



ARIZONA CORPORATION COMMISSION

FOR IMMEDIATE RELEASE: June 11, 2013

MEDIA CONTACT: Rebecca Wilder (602) 542-0844

Commission Sanctions Three Local Businessmen for Unregistered Investment Sales

PHOENIX, AZ—The Arizona Corporation Commissioners today voted to require three individuals and their affiliated companies to stop offering and selling unregistered securities and to pay penalties. The Commission entered into two consent orders, one involving a Mesa man who sold unregistered stock and promissory notes issued by his start-up, air ambulance service company, the other involving a Peoria man who fraudulently sold membership interests in an oil and gas venture. The third order involved a Gilbert man who defrauded investors with an options and foreign currency trading investment scam.

Thomas F. Kelley and International Air Medical Services, Inc.

The Commission ordered Thomas F. Kelley of Mesa and his Scottsdale start-up company to pay \$1,406,300 in restitution and a \$50,000 administrative penalty for offering and selling an unregistered investment program involving a long-range, jet-air ambulance business. The Commission found that, while not registered to offer or sell securities, respondents Kelley and International Air Medical Services, Inc. (International Air) offered and sold stock and promissory notes to at least 14 investors. The Commission found that the majority of investors who were issued promissory notes have not been paid as required under the terms of their notes, and some investors who purchased stock were not issued stock certificates or the issuance of the stock certificates was significantly delayed. Additionally, the Commission found that the respondents failed to provide stockholders the voting rights to which they were entitled under International Air's bylaws. Further, the Commission found that Kelley, as well as one other International Air officer, used investor funds for their own personal expenses, despite the fact that the board of directors had not approved compensation or salaries for International Air's officers. In settling this matter, Kelley and International Air neither admitted nor denied the Commission's findings, but agreed to the entry of the consent order.

Christopher D. Dedmon and SDC Montana Consulting, LLC

The Commission sanctioned Peoria resident Christopher D. Dedmon and his affiliated company, SDC Montana Consulting, LLC, with a \$25,000 administrative penalty for fraudulently offering and selling membership interests in an oil and gas venture. The Commission found that, while not registered to offer or sell securities, Dedmon and SDC raised \$547,500 from 13 investors, most of whom lived in Arizona. The Commission found that Dedmon and his company failed to disclose to investors a 2005 Commission consent order that prohibited Dedmon and SDC from selling securities or exercising control over an entity that sells securities. To date, each membership interest investor has received distributions from SDC that exceed the investor's original investment. In settling this matter, Dedmon neither admitted nor denied the Commission's findings, but agreed to the entry of the consent order and has paid the administrative penalty in full to the state of Arizona.

Tyrone L. Brooks and 3T Options, LLC

The Commission issued a default order against a Gilbert man and his affiliated company who defrauded investors with an options and foreign currency trading investment scam. The Commission ordered Tyrone L. Brooks and 3T Options, LLC to pay \$95,013 in restitution and a \$25,000 administrative penalty. The Commission found that, while not licensed to provide investment advice, Brooks and his company pooled together the funds of at least eight investors from Arizona, California and Nevada, promising certain clients a guaranteed monthly return of at least six percent. The Commission found that Brooks used only a small percentage of his client's funds to conduct options and foreign currency trading, depositing most of the money into his personal bank account. Moreover, the Commission found that Brooks issued account statements to investors that reflected fictitious value

increases, and when some investors requested a cash withdrawal, Brooks misrepresented that investor funds were frozen due to a review by the U.S. Securities and Exchange Commission.

More caution for investors:

Even when selling a legitimate product, some promoters do not recognize the investment program they have created is a security. Determining whether an alternative investment program is a security is not always easy to determine and depends upon the unique facts and circumstances of the transaction and not on what a promoter calls the investment product. 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 website also has helpful information at www.azinvestor.gov.

###