



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

Arizona Corporation Commission

DOCKETED

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DOCKETED BY

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In the matter of )

DOCKET NO. S-20476A-06-0557

Trend Management Group, Inc., a Nevada )  
corporation )

8601 Six Forks Road, Suite 400 )  
Raleigh, NC 27615 )

DECISION NO. 69124

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

**ORDER TO CEASE AND DESIST, ORDER  
OF RESTITUTION, ORDER FOR  
ADMINISTRATIVE PENALTIES RE: EASY  
STREET FINANCIAL GROUP, INC.**

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 )

1 Christopher Ellis Marx (CRD# 2186523) and )  
 Jane Doe Marx, husband and wife, )  
 2 6623 West Desert Hollow Drive )  
 Glendale, AZ 85310 )  
 3 Scot Alan Oglesby and Lori Ann Oglesby, )  
 husband and wife, )  
 4 36322 North 12<sup>th</sup> Avenue )  
 Desert Hills, AZ 85086 )  
 5 Respondents. )  
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I.

INTRODUCTION

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 10 On September 5, 2005 the Securities Division (“Division”) of the Arizona Corporation  
 11 Commission (“Commission”) filed a Notice of Opportunity for Hearing against that TREND  
 12 MANAGEMENT GROUP, INC., SCOTT RENNY BOGUE, SR., RYAN JAMES HERNDON,  
 13 TREND CAPITAL, LLC, LINDA BRYANT JORDAN (A.K.A. LINDA VAN VRANKEN  
 14 A.K.A. LINDA JORDAN-VAN VRANKEN) individually and doing business as THE TREND  
 15 GROUP, INC., EASY STREET FINANCIAL GROUP, INC., CHRISTOPHER ELLIS MARX  
 16 and SCOT ALAN OGLESBY alleging violations of the Arizona Securities Act (the “Act”). The  
 17 Notice specified that RESPONDENTS would be afforded an opportunity for an administrative  
 18 hearing upon written request filed with the Commission’s Docket Control within ten (10) days after  
 19 receipt of the Notice, in accordance with A.A.C. R14-4-306(B).  
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21 The Division has properly served EASY STREET FINANCIAL GROUP, INC. on  
 22 September 6, 2006 by certified mail and the receipt was returned to the Division. EASY  
 23 STREET FINANCIAL GROUP, INC. has failed to request an administrative hearing within ten  
 24 (10) days after receipt of the Notice.  
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II.

FINDINGS OF FACT

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3 1. EASY STREET FINANCIAL GROUP, INC. ("EASY STREET") is an Arizona  
4 corporation with a last known business address of 9949 West Bell Road #202, Sun City, AZ  
5 85371.

6 2. EASY STREET is doing business in the state of Arizona. EASY STREET filed as a  
7 corporation with the state of Arizona on or about August 24, 2000.

8 3. EASY STREET is not registered to sell securities in the state of Arizona.

9 4. CHRISTOPHER ELLIS MARX ("MARX") is an individual who is the President of  
10 EASY STREET, a Director, and a Shareholder from EASY STREET'S inception on August 24,  
11 2000 until the present, according to the records of the Arizona Corporation Commission,  
12 Corporations Division. MARX has been the Secretary and Treasurer of EASY STREET since  
13 December 31, 2001 until the present.

14 5. SCOT ALAN OGLESBY ("OGLESBY") is an individual who was the Vice President  
15 of EASY STREET from August 24, 2000 until December 31, 2001, and then again from April  
16 14, 2003 until September 1, 2005, according to the records of the Arizona Corporation  
17 Commission, Corporations Division. OGLESBY was also a Director and a Shareholder from  
18 August 24, 2000 until approximately December 31, 2001.

19 6. In or about September 1999, EASY STREET began advertising high interest rate CD's  
20 in local newspapers. Typically, when investors would arrive at the EASY STREET office, they  
21 would meet with a salesperson who would offer them additional investment opportunities in  
22 insurance products.  
23  
24

25 7. After January 1, 2004, those additional investment opportunities included investing in  
26 the TREND CAPITAL, LLC ("TREND CAPITAL") Certificates of Participation. The TREND

1 CAPITAL Certificates of Participation were sold primarily through EASY STREET's licensed  
2 insurance agents using a "bait and switch" operation. EASY STREET salespeople offered the  
3 TREND CAPITAL Certificates of Participation investment to individuals, when an investor  
4 would respond to a high interest rate CD advertisement.

5 8. Documents received by investors indicated the investors were offered and sold either (i)  
6 a "membership" in TREND CAPITAL through the purchase of "certificates of participation" or  
7 (ii) "debt receivables" purchased by the investor and serviced through TREND CAPITAL  
8 (collectively, the "TREND CAPITAL Certificates of Participation"). The TREND CAPITAL  
9 Certificates of Participation were securities in the form of an investment contract and/or a  
10 participation in a profit sharing arrangement and/or an evidence of indebtedness.  
11

12 9. The TREND CAPITAL Certificates of Participation were not registered as securities,  
13 nor were they exempt from registration.

14 10. No EASY STREET representative exercised any due diligence in any investigation  
15 regarding the legitimacy of the TREND CAPITAL investment.

16 11. HERNDON is the only named managing member of TREND CAPITAL and the sole  
17 member of TREND CAPITAL. No EASY STREET representative exercised any due diligence  
18 in any investigation regarding HERNDON.

19 12. EASY STREET sold the TREND CAPITAL Certificates of Participation beginning at  
20 least as early as January 5, 2004 until at least October 7, 2004.

21 13. EASY STREET salespeople failed to make a distinction between the business entities  
22 of TREND MANAGEMENT GROUP, INC. ("TREND MANAGEMENT"), TREND CAPITAL  
23 and THE TREND GROUP, INC. which were entity names used interchangeably when dealing  
24 with investors.  
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1 14. EASY STREET salespeople told some investors that the investment was with a debt  
2 collection agency called Trend.

3 15. EASY STREET salespeople failed to disclose the risk of investment in the TREND  
4 CAPITAL Certificates of Participation, including, but not limited to: reduced debt recovery  
5 margins, increased costs to acquire consumer debt, limited ability to transfer the security, the  
6 illiquidity of the investment, that TREND MANAGEMENT was a new company with limited  
7 resources, that TREND CAPITAL was a new company with limited resources, that if debt  
8 recovery parameters were inaccurate the company may not realize projected earnings, and that a  
9 weak economy could adversely affect the entity's ability to recover consumer debt.  
10

11 16. EASY STREET salespeople made untrue statements of material fact in indicating that  
12 the investment in the TREND CAPITAL Certificates of Participation was guaranteed by US  
13 Bank.

14 17. Some EASY STREET clients who invested in the TREND CAPITAL Certificates of  
15 Participation believed that that investment was actually a high interest rate CD.

16 18. Both EASY STREET and EASY STREET salespeople would make a commission on  
17 the sale of the TREND CAPITAL Certificates of Participation.

18 19. EASY STREET's salespeople were not licensed securities salesmen during the times  
19 relevant to the Notice filed in this matter.

20 20. By 2004, EASY STREET had expanded from its original office location in Carefree,  
21 Arizona to six office locations in Scottsdale, Sun City, Tempe, Gilbert, Prescott, and Yuma.  
22 Further, EASY STREET had opened offices in Nevada, California, Florida, and North Carolina.  
23

24 21. EASY STREET filed as a foreign corporation with the state of Nevada on or about  
25 February 27, 2003. On November 24, 2004, the State of Nevada, Office of the Secretary of State  
26 issued a Permanent Order In the Matter of Easy Street Financial Group, Inc., Christopher E.

1 Marx, and Scot Ogelsby, File No. 103-054, to cease and desist from violating the Nevada  
2 Securities Laws.

3 22. On or about March 6, 2003, EASY STREET was filed as a foreign corporation in the  
4 state of California. On April 3, 2003, the State of California, Department of Corporations issued  
5 an Order in the matter of Damon George, Easy Street Financial Group, Inc. (California) Randall  
6 Keith Ward, Christopher E. Marx, and Easy Street Financial Group, Inc. (Arizona) to desist and  
7 refrain from offering securities in the form of certificates of deposit whose yield includes a bonus  
8 paid by a non-FDIC insured entity (the "California Order"). EASY STREET failed to disclose  
9 the California Order to investors.

10 23. On or about June 4, 2004, EASY STREET filed as a foreign corporation in the state of  
11 Florida.

12 24. On or about April 27, 2004 EASY STREET filed as foreign corporation in the State of  
13 North Carolina. As of the filing of the Notice, EASY STREET is recognized in the state of North  
14 Carolina as a current and active corporation. The mailing address for EASY STREET in North  
15 Carolina is the same address as TREND MANAGEMENT.

16 25. There are over 281 investors throughout the United States who invested in the TREND  
17 CAPITAL Certificates of Participation through EASY STREET. Of those 281 investors, 237 are  
18 from Arizona.

19 26. EASY STREET FINANCIAL GROUP, INC. took in at least \$8,435,467.24 in the  
20 Trend securities investments.

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23 **III.**

24 **CONCLUSIONS OF LAW**

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



1 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that EASY STREET FINANCIAL  
2 GROUP, INC., and any of EASY STREET FINANCIAL GROUP, INC.'s agents, employees,  
3 successors and assigns, permanently cease and desist from violating the Securities Act. EASY  
4 STREET FINANCIAL GROUP, INC. shall not sell any securities in or from Arizona without  
5 being registered in Arizona as dealers or salesmen, or exempt from such registration.  
6 Respondents shall not sell securities in or from Arizona unless the securities are registered in  
7 Arizona or exempt from registration.

8 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that EASY STREET FINANCIAL  
9 GROUP, INC. shall pay, jointly and severally with any other RESPONDENTS, RESPONDENT  
10 ENTITIES or RESPONDENT SPOUSES delineated in the Notice, restitution to investors shown  
11 on the records of the Commission in the amount of \$8,435,467.24 plus interest at the rate of 10%  
12 per annum from the date of this Order until paid in full. Credit toward restitution may be given, if  
13 sufficient evidence is presented to the Securities Division of previous payment to investors.  
14

15 IT IS FURTHER ORDERED that all payment shall be made by cashier's check or money  
16 order payable to the "State of Arizona" to be placed in an interest-bearing account maintained  
17 and controlled by the Commission. The Commission shall disburse the funds on a pro rata basis  
18 to investors. Any funds that the Commission is unable to disburse shall be transferred to the  
19 general fund of the state of Arizona.  
20

21 If EASY STREET FINANCIAL GROUP, INC. does not comply with this order of  
22 restitution, any outstanding balance shall be in default and shall be immediately due and payable,  
23 without further notice.

24 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that EASY STREET  
25 FINANCIAL GROUP, INC. shall pay an administrative penalty in the amount of \$100,000.00.  
26 Payment shall be made in full by cashier's check or money order on the date of this Order,

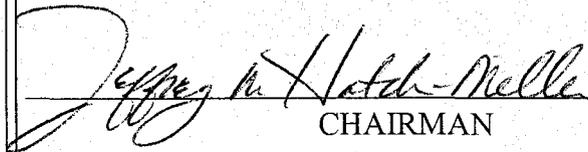
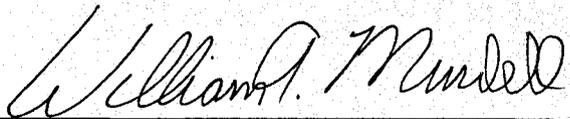
1 payable to the "State of Arizona." The payment obligations for these administrative penalties  
2 shall be subordinate to any restitution obligations ordered herein and shall become immediately  
3 due and payable only after restitution payments have been paid in full, or if EASY STREET  
4 FINANCIAL GROUP, INC. has defaulted prior to fulfilling EASY STREET FINANCIAL  
5 GROUP, INC.'s restitution obligations. For the purposes of this Order, a bankruptcy filing by  
6 EASY STREET FINANCIAL GROUP, INC. shall be an act of default on EASY STREET  
7 FINANCIAL GROUP, INC.'s restitution obligations.

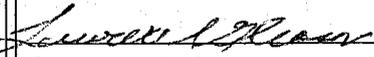
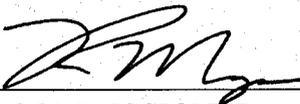
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1 If EASY STREET FINANCIAL GROUP, INC. does not comply with this order for  
2 administrative penalties, any outstanding balance may be deemed in default and shall be  
3 immediately due and payable, without further notice.

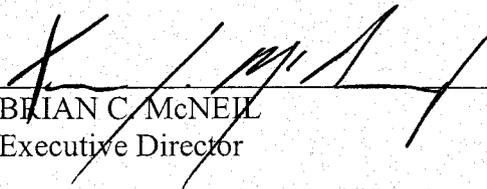
4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION  
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7    
8 CHAIRMAN COMMISSIONER  
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10    
11 COMMISSIONER COMMISSIONER COMMISSIONER  
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13 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive  
14 Director of the Arizona Corporation Commission, have  
15 hereunto set my hand and caused the official seal of the  
16 Commission to be affixed at the Capitol, in the City of  
17 Phoenix, this 14<sup>th</sup> day of November, 2006.

18   
19 BRIAN C. McNEIL  
20 Executive Director

21 \_\_\_\_\_  
22 DISSENT

23 \_\_\_\_\_  
24 DISSENT

25 This document is available in alternative formats by contacting Linda Hogan, Executive Assistant  
26 to the Executive Director, voice phone number 602-542-3931, E-mail [lhogan@cc.state.az.us](mailto:lhogan@cc.state.az.us).

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