



ARIZONA CORPORATION COMMISSION

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Commission Finds Fraud in Million-Dollar Gold Processing Venture, Cautions Investors about Risky Private Placement Offerings

PHOENIX, AZ—The Arizona Corporation Commission today sanctioned the promoters of a private placement investment in a gold processing operation that defrauded investors out of more than \$1.14 million. The Commission cautions investors about promoters who offer and sell risky private placement offerings that are not always suitable for the typical investor.

The Commission ordered Charles L. Robertson of Texas and his two affiliated companies—Arizona Gold Processing, LLC and AZGO, LLC—to pay \$1,142,275 in restitution and a \$100,000 administrative penalty for committing securities fraud in connection with their private placement offering. The Commission found that, through a private placement memorandum, Robertson and his two affiliated companies made material omissions and multiple misrepresentations to 63 investors who purchased membership interests in Arizona Gold Processing and AZGO.

The Commission found that Robertson, who was one of the principals of Arizona Gold Processing and one of the managing members of AZGO, either contacted or directed others to contact potential investors through nationwide telephone calls and emails. The Commission found that Robertson claimed his companies' high-tech processing equipment could extract gold and silver ore at microscopic levels beyond what other equipment could extract. The Commission found, however, that there would be no increase in the amount of precious metals extracted with the equipment touted by Robertson and his companies, assuming the assays were performed by reputable labs. Further, the Commission found that Robertson and his companies failed to inform potential investors about the temporary cease and desist order issued by the Commission's Securities Division requiring the respondents to stop committing securities fraud in connection with their private placement offering.

In settling this matter, Robertson and his affiliated companies neither admitted nor denied the Commission's findings, but agreed to the entry of the consent order. The Commission's final order against the named respondents will be posted online as soon as it is signed by all of the Commissioners. To access the full text of the Commission's order [S-20846A-12-0135](#), please check the website in a few days:

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

More caution for investors:

[Private placement offerings](#) allow companies to raise money without having to comply with the registration requirements of a public offering. Although private placement offerings can offer substantial returns, they may be high-risk investments that might not be easily resold to other investors on a secondary market. These types of private investments are only reserved for accredited investors, individuals or companies who have sufficient wealth to withstand a financial loss and a limited number of sophisticated investors, individuals who have the experience and sufficient access to knowledge in order to make an informed decision.

Keep in mind that companies raising money through private placement offerings often have a limited operating history and typically have more modest revenue streams than larger, more established companies. Because private placement offerings are not reviewed by regulators, they should be carefully examined prior to investing.

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.

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