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ARIZONA CORPORATION COMMISSION

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FOR IMMEDIATE RELEASE:

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Multiple Commission Orders Result in More Than \$5 Million in Restitution and Penalties

Jason Todd Mogler, Tri-Core Companies, LLC et al.

The Commission ordered Jason Todd Mogler of Scottsdale and his affiliated companies to pay a total of \$4,399,834 in restitution and \$400,000 in administrative penalties for a promissory note scheme in connection with a Mexican land investment. In the Commission's order, the named respondents include Mogler, Tri-Core Companies, LLC, Tri-Core Business Development, LLC, ERC Compactors, LLC, ERC Investments, LLC, and C&D Construction Services, Inc.

The Commission found that the respondents committed at least three instances of fraud in every sale. Mogler was not registered as a securities salesman and his affiliated companies were not registered as securities dealers in Arizona. The Commission found the respondents used investor funds to pay their personal expenses and failed to provide a deed of trust or another mechanism to securitize the promissory notes that had been represented as secured by property in Mexico. Additionally, the Commission found the respondents misrepresented the level of qualifications regarding management and of the salesmen regarding commissions. In December 2015, Mogler pled guilty to conspiracy, wire fraud, and money laundering.

Justin Billingsley, Jeffrey Scott Peterson, John Keith Ayers and LoanGo Corporation

The Commission ordered out-of-state resident Justin Billingsley, Arizona residents Jeffrey Scott Peterson and, along with their Chandler-based, payday lending company, LoanGo Corporation, to pay restitution of \$250,000 and a total of \$45,000 in administrative penalties for their securities violations. Also, the Commission ordered John Keith Ayers to pay \$225,000 in restitution jointly with other respondents and \$5,000 in administrative penalties.

The Commission found that the respondents were the owners and directors of LoanGo Corporation and authorized a \$3 million offering of promissory notes to the public, but at the time of their investments, none of the investors had a net worth or income that would qualify them as accredited investors. To date, the investors have not received any interest payments or any refund of their principal investments.

Jacob Wohl and Matthew Johnson, et al.

California residents Jacob Wohl and Matthew Johnson along with their affiliated companies were ordered by the Commission to pay a \$5,000 administrative penalty for committing securities fraud in connection with two hedge funds and a house-flipping venture. Also, the Commission ordered Wohl to pay \$32,918 in restitution.

The Commission found that Wohl made several media appearances, holding himself out as a hedge fund manager of Wohl Capital Investment Group, LLC while misrepresenting the size of his company and the percentage of investment capital at risk. The Commission found that Wohl and Matthew Johnson solicited investors in another hedge fund called NeX Capital Management, LLC, misrepresenting the risk associated with the investment. The Commission also found that Montgomery Assets, Inc., an entity controlled by Wohl and Johnson, posted advertisements on Craigslist in connection with a promissory note offering to fund a house-flipping venture, making several misrepresentations regarding company size, the experience of the employees and risk associated with the investment. The Commission found that Wohl, Johnson, and their affiliated companies were not licensed to provide

investment advice or registered to offer and sell securities in Arizona.

Phoebus Vincent Smith, Sharon Elizabeth Govan and Believing in Jesus Investments, LLC

The Commission ordered convicted felon Phoebus Vincent Smith and his spouse, Sharon Elizabeth Govan, and their affiliated company, Believing in Jesus Investments, LLC, to pay \$245,050 in restitution and a total of \$30,000 administrative penalties for committing securities fraud. The Commission found they fraudulently offered and sold unregistered investment contracts to at least 30 investors, mostly church members. The Commission found that Smith, Govan, and Believing in Jesus Investments, LLC issued documents explaining the investment with Bible verses and religious references and operated as a Ponzi scheme by using money from new investors to pay the initial investors.

Smith admitted to the Commission's findings in September, and agreed to the entry of the consent order; Govan neither admitted nor denied the Commission's findings, but agreed to the entry of the consent order. Following the Commission's Securities Division initial, legal action in 2006, Phoebus Vincent Smith defrauded investors in California and was subsequently convicted and sentenced to an eight-year prison sentence.

John Anthony Waszolek

Commissioners voted to revoke John Anthony Waszolek's securities salesman registration and ordered him to pay an administrative penalty of \$22,500 for engaging in dishonest and unethical conduct in the securities industry.

The Commission found that, after his client was diagnosed with Alzheimer's disease, Waszolek procured an amendment to the client's trust that made him the residual beneficiary. Following the client's death, there was probate litigation and a probate settlement in which Waszolek agreed the trust amendment was invalid by reason of the client's incapacity. As a result, Waszolek did not receive any distribution from the client's trust. The Commission found that the Financial Industry Regulatory Authority (FINRA) in 2015 barred Waszolek from any association with its member securities dealers. Waszolek agreed to the entry of the consent order, admitted the Commission's findings only for purposes of the administrative proceeding, and submitted full payment for the administrative penalty to the state of Arizona.

Donna Kay Beers et al.

The Commission ordered insurance producer Donna Kay Beers of Fountain Hills and her affiliated company to pay \$357,378 in restitution and a \$115,000 administrative penalty for committing securities fraud and other violations. Also, the Commission found Beers' spouse, James Beers, jointly and severally liable to pay restitution of \$93,700 and \$60,000 in administrative penalties. The Commission found that Donna Kay Beers solicited previous clients to invest in a company called Caesar Investments, LLC, but failed to inform the investors they were funding a business owned by Beers, who subsequently used a portion of the funds to pay delinquent mortgage payments and other personal expenses. Additionally, the Commission found that Donna Kay Beers never informed investors that the Commission had revoked her Arizona securities salesman registration in 2013 for her dishonest and unethical conduct. In settling this matter, the respondents agreed to the entry of the consent order and admitted to the Commission's findings.

More caution for investors:

Investors can 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 Securities Division's investor education website also has helpful information at www.azinvestor.gov.

The Arizona Corporation Commission was established by the state's constitution to regulate public utilities and business incorporation. The five Commissioners elected to the Corporation Commission oversee executive, legislative, and judicial proceedings on behalf of Arizonans when it comes to their water, electricity, telephone, and natural gas resources as well as the regulation of securities, pipeline, and railroad safety. To learn more about the Arizona Corporation Commission and its Commissioners, visit <http://www.azcc.gov>.

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