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**COMMISSIONERS**  
KRISTIN K. MAYES, Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP



1300 West Washington, Third Floor  
Phoenix, AZ 85007  
TELEPHONE: (602) 542-4242  
FAX: (602) 594-7470  
E-MAIL: securitiesdiv@azcc.gov

ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

ARIZONA CORPORATION COMMISSION

**ORIGINAL**

**MEMORANDUM**

**TO:** Kristin K. Mayes, Chairman  
Gary Pierce  
Paul Newman  
Sandra D. Kennedy  
Bob Stump

Arizona Corporation Commission  
**DOCKETED**

APR 28 2010

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AZ CORP COMMISSION  
DOCKET CONTROL

**FROM:** Matthew J. Neubert *[Signature]*  
Director of Securities

DOCKETED BY *[Signature]*

**DATE:** April 20, 2010

**RE:** Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same by Michael Vincent Ring, Kelly Ring and Elysium Capital Group, L.L.C. (S-20702A-09-0460)

**CC:** Ernest G. Johnson, Executive Director

Attached is a proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same by Michael Vincent Ring, Kelly Ring and Elysium Capital Group, L.L.C. ("collectively referred to as "Respondents"). The Order requires Respondents to cease and desist their activity, repay investors \$64,100 and pay an administrative penalty in the amount of \$10,000.

Respondents Michael Vincent Ring ("Ring") and Elysium Capital Group, L.L.C. offered and sold securities from Arizona in the form of investment contracts to an investment group consisting of eight investors in an amount totaling \$356,056. Ring received compensation from his sale of securities in the form of sales commissions in an amount totaling \$64,100. The investment opportunity offered involved leased bank guarantees.

The Order finds that Respondents violated A.R.S. §§44-1841, 44-1842 and 44-1991 by selling unregistered securities while being unlicensed and making untrue statements or misleading omissions of material facts. The Division believes that this Consent Order is appropriate to protect the public welfare. The Dorman Respondents consented to the entry of an Order before the Commission at the April 13, 2010 Open Meeting.

Originator: William W. Black

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 KRISTIN K. MAYES, Chairman  
4 GARY PIERCE  
5 PAUL NEWMAN  
6 SANDRA D. KENNEDY  
7 BOB STUMP

7 In the matter of )  
8 RICHARD MILES DORMAN and ) DOCKET NO. S-20702A-09-0460  
9 REBECCA DORMAN, husband and wife, )  
10 MICHAEL VINCENT RING and KELLY ) DECISION NO. \_\_\_\_\_  
11 RING, husband and wife, ) **ORDER TO CEASE AND DESIST, ORDER**  
12 ELYSIUM CAPITAL GROUP, L.L.C., a ) **FOR RESTITUTION, ORDER FOR**  
13 Nevada limited liability company, ) **ADMINISTRATIVE PENALTIES AND**  
14 Respondents. ) **CONSENT TO SAME**  
15 ) **BY: RESPONDENTS MICHAEL VINCENT**  
16 ) **RING, KELLY RING AND ELYSIUM**  
17 ) **CAPITAL GROUP, L.L.C.**  
18 )

14 Respondents MICHAEL VINCENT RING, KELLY RING and ELYSIUM CAPITAL  
15 GROUP, L.L.C. ("Respondents") elect to permanently waive any right to a hearing and appeal  
16 under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities  
17 Act") with respect to this Order To Cease And Desist, Order for Restitution, Order for  
18 Administrative Penalties and Consent to Same ("Order"). Respondents admit the jurisdiction of  
19 the Arizona Corporation Commission ("Commission"); neither admit nor deny the Findings of  
20 Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the  
21 Commission.

22 **I. FINDINGS OF FACT**

23 1. At all times material hereto, Respondents MICHAEL VINCENT RING ("RING")  
24 and ELYSIUM CAPITAL GROUP, L.L.C. have conducted business, including the offer and sale  
25 of securities, from a home and/or office located in Maricopa County, Arizona.  
26

1           2.       At all time material hereto, RING was married to KELLY RING. All action taken  
2 by RING was in furtherance of and for the benefit of the marital community of RING and KELLY  
3 RING. KELLY RING therefore is joined in this action, pursuant to A.R.S. §44-2031(C), to  
4 determine the liability of the marital community for the violations alleged herein.

5           3.       KELLY RING may be referred to as "Respondent Spouse."

6           4.       ELYSIUM CAPITAL GROUP, L.L.C. ("ELYSIUM"), a Nevada limited liability  
7 company, was formed on or about August 28, 2008. The articles of organization for ELYSIUM  
8 identify RICHARD MILES DORMAN ("DORMAN") and RING as managers.

9           5.       After the formation of ELYSIUM on August 28, 2008, RING, through ELYSIUM,  
10 continued to offer and sell securities from Arizona in the form of investment contracts.

11          6.       RING offered and sold securities from Arizona in the form of investment contracts  
12 to an investment group consisting of eight investors in an amount totaling \$356,056.

13          7.       RING received compensation in the form of sales commissions from his sale of  
14 securities in an amount totaling \$64,100.

15          8.       At all times material hereto, Respondents RING and ELYSIUM have not been  
16 registered as dealers or securities salesman.

17          9.       Prior to forming ELYSIUM, RING was employed by DORMAN as a loan officer in  
18 the mortgage loan industry.

19          10.      On or about July 22, 2008, a prospective investor, on behalf of a group of investors,  
20 responded to the Craig's List ad seeking information on the investment opportunity offered through  
21 the ad.

22          11.      On July 30, 2008, four representatives from the group of investors who had  
23 responded to the Craig's List ad traveled to Arizona to meet with DORMAN and RING to discuss  
24 an investment opportunity involving leased bank guarantees.

25          12.      On August 20, 2008, DORMAN and RING flew to Southern California to meet  
26 with a group of approximately twenty potential investors, some of whom were affiliated with the

1 group who had responded to the Craig's List ad. At the meeting, DORMAN presented the  
2 investment opportunity involving leased bank guarantees to the group of prospective investors.

3 13. Leased bank guarantees are bank guarantees that are leased to a third party for a fee.  
4 The issuing bank conducts due diligence on the creditworthiness of the customer looking to secure  
5 a bank guarantee, then leases the guarantee to that customer for a certain amount of money over a  
6 specified timeframe. The issuing bank then sends the guarantee to the borrower's main bank, and  
7 the issuing bank then becomes a backer for the debts incurred by the borrower, up to the  
8 guaranteed amount. There are a number of worldwide banks that lease bank guarantees, usually  
9 involving a minimum amount of \$5 million and, in some instances, exceeding \$10 billion.

10 14. On September 2, 2008, based upon the instructions received from DORMAN,  
11 investors wired \$356,056 into an escrow account set up with an escrow company based in Arizona.

12 15. DORMAN informed investors that once the funds were received in the escrow  
13 account, they would be wired to a bank in Spain that would then use the funds to purchase a leased  
14 bank guarantee from a nationally chartered bank known worldwide and based in the United  
15 Kingdom.

16 16. DORMAN informed investors that the amount invested (\$356,056) would purchase  
17 a \$200,000,000 bank guarantee that would result in a total payout to investors of \$109,970,500  
18 within one year from the date of the investment.

19 17. Pursuant to the fee agreement ("agreement") investors executed with ELYSIUM,  
20 the fee to be paid to DORMAN and RING was six percent (6%) of the instrument amount  
21 (\$200,000,000).

22 18. In exchange for the fee to be received, RING and DORMAN agreed to complete the  
23 compliance package and other necessary documentation required to initiate the leased bank  
24 guarantee investment.

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26





1 investor because the investor is deceased and the Commission cannot reasonably identify and  
2 locate the deceased investor's spouse or natural children surviving at the time of the distribution,  
3 shall be disbursed on a pro-rata basis to the remaining investors shown on the records of the  
4 Commission. Any funds that the Commission determines it is unable to or cannot feasibly  
5 disburse shall be transferred to the general fund of the state of Arizona.

6 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents RING,  
7 ELYSIUM and the marital community of Respondents RING and KELLY RING, jointly and  
8 severally shall pay an administrative penalty in the amount of \$10,000. Payment shall be made to  
9 the "State of Arizona." Any amount outstanding shall accrue interest as allowed by law. The  
10 payment obligations for these administrative penalties shall be subordinate to any restitution  
11 obligations ordered herein and shall become immediately due and payable only after restitution  
12 payments have been paid in full or upon Respondents' default with respect to Respondents'  
13 restitution obligations.

14 For purposes of this Order, a bankruptcy filing by any of the Respondents shall be an act of  
15 default. If any Respondent does not comply with this Order, any outstanding balance may be  
16 deemed in default and shall be immediately due and payable.

17 IT IS FURTHER ORDERED, that if any Respondent fails to comply with this Order, the  
18 Commission may bring further legal proceedings against that Respondent, including application to  
19 the superior court for an order of contempt.

20 IT IS FURTHER ORDERED, that no finding of fact or conclusion of law contained in this  
21 Order shall be deemed binding against any Respondent under this Docket Number who has not  
22 consented to the entry of this Order.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN COMMISSIONER

COMMISSIONER COMMISSIONER COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Shaylin A. Bernal, ADA Coordinator, voice phone number 602-542-3931, e-mail [sabernal@azcc.gov](mailto:sabernal@azcc.gov).

(wwb)

**CONSENT TO ENTRY OF ORDER**

1  
2           1.       Respondents MICHAEL VINCENT RING (“RING”), KELLY RING and  
3 ELYSIUM CAPITAL GROUP, L.L.C. (“Respondents”) admit the jurisdiction of the Commission  
4 over the subject matter of this proceeding. Respondents acknowledge that they have been fully  
5 advised of their right to a hearing to present evidence and call witnesses and they knowingly and  
6 voluntarily waive any and all rights to a hearing before the Commission and all other rights  
7 otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona  
8 Administrative Code. Respondents acknowledge that this Order To Cease And Desist, Order for  
9 Restitution, Order for Administrative Penalties and Consent to Same (“Order”) constitutes a valid  
10 final order of the Commission.

11           2.       Respondents knowingly and voluntarily waive any right under Article 12 of the  
12 Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief  
13 resulting from the entry of this Order.

14           3.       Respondents acknowledge and agree that this Order is entered into freely and  
15 voluntarily and that no promise was made or coercion used to induce such entry.

16           4.       Respondent RING and Respondent Spouse, KELLY RING, have been represented  
17 by an attorney in this matter. Respondents RING and KELLY RING have reviewed this order with  
18 their attorney, Steve T. Skivington, and understand all terms it contains. Respondents RING and  
19 KELLY RING acknowledge that their attorney has apprised them of their rights regarding any  
20 conflicts of interest arising from dual representation. Respondents RING and KELLY RING  
21 acknowledge that they have each given their informed consent to such representation.

22           5.       Respondents neither admit nor deny the Findings of Fact and Conclusions of Law  
23 contained in this Order. Respondents agree that they shall not contest the validity of the Findings  
24 of Fact and Conclusions of Law contained in this Order in any present or future administrative  
25 proceeding before the Commission or any other state agency concerning the denial or issuance of  
26

1 any license or registration required by the state to engage in the practice of any business or  
2 profession.

3 6. Notwithstanding the foregoing, this Order is not intended to collaterally estop,  
4 factually bind or preclude the Respondents from defending themselves in any administrative, civil,  
5 bankruptcy or criminal proceedings to which the Commission is not a party.

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

11 8. While this Order settles this administrative matter between Respondents and the  
12 Commission, Respondents understand that this Order does not preclude the Commission from  
13 instituting other administrative or civil proceedings based on violations that are not addressed by  
14 this Order.

15 9. Respondents understand that this Order does not preclude the Commission from  
16 referring this matter to any governmental agency for administrative, civil, or criminal proceedings  
17 that may be related to the matters addressed by this Order.

18 10. Respondents understand that this Order does not preclude any other agency or  
19 officer of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal  
20 proceedings that may be related to matters addressed by this Order.

21 11. Respondents RING and ELYSIUM agree that they will not apply to the state of  
22 Arizona for registration as a securities dealer or salesman or for licensure as an investment adviser  
23 or investment adviser representative until such time as all restitution and penalties under this Order  
24 are paid in full.

25

26

1           12. Respondents RING and ELYSIUM agree that they will not exercise any control  
2 over any entity that offers or sells securities or provides investment advisory services within or  
3 from Arizona until such time as all restitution and penalties under this Order are paid in full.

4           13. Respondents RING and ELYSIUM agree that they will not sell any securities in or  
5 from Arizona without being properly registered in Arizona as a dealer or salesman, or exempt from  
6 such registration; Respondents RING and ELYSIUM will not sell any securities in or from  
7 Arizona unless the securities are registered in Arizona or exempt from registration; and  
8 Respondent RING will not transact business in Arizona as an investment adviser or an investment  
9 adviser representative unless properly licensed in Arizona or exempt from licensure.

10           14. Respondent RING agrees that he will continue to cooperate with the Securities  
11 Division including, but not limited to, providing complete and accurate testimony at any hearing in  
12 this matter and cooperating with the state of Arizona in any related investigation or any other  
13 matters arising from the activities described in this Order.

14           15. Respondent RING and Respondent RING'S spouse, KELLY RING, acknowledge  
15 that any restitution or penalties imposed by this Order are obligations of Respondent RING as well  
16 as the marital community.

17           16. Respondents consent to the entry of this Order and agree to be fully bound by its  
18 terms and conditions.

19           17. Respondents acknowledge and understand that if they fail to comply with the  
20 provisions of the order and this consent, the Commission may bring further legal proceedings  
21 against Respondents, including application to the superior court for an order of contempt.

22           18. Respondents understand that default shall render Respondents liable to the  
23 Commission for its costs of collection and interest at the maximum legal rate.

24           19. Respondents agree and understand that if they fail to make any payment as required  
25 in the Order, any outstanding balance shall be in default and shall be immediately due and payable  
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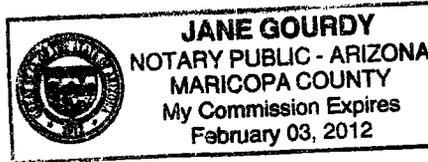
1 without notice or demand. Respondents agree and understand that acceptance of any partial or late  
2 payment by the Commission is not a waiver of default by Commission.

3 20. MICHAEL VINCENT RING represents that he is a member of ELYSIUM  
4 CAPITAL GROUP, L.L.C. and has been authorized by ELYSIUM CAPITAL GROUP, L.L.C. to  
5 enter into this Order for and on behalf of it.

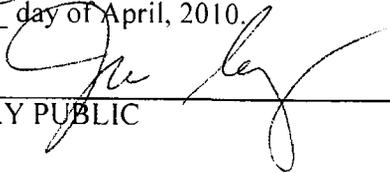
6   
7 Michael Vincent Ring, Respondent

8   
9 Kelly Ring, Respondent Spouse

10 STATE OF Arizona )  
11 County of maricopa ) ss



12 SUBSCRIBED AND SWORN TO BEFORE me this 19<sup>th</sup> day of April, 2010.

13   
14 NOTARY PUBLIC

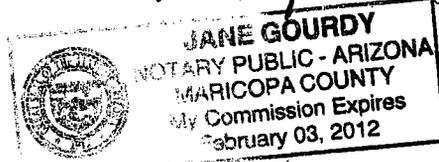
15 My commission expires:

16 Feb 3, 2012

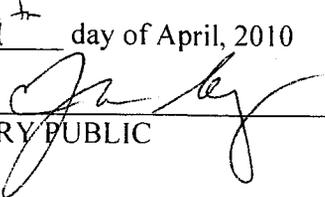
17 Elysium Capital Group, L.L.C.

18   
19 By Michael Vincent Ring, Member

20 STATE OF Arizona )  
21 County of maricopa ) ss



22 SUBSCRIBED AND SWORN TO BEFORE me this 19<sup>th</sup> day of April, 2010

23   
24 NOTARY PUBLIC

25 My commission expires:

26 Feb 3, 2012

1 SERVICE LIST FOR: Richard Miles Dorman, Michael Vincent Ring and Elysium Capital  
2 Group, L.L.C.

3 Name and Address:

4 Mr. Steve T. Skivington, Esq.  
5 THE LAW OFFICE OF STEVE T. SKIVINGTON  
6 1016 Olive Mill Lane  
7 Las Vegas, NV 89134

8 Mr. Richard M. Dorman  
9 Mrs. Rebecca Dorman  
10 245 Lullwater Drive  
11 Panama City Beach, FL 32413  
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