



# COMMISSION NEWS

**ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007**

TO: EDITORS, NEWS DIRECTORS  
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## **SEDONA WOMAN GOES FROM RED ROCKS TO HARD TIME** Star Mathias Sentenced in Promissory Note Scheme

PHOENIX – Last week, Maricopa County Superior Court Judge Brian Hauser sentenced 50-year-old Star L. Mathias of Sedona to three and one-half years in prison and five years of probation for what he described as a “classic fraudulent scheme.” Judge Hauser also ordered Mathias to pay \$599,050 in restitution to investors damaged by her crimes. Mathias was indicted on February 12, 2002 following an investigation by the Commission’s Securities Division.

Between 1996 and 1997, Mathias sold \$619,880 of promissory notes to eight investors, most of whom were from Arizona. The investors received promissory notes from two of Mathias’ entities, Protec Business Trust Services and International Security Trust. Individual investments ranged from \$20,000 to \$150,000.

Investors were told various stories of how the money would be used, including an offshore oil program, second deeds of trust, other offshore investments or deeds of trust with the second biggest insurance company in the United States. None of the statements were true. The funds were actually used for Protec’s operating expenses, commissions and Mathias’ lavish lifestyle.

Mathias met all of the investors through her other business of selling trusts. Protec advertised and used word-of-mouth promotion to draw people into seminars where Mathias and her associates promoted trusts as a purported way to avoid taxes. Protec charged from \$1,000 to \$10,000 per trust.

Both Protec and Mathias filed for bankruptcy in October of 1998. The bankruptcies were dismissed for failure to cooperate with the Chapter 7 trustees.

The Arizona Corporation Commission's Securities Division conducted the investigation, developed the forensic financial analysis and provided an expert witness in this case. The Arizona Attorney General's Office prosecuted the case.

Prior to investing, investors should verify registration of sellers and securities by contacting the Arizona Corporation Commission's Securities Division at 602-542-4242, toll free at 1-877-811-3878 or through its website, [www.ccsd.cc.state.az.us](http://www.ccsd.cc.state.az.us). The Division's website also has helpful information on a variety of investing topics.

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Superior Court of Arizona, Maricopa County case file CR2002-002525