firm, Emmet A. Larkin Company, Inc. Dawes has agreed to pay at least \$1.5 million in restitution and \$100,000 in administrative penalties for operating a Ponzi scheme that defrauded at least 80 investors, most of whom were seniors. He raised at least \$4 million by selling promissory notes that he claimed would bring 10 to 30 percent returns from off-shore investments that the Commission found were fictitious. Instead, Dawes used investor funds to pay for his own stock market losses, repay other investors, and personal expenses. Approximately \$2.5 million has been returned to investors. In November 2007, Dawes pled guilty to felony mail and money laundering charges in federal court and agreed to pay approximately \$1.5 million in restitution to investors. He will be sentenced in May 2008.

In another case, David Gotlieb and his company, G'ieber Financial, LLC, agreed to pay \$1,559,650 in restitution and \$50,000 in administrative penalties for violating the Arizona Investment Management Act. The Commission denied Gotlieb's and G'ieber Financial, LLC's application for licensure due to a violation of the respondents' fiduciary duties and Gotlieb's conflicts of interest. Gotlieb and his company provided investment advice and took custody of at least \$3.57 million in customer funds without being licensed in Arizona. Gotlieb, a former registered securities salesman, obtained the funds after convincing at least 40 of his former brokerage clients to become limited partners in the G'ieber Value Fund, a pooled investment partnership he managed.

In a separate matter, the Commission dismissed its case against Cameron Guy Campbell, a former California attorney who was involved with The Brixon Group, Ltd., a Mesa-based company that fraudulently sold high-yield insurance portfolio investments. Investors were promised professional money management by a banking expert and a 10 percent monthly return with insurance guarantees from the State Bar of California. The dismissal follows Campbell's guilty plea in federal court to wire fraud charges and was sentenced to 63 months in prison. In addition to the custodial sentence, Campbell was ordered to serve a three-year term of supervised release following prison and to pay \$4.5 million in restitution to investors.

Finally, Ryan J. Herndon and Scott Renny Bogue, Sr., agreed to pay administrative penalties and restitution for selling unregistered stock and certificates of participation in a trio of companies—Trend Management Group, Inc., Trend Capital, LLC, and The Trend Group, Inc. The Trend entities raised more than \$15.9 million from over 300 investors, many of whom were elderly. Neither Herndon nor Bogue

was registered as an Arizona securities salesman. In terms of restitution, Herndon is ordered to pay \$2.76 million and Bogue, \$8.89 million. Each man agreed to pay a \$100,000 penalty. In Maricopa County Superior Court, Herndon pled guilty to two counts of theft of funds invested in the Trend entities and is scheduled for sentencing in May 2008. The Trend entities are currently under the control of a court-appointed receiver who has collected assets of about \$5.4 million. The receiver will soon propose a plan to make a distribution to investors.

The full text of the Commission orders can be viewed at:

<http://www.azcc.gov/divisions/securities/enforcement/enforce-orders.asp>

**Caution for investors:**

Investors need to be especially cautious now because scam artists will use the recent downturn in the stock market to exploit investors' anxiety about increasing their earnings. 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 602-542-4242 or toll free in Arizona at 1-866-VERIFY-9. The Division's investor education web site also has helpful information at [www.azinvestor.gov](http://www.azinvestor.gov).

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