



ARIZONA CORPORATION COMMISSION

FOR IMMEDIATE RELEASE: December 11, 2014

MEDIA CONTACT: Rebecca Wilder (602) 542-0844

Commission Revokes Licenses and Sanctions Seller of Unregistered House-Flipping Venture

PHOENIX, AZ—The Arizona Corporation Commission today revoked the licenses of a Tucson investment advisory company and a Scottsdale investment adviser representative for their dishonest and unethical conduct in the securities industry. Also, the Commission shut down an unregistered real estate investment program, sanctioning a Scottsdale man for defrauding investors.

Mark Dana Hughes and Legacy Financial Advisors, LLC

The Commission revoked the investment adviser license of Legacy Financial Advisors, LLC, sanctioning the company and its sole manager, Mark Dana Hughes of Tucson. The Commission ordered Hughes and his affiliated company to pay \$340,806 in restitution and a \$50,000 administrative penalty for their dishonest and unethical practices and for committing securities fraud. The Commission found that Hughes and Legacy Financial Advisors, LLC violated the Investment Management laws by misrepresenting Hughes as a licensed investment adviser representative and by repeatedly putting their clients' money in risky, leveraged exchange-trades funds, a strategy contrary to the clients' investment objectives. For more details about this case, view the full text of the Commission's order at [S-20864A-12-0439](#).

Anthony Ray Stacy

In a separate case, the Commission permanently revoked the investment adviser representative license of Anthony Ray Stacy of Scottsdale and sanctioned him for engaging in dishonest and unethical conduct in the securities industry. The Commission found that while licensed as an investment adviser representative with Cercidium Capital Management, LP, Stacy borrowed \$130,000 from a client, which was a violation of the Arizona Investment Management Act. The Commission found that, while requesting the loan, Stacy misrepresented to his client that the loan proceeds would be used to fund Stacy's personal investment in a Scottsdale restaurant when, in fact, Stacy used the client's funds to pay personal obligations and expenses.

In settling the Commission's matter, Stacy agreed to the entry of the consent order and admitted to the Commission's findings, including that he had engaged in dishonest and unethical conduct in the securities industry. The Commission ordered Stacy to pay restitution in the amount of \$130,000. Pursuant to the Commission's rules, Stacy will receive credit for any amounts he has repaid the client prior to entry of the consent order. In addition to consenting to the permanent revocation of his license as an investment adviser representative, Stacy agreed that he will not exercise any control at any time in the future over any entity that provides investment advisory services within or from Arizona. For more details about this case, view the full text of the Commission's order at [S-20909A-14-0226](#).

Jonathon James Murray

In another matter, the Commission ordered Jonathon James Murray of Scottsdale to pay a \$35,000 administrative penalty and \$772,500 in restitution for defrauding investors in connection with a house-flipping investment program. The Commission found that, while not registered to offer or sell securities in Arizona, Murray solicited potential investors through seminars which Murray held in Phoenix and Canada. The Commission found that Murray offered investment opportunities in Arizona real estate by fixing and flipping properties. Additionally,

the Commission found that Murray contacted potential investors through social media messages. The Commission found that Murray orchestrated “fix and flip” tours for potential investors who went on a road trip to see properties Murray was in the process of buying or that he was planning to buy. The Commission found, however, that Murray failed to tell investors about his financial and legal problems in Canada prior to the investments in the real estate projects in Arizona. Also, the Commission found that only one of the 15 investors received a substantial portion of their investment returned, which amounted to slightly less than half the total amount invested. For more details about this case, view the full text of the Commission’s order at [S-20883A-13-0112](#).

More caution for investors:

Even when selling a legitimate product, some promoters do not recognize the investment program they have created is a security. Whether an alternative investment 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 web site also has helpful information at www.azinvestor.gov.

###