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COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG



BRIAN C. McNEIL
EXECUTIVE DIRECTOR

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ARIZONA CORPORATION COMMISSION

MEMORANDUM

TO: Jeff Hatch-Miller, Chairman
William A. Mundell
Mike Gleason
Kristin K. Mayes
Barry Wong

Arizona Corporation Commission

DOCKETED

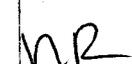
OCT 20 2006

AZ CORP COMMISSION
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FROM: Mark Dinell 
Assistant Director of Securities

DOCKETED BY 

DATE: October 20, 2006

RE: Consent Order for Christopher Ellis Marx in Trend Management Group, Inc. et al., S-20476A-06-0557

CC: Brian C. McNeil, Executive Director

This matter involves a consent Order by Christopher Ellis Marx ("Marx"). Marx is a resident of the state of Arizona. Marx was not registered as a securities salesman at any time relevant to the Order.

Respondent Easy Street Financial Group, Inc. ("Easy Street") is an Arizona corporation. Marx was the President of Easy Street since Easy Street's inception in 2000, including the time relevant to this Order. Also, he was the sole shareholder of Easy Street. Easy Street sold securities issued by Respondent Trend Capital, LLC. During 2004, Easy Street sold at least \$8,435,467.24 of the Trend Capital securities. Those securities were not registered with the state of Arizona. Easy Street is the subject of a Default Order currently pending before the Commission.

The requested restitution for Marx, \$590,482.71, constitutes the commissions paid to him and Easy Street for the sale of Trend Capital certificates of participation. The Division is requesting an administrative penalty in the amount of \$50,000.00.

Further, the Division will be requesting that the Commission enter an Order against Christopher Ellis Marx for violations of A.R.S. §§ 44-1841 (selling unregistered securities), 44-1842 (selling securities while not registered), and 44-1991 (fraud).

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

In the matter of

Trend Management Group, Inc., a Nevada corporation
8601 Six Forks Road, Suite 400
Raleigh, NC 27615

Scott Renny Bogue, Sr. (CRD# 1588216)
and Arlene Jane Bogue, husband and wife
12308 Camberwell Court
Raleigh, NC 27614

Ryan James Herndon and Lori Darlene
Herndon (a.k.a. Lori J. Herndon a.k.a. Lori
Jordan),
husband and wife
609 East Silverwood Drive
Phoenix, AZ 85048

Trend Capital, LLC, an Arizona limited
liability company
4025 East Chandler Blvd. Suite 70F15
Phoenix, AZ 85048

Linda Bryant Jordan (a.k.a. Linda Van
Vranken a.k.a. Linda Jordan-Van Vranken),
a married person, individually and doing
business as

The Trend Group, Inc.
3641 East Park Avenue
Phoenix, AZ 85044

Russell Langdon Van Vranken, husband of
Linda Bryant Jordan
3641 East Park Avenue
Phoenix, AZ 85044

Easy Street Financial Group, Inc., an
Arizona corporation
9949 West Bell Road #202
Sun City, AZ 85371

DOCKET NO. S-20476A-06-0557

DECISION NO. _____

**ORDER TO CEASE AND DESIST, ORDER
OF RESTITUTION, ORDER FOR
ADMINISTRATIVE PENALTIES AND
CONSENT TO SAME BY: RESPONDENT
CHRISTOPHER ELLIS MARX**

1 Christopher Ellis Marx (CRD# 2186523) and)
 Jane Doe Marx, husband and wife,)
 2 26035 N. 85th Drive)
 Peoria, AZ 85383)
 3)
 4 Scot Alan Oglesby and Lori Ann Oglesby,)
 husband and wife,)
 36322 North 12th Avenue)
 5 Desert Hills, AZ 85086)
 6 Respondents.)

Respondent CHRISTOHPER ELLIS MARX elects to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* (“Securities Act”) with respect to this Order To Cease And Desist, Order of Restitution, Order of Administrative Penalties (“Order”). CHRISTOHPER ELLIS MARX admits the jurisdiction of the Arizona Corporation Commission (“Commission”); CHRISTOHPER ELLIS MARX admits the Findings of Fact and Conclusions of Law contained in this Order as to violations of A.R.S. §§ 44-1841 and 44-1842; CHRISTOHPER ELLIS MARX admits only for purposes of this proceeding and any other proceeding before the Commission or any other administrative agency of the state of Arizona the Findings of Fact and Conclusions of Law contained in this Order as to violations of A.R.S. § 44-1991; and consents to the entry of this Order by the Commission.

I.

FINDINGS OF FACT

1. CHRISTOPHER ELLIS MARX (“MARX”), an unmarried individual, is a resident of the state of Arizona. His residential address is 26035 N. 35th Drive, Peoria, AZ 85383.
2. EASY STREET FINANCIAL GROUP, INC. is an Arizona corporation with a last known business address of 9949 West Bell Road #202, Sun City, AZ 85371. EASY STREET filed as a corporation with the state of Arizona on or about August 24, 2000. EASY STREET is registered to do business in the state of Arizona, but is not currently conducting business.

1 3. EASY STREET is not registered as a dealer in the state of Arizona, nor was EASY STREET
2 registered as a dealer at any time relevant to this Order.

3 4. MARX is an individual who is the President of EASY STREET, a Director, and a
4 Shareholder from EASY STREET'S inception on August 24, 2000 until the present, according to the
5 records of the Arizona Corporation Commission, Corporations Division. MARX has been the
6 Secretary and Treasurer of EASY STREET since December 31, 2001 until the present.

7 5. MARX has previously been registered to sell securities in the state of Arizona (CRD#
8 2186523) from October 20, 1992 to September 5, 1995 with Series 6 and Series 63 licenses. MARX
9 is not currently registered to sell securities in the state of Arizona, nor was he licensed to sell
10 securities at any time relevant to this Order.

11 6. In or about September 1999, EASY STREET began advertising high interest rate CD's in
12 local newspapers. Typically, when investors would arrive at the EASY STREET office, they would
13 meet with a salesperson who would offer them additional investment opportunities in insurance
14 products.
15

16 7. After January 1, 2004, investment opportunities offered to investors included investing in the
17 TREND CAPITAL, LLC ("TREND CAPITAL") Certificates of Participation.

18 8. The TREND CAPITAL Certificates of Participation are securities that were not registered as
19 securities in the state of Arizona, nor were they exempt from registration. Specifically, the TREND
20 CAPITAL Certificates of Participation were securities in the form of an investment contract and/or a
21 participation in a profit sharing arrangement and/or an evidence of indebtedness.

22 9. No EASY STREET representative, including MARX, exercised due diligence in any
23 investigation regarding the legitimacy of the TREND CAPITAL or TREND MANAGEMENT
24 GROUP, INC. ("TREND MANAGEMENT") investment. No EASY STREET representative,
25 including MARX, exercised due diligence in any investigation regarding TREND CAPITAL or
26

1 TREND MANAGEMENT officers, SCOTT RENNY BOGUE, SR. ("BOGUE") or RYAN JAMES
2 HERNDON ("HERNDON").

3 10. MARX failed to disclose the lack of due diligence in investigation of TREND CAPITAL and
4 TREND MANAGEMENT to any investor.

5 11. On January 25, 2001, the state of Pennsylvania entered an Order against BOGUE in
6 Commonwealth of Pennsylvania, Pennsylvania Securities Commission vs. Trend Invest, LP, JC
7 Partners, LLC, Scott R. Bogue, Linda L. Eberly, and David Brubaker for violating the registration
8 and anti-fraud provisions of the Pennsylvania Securities Act ("Pennsylvania Order").

9 12. MARX failed to disclose the Pennsylvania Order against BOGUE to any investor.

10 13. MARX sold and offered for sale the TREND CAPITAL Certificates of Participation
11 beginning as early as January 5, 2004 until approximately October 7, 2004 within or from the state of
12 Arizona.

13 14. MARX was not registered as a dealer at any time relevant to this Order, nor was he registered
14 as a dealer at the time he was selling the TREND CAPTIAL Certificates of Participation.

15 15. MARX failed to make a distinction between the business entities of TREND
16 MANAGEMENT, TREND CAPITAL and THE TREND GROUP, INC. in providing information to
17 investors.

18 16. MARX misrepresented the nature and the character of the investment to the investors.

19 17. MARX failed to disclose the risk of investment in the TREND CAPITAL Certificates of
20 Participation, including, but not limited to: reduced debt recovery margins, increased costs to acquire
21 consumer debt, limited ability to transfer the security, the illiquidity of the investment, that TREND
22 MANAGEMENT was a new company with limited resources, that TREND CAPITAL was a new
23 company with limited resources, that if debt recovery parameters were inaccurate the company may
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1 not realize projected earnings, and that a weak economy could adversely affect the entity's ability to
2 recover consumer debt.

3 18. MARX failed to provide investors with any financial information regarding TREND
4 CAPITAL or TREND MANAGEMENT.

5 19. MARX made untrue statements of material fact in indicating that the investment in the
6 TREND CAPITAL Certificates of Participation was guaranteed by US Bank.

7 20. By 2004, EASY STREET had expanded from its original office location in Carefree, Arizona
8 to six office locations in Scottsdale, Sun City, Tempe, Gilbert, Prescott, and Yuma. Further, EASY
9 STREET had opened offices in Nevada, California, Florida, and North Carolina.

10 21. On or about February 27, 2003, EASY STREET filed as a foreign corporation with the state
11 of Nevada. On November 24, 2004, the State of Nevada, Office of the Secretary of State issued a
12 Permanent Order In the Matter of Easy Street Financial Group, Inc., Christopher E. Marx, and Scot
13 Oglesby, File No. 103-054, to cease and desist from violating the Nevada Securities Laws.

14 22. On or about March 6, 2003, EASY STREET was filed as a foreign corporation in the state of
15 California. On April 3, 2003, the State of California, Department of Corporations issued an Order in
16 the matter of Damon George, Easy Street Financial Group, Inc. (California) Randall Keith Ward,
17 Christopher E. Marx, and Easy Street Financial Group, Inc. (Arizona) to desist and refrain from
18 offering securities in the form of certificates of deposit whose yield includes a bonus paid by a non-
19 FDIC insured entity (the "California Order"). MARX failed to disclose the state of California's Order
20 against him and EASY STREET to any investor.
21

22 23. On or about June 4, 2004, EASY STREET filed as a foreign corporation in the state of
23 Florida, with MARX as the named President.
24

25 24. On or about April 27, 2004 EASY STREET filed as foreign corporation in the State of North
26 Carolina. According to EASY STREET'S application, MARX is listed as the corporation's

1 President. BOGUE is listed as an Officer of EASY STREET, as well as the Registered Agent. The
2 mailing address for EASY STREET in North Carolina is the same address as TREND
3 MANAGEMENT.

4 25. EASY STREET FINANCIAL GROUP, INC. raised at least \$8,435,467.24 from investors
5 in the Trend Capital securities investments.

6 26. During the course of MARX's and EASY STREET's sales of the TREND CAPITAL
7 Certificates of Participation, MARX was paid at least \$590,482.71 in commission compensation for
8 himself and on behalf of EASY STREET relating to sale of the Trend Capital securities.

9 **II.**

10 **CONCLUSIONS OF LAW**

11 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
12 Arizona Constitution and the Securities Act.

13 2. CHRISTOPHER ELLIS MARX offered or sold securities within or from Arizona,
14 within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

15 3. CHRISTOPHER ELLIS MARX violated A.R.S. § 44-1841 by offering or selling
16 securities that were neither registered nor exempt from registration.

17 4. CHRISTOPHER ELLIS MARX violated A.R.S. § 44-1842 by offering or selling
18 securities while not registered as a salesmen nor was he exempt from registration.

19 5. CHRISTOPHER ELLIS MARX violated A.R.S. § 44-1991 by (a) employing a
20 device, scheme or artifice to defraud, (b) making untrue statements or misleading omissions of
21 material facts, and (c) engaging in transactions, practices or courses of business which operate or
22 would operate as a fraud or deceit. CHRISTOPHER ELLIS MARX'S conduct includes, but is not
23 limited to, the following:
24

25 a) Failed to disclose the Pennsylvania Order against SCOTT RENNY BOGUE, SR.
26

- 1 b) Failed disclose the State of California's Order against CHRISOTPHER ELLIS
2 MARX.
- 3 c) Failed to disclose the State of California's Order against EASY STREET
4 FINANCIAL GROUP, INC.
- 5 d) Failed to disclose risk of loss of the investment to investors.
- 6 e) Failed to disclose lack of due diligence in investigation of TREND CAPITAL and
7 TREND MANAGEMENT.
- 8 f) Failed to provide investors with any financial information regarding TREND
9 CAPITAL or TREND MANAGEMENT.
- 10 g) Misrepresented to investors of the nature and character of the investment.
- 11 h) Failed to disclose risks of investment including, but not limited to: reduced debt
12 recovery margins, increased costs to acquire consumer debt, limited ability to
13 transfer the security, the illiquidity of the investment, that TREND
14 MANAGEMENT was a new company with limited resources, that TREND
15 CAPITAL was a new company with limited resources, that if debt recovery
16 parameters were inaccurate the company may not realize projected earnings, and
17 that a weak economy could adversely affect the entity's ability to recover consumer
18 debt.

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20 6. CHRISTOPHER ELLIS MARX's conduct is grounds for a cease and desist order
21 pursuant to A.R.S. § 44-2032.

22
23 7. CHRISTOPHER ELLIS MARX's conduct is grounds for an order of restitution
24 pursuant to A.R.S. § 44-2032.

25 8. CHRISTOPHER ELLIS MARX's conduct is grounds for administrative penalties
26 under A.R.S. § 44-2036.

III.**ORDER**

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3 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and
4 CHRISTOPHER ELLIS MARX's consent to the entry of this Order, attached and incorporated by
5 reference, the Commission finds that the following relief is appropriate, in the public interest, and
6 necessary for the protection of investors:

7 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that CHRISTOPHER ELLIS MARX and
8 any of CHRISTOPHER ELLIS MARX's agents, employees, successors and assigns, permanently
9 cease and desist from violating the Securities Act. CHRISTOPHER ELLIS MARX shall not sell
10 any securities in or from Arizona without being registered in Arizona as a dealer or salesman, or
11 exempt from such registration. CHRISTOPHER ELLIS MARX shall not sell securities in or from
12 Arizona unless the securities are registered in Arizona or exempt from registration.
13

14 IT IS FURTHER ORDERED that CHRISTOPHER ELLIS MARX comply with the
15 attached Consent to Entry of Order.

16 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that CHRISTOPHER ELLIS
17 MARX shall pay restitution to the Commission in the amount of \$590,482.71 on the date of this
18 Order. Any amount outstanding shall accrue interest at the rate of 10% per annum from the date of
19 this Order until paid in full. Payment shall be made to the "State of Arizona" to be placed in an
20 interest-bearing account maintained and controlled by the Commission. The Commission shall
21 disburse the funds on a pro rata basis to investors shown on the records of the Commission. Any
22 restitution funds that the Commission cannot disburse because an investor refuses to accept such
23 payment shall be disbursed on a pro-rata basis to the remaining investors shown on the records of
24 the Commission. Any funds that the Commission determines it is unable to or cannot feasibly
25 disburse shall be transferred to the general fund of the state of Arizona.
26

1 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that CHRISTOPHER ELLIS
2 MARX shall pay an administrative penalty in the amount of \$50,000. Any amount not paid on the
3 date of this Order shall accrue interest at the rate of 10% per annum from the date of this Order
4 until paid in full. The payment obligations for these administrative penalties shall be subordinate
5 to any restitution obligations ordered herein and shall become immediately due and payable only
6 after restitution payments have been paid in full or upon CHRISTOPHER ELLIS MARX's default
7 with respect to his restitution obligations.

8 For purposes of this Order, a bankruptcy filing by CHRISTOPHER ELLIS MARX shall be
9 an act of default. If CHRISTOPHER ELLIS MARX does not comply with this Order, any
10 outstanding balance may be deemed in default and shall be immediately due and payable.
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1 IT IS FURTHER ORDERED, that if CHRISTOPHER ELLIS MARX fails to comply with
2 this Order, the Commission may bring further legal proceedings against that him, including
3 application to the superior court for an order of contempt.

4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION
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8 _____
CHAIRMAN

COMMISSIONER

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10 _____
COMMISSIONER

COMMISSIONER

COMMISSIONER

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12 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
13 Executive Director of the Arizona Corporation
14 Commission, have hereunto set my hand and caused the
15 official seal of the Commission to be affixed at the
16 Capitol, in the City of Phoenix, this _____ day of
17 November, 2006.

18 _____
BRIAN C. McNEIL
19 Executive Director

20 _____
21 DISSENT

22 _____
23 DISSENT

24 This document is available in alternative formats by contacting Linda Hogan, Executive Assistant
25 to the Executive Director, voice phone number 602-542-3931, E-mail lhogan@azcc.gov.

26 (MMA)

CONSENT TO ENTRY OF ORDER

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1. Respondent CHRISTOPHER ELLIS MARX, an individual, admits the jurisdiction of the Commission over the subject matter of this proceeding. Respondent CHRISTOPHER ELLIS MARX acknowledges that he has been fully advised of his right to a hearing, to present evidence, and call witnesses. Respondent CHRISTOPHER ELLIS MARX knowingly and voluntarily waives any and all rights to a hearing before the Commission and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. Respondent CHRISTOPHER ELLIS MARX acknowledges that this ORDER TO CEASE AND DESIST, ORDER OF RESTITUTION, ORDER FOR ADMINISTRATIVE PENALTIES (“Order”) constitutes a valid final order of the Commission.

2. Respondent CHRISTOPHER ELLIS MARX knowingly and voluntarily waives any right under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of this Order.

3. Respondent CHRISTOPHER ELLIS MARX acknowledges and agrees that this Order is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.

4. Respondent CHRISTOPHER ELLIS MARX acknowledges that he has been represented by an attorney in this matter, that he has reviewed this Order with his attorney, Alan Baskin, and that he understands all terms it contains.

5. Respondent CHRISTOPHER ELLIS MARX admits the Findings of Fact and Conclusions of Law contained in this Order as to violations of ARS §§ 44-1841 and 44-1842.

6. Respondent CHRISTOPHER ELLIS MARX admits only for purposes of this proceeding and any other administrative proceeding before the Commission or any other administrative agency of the state of Arizona the Findings of Fact and Conclusions of Law contained in this Order as to violations of ARS § 44-1991.

1 7. Respondent CHRISTOPHER ELLIS MARX agrees that he shall not contest the
2 validity of the Findings of Fact and Conclusions of Law contained in this Order in any present or
3 future administrative proceeding before the Commission or any other administrative state agency
4 concerning the revocation, denial or issuance of any license or registration required by the State to
5 engage in the practice of any business or profession.

6 6. By consenting to the entry of this Order, Respondent CHRISTOPHER ELLIS
7 MARX agrees not to take any action or to make, or permit to be made, any public statement
8 denying, directly or indirectly, any Finding of Fact or Conclusion of Law in this Order or creating
9 the impression that this Order is without factual basis. Respondent CHRISTOPHER ELLIS
10 MARX will undertake steps necessary to assure that all of his agents and employees understand
11 and comply with this agreement.

12 7. While this Order settles this administrative matter between Respondent
13 CHRISTOPHER ELLIS MARX and the Commission, Respondent CHRISTOPHER ELLIS
14 MARX understands that this Order does not preclude the Commission from instituting other
15 administrative or civil proceedings based on violations that are not addressed by this Order.

16 8. Respondent CHRISTOPHER ELLIS MARX understands that this Order does not
17 preclude the Commission from referring this matter to any governmental agency for
18 administrative, civil, or criminal proceedings that may be related to the matters addressed by this
19 Order.

20 9. Respondent CHRISTOPHER ELLIS MARX understands that this Order does not
21 preclude any other agency or officer of the state of Arizona or its subdivisions from instituting
22 administrative, civil, or criminal proceedings that may be related to matters addressed by this
23 Order.

24 10. Respondent CHRISTOPHER ELLIS MARX agrees that he will not apply to the
25 state of Arizona for registration as a securities dealer or salesman or for licensure as an investment
26 adviser or investment adviser representative at any time in the future.

1 11. Respondent CHRISTOPHER ELLIS MARX agrees that he will not exercise any
2 control over any entity that offers or sells securities or provides investment advisory services
3 within or from Arizona at any time in the future.

4 12. Respondent CHRISTOPHER ELLIS MARX agrees that he will not sell any
5 securities in or from Arizona without being properly registered in Arizona as a dealer or salesman,
6 or exempt from such registration; he will not sell any securities in or from Arizona unless the
7 securities are registered in Arizona or exempt from registration; and he will not transact business in
8 Arizona as an investment adviser or an investment adviser representative unless properly licensed
9 in Arizona or exempt from licensure.

10 13. Respondent CHRISTOPHER ELLIS MARX agrees that he will continue to
11 cooperate with the Securities Division including, but not limited to, providing complete and
12 accurate testimony at any hearing in this matter and cooperating with the state of Arizona in any
13 related investigation or any other matters arising from the activities described in this Order, such
14 that it is not inconsistent with his 5th Amendment rights.

15 14. Respondent CHRISTOPHER ELLIS MARX consents to the entry of this Order and
16 agrees to be fully bound by its terms and conditions.

17 15. Respondent CHRISTOPHER ELLIS MARX acknowledges and understands that if
18 he fails to comply with the provisions of the order and this consent, the Commission may bring
19 further legal proceedings against him, including application to the superior court for an order of
20 contempt.

21 16. Respondent CHRISTOPHER ELLIS MARX understands that default shall render
22 him liable to the Commission for its costs of collection and interest at the maximum legal rate.

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