



0000140853

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

Arizona Corporation Commission  
DOCKETED

DEC 12 2012

DOCKETED BY nr

In the matter of

LARRY L. GOLDMAN, an individual,  
MT EXPLORATIONS, LLC, an Arizona  
limited liability company,

Respondents.

DOCKET NO. S-20863A-12-0438

DECISION NO. 73609

**ORDER TO CEASE AND DESIST, ORDER  
FOR ADMINISTRATIVE PENALTIES, AND  
CONSENT TO SAME**

**BY: RESPONDENTS LARRY L. GOLDMAN  
AND MT EXPLORATIONS, LLC**

Respondents Larry L. Goldman and MT Explorations, LLC ("Respondents") elect 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 for Administrative Penalties, and Consent to Same ("Order"). Respondents admit the jurisdiction of the Arizona Corporation Commission ("Commission"); neither admit nor deny the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

I.

FINDINGS OF FACT

1. At all relevant times, LARRY L. GOLDMAN ("GOLDMAN") has been an Arizona resident.

1           2.       At all relevant times, GOLDMAN offered and sold gold mining investments on behalf  
2 of Respondent MT EXPLORATIONS, LLC (“MTE”) as its managing member and salesman.

3           3.       MTE was organized by GOLDMAN as an Arizona limited liability on May 12, 2010.  
4 At all relevant times, MTE maintained a place of business in Tucson, Arizona, and it offered and sold  
5 gold mining investments within or from Arizona.

6           4.       GOLDMAN and MTE may be referred to as “Respondents.”

7           5.       At all relevant times, Brian Patrick Langenbach (“Langenbach”) has been a married  
8 man and an Arizona resident.

9           6.       EARTH EXPLORATION, LLC (“EEL”) is an Arizona limited liability company  
10 organized on July 14, 2009. Langenbach is the manager of EEL.

11          8.       Prior to May 5, 2010, Langenbach discussed with GOLDMAN his plan to mine and  
12 extract ore and minerals from certain mines located in the United States.

13          9.       On or about May 5, 2010, EEL and MTE entered into a profit sharing agreement  
14 (“PSA”) that contained the following terms:

15               a)       The Helena-Missouri River Montana Mine is the location of the mining  
16 property;

17               b)       MTE would loan EEL up to \$125,000;

18               c)       EEL shall pay MTE a production profit up to 5% of the net proceeds;

19               d)       EEL would also pay MTE interest of 20% on the loaned amount; and

20               e)       EEL would repay the principal on or before November 10, 2010.

21          10.       Langenbach signed the PSA on behalf of EEL, as its manager, and GOLDMAN  
22 signed the PSA on behalf of MTE, as its manager.

23          11.       On or about September 1, 2010, EEL and MTE entered into a second profit sharing  
24 agreement that contained the same general terms above but cited the Stanton Road Project placer  
25 mine as the new mining location and an amount of \$125,000 would be loaned from MTE to EEL.  
26

1           12.    At all relevant times, investors were told that Respondents and/or their affiliates  
2 were engaged in the gold mining and mineral processing business (the "Business").

3           13.    At all relevant times, investors were told, both verbally and in writing, that  
4 Respondents and/or their affiliates had acquired interests in various gold mines including the: (a)  
5 "Stanton Road Placer mine" located "in one of the richest gold reserves in the US," and near the  
6 previously profitable "Rich Hill" and "Alvarado" gold mines outside of Congress, Arizona; and/or  
7 (b) the "Helena-Missouri River Montana Mine" near Helena, Montana (the "Mine(s)").

8           14.    At all relevant times, Respondents represented to offerees and investors that the  
9 Business was created, in part, to fund and/or support an agreement executed by MTE and EEL,  
10 pursuant to which EEL would operate the Mines and share with MTE and investors the resulting  
11 gold mining profits (the "Gold Mine Investment").

12           15.    The Gold Mine Investments are documented, in part, by written prospectuses  
13 prepared and provided by Respondents to investors titled, for instance, "**MT Explorations, LLC –**  
14 **Stanton Road Placer Mine Project - Investment Opportunity**" (the "Prospectus(es)").  
15 (emphasis in original).

16           16.    The Prospectus stated that the Respondents and/or their affiliates would operate the  
17 Mines to produce gold, in part, as follows:

18           Excess material located above the pockets of gold revealed by testing is removed. The gold  
19 rich material is processed through a screen down to 1/4" then processed thru a duplex jig that  
20 uses water to separate the heavier gold laden material from the lighter material which is  
21 dried and returned to the site. The heavier material goes to concentrating tables and the free  
22 gold is separated out to be sold at the refinery at London spot [gold] prices. The rest of the  
23 concentrate which contains microscopic gold is processed in an enclosed leaching plant.  
24 The result is smelted into a Dore' bar that is analyzed for mineral content and purchased by  
25 the refinery also at the London spot [gold] price...

26           Because the gold is 'free' floating mixed with sand and rock, retrieving and processing it is  
minimal.

          17.    The majority of the Prospectus is dated "2010," and stated that the "Phase I" Gold  
Mine Investment offering resulted in \$125,000 worth of investment capital used by Respondents to

1 purchase “pre-production” gold mining equipment, and created a pool of “operating capital in  
 2 reserves until the [gold extraction] process provides metal which can be sold.”

3 18. The Prospectuses further stated that the proceeds of the “Phase II” Gold Mine  
 4 Investment offering totaling \$125,000 would be used by Respondents and/or their affiliates to  
 5 purchase additional equipment, to achieve full gold production, and “for testing and continued  
 6 development of the Project.”

7 19. The Prospectuses stated that when operating at full production, Respondents’ and/or  
 8 their affiliates’ Business would result in the production of one hundred ounces of gold per day, and  
 9 assuming a spot price of gold of \$1,200 per ounce, approximately \$46,800<sup>1</sup> would be paid to MTE  
 10 each month.

11 20. The Prospectus stated that MTE had negotiated a profit sharing agreement with  
 12 EEL.

13 21. The Prospectuses stated that MTE and investors would share in the profits generated  
 14 by Respondents’ and/or their affiliates’ Business. Regarding estimated Gold Mine Investment  
 15 profits, the Prospectuses include a section titled “**ROI Estimates**” (*i.e.*, return on investment) that  
 16 explained that each investor could expect to receive approximately \$3,744.00 per month, for every  
 17 \$10,000 amount invested when operated at full production (emphasis in original).

18 22. The Prospectuses further estimated that an investor who purchased a Gold Mine  
 19 Investment in the principal amount of \$25,000 could expect to receive profits \$4,680 per month if  
 20 the Business was operating at fifty percent production, and up to \$9,360 per month if the Business  
 21 was operating at one hundred percent production, in part as follows:

Amount Invested	Royalty at 50% Production	Royalty at 100% Production
\$10,000	\$1872.00	\$3744.00
\$25,000	\$4680.00	\$9360.00
\$50,000	\$9360.00	\$18720.00

26 <sup>1</sup> This amount is based on a projected monthly profit, of \$1,560,000 multiplied by 3%, as stated in the Prospectus.

1           23.    The Prospectuses are not labeled as confidential, nor did they state that the Gold  
2 Mine Investments may only be purchased by, for instance, sophisticated or accredited investors.  
3 The Prospectuses further failed to include any stated restrictions preventing a recipient from  
4 distributing the Prospectuses to third parties who, for instance, have no preexisting relationship  
5 with Respondents or knowledge of Respondents' gold mining Business operations.

6           24.    The Gold Mine Investments were also documented via profit sharing agreements  
7 prepared and provided by Respondents to investors ("MTE PSA"). The provisions of the MTE  
8 PSAs were nearly identical to the PSA agreements entered into between EEL and MTE.

9           25.    The purpose of the MTE PSAs was to raise money to fund the operations for the  
10 Mines.

11          26.    Certain MTE PSAs contained the following relevant terms:

- 12           a)    MTE shall pay the investor a production profit up to 3% of the net proceeds;
- 13           b)    MTE would also pay interest of 20% on the loaned amount; and
- 14           c)    MTE would repay the principal on or before March 30, 2011.

15          27.    The MTE PSAs were made and executed by Respondents and include each  
16 investor's promised percentage of projected Business profits based, in part, on the amount of the  
17 investor's principal investment.

18          28.    Some investors agreed to the 3% of production profit of net proceeds and 20%  
19 interest, while others agreed to only the 3% of production profit of net proceeds.

20          29.    For instance, one Arizona resident purchased a Gold Mine Investment from  
21 Respondents on or about October 5, 2010, in the principal amount of approximately \$25,000. This  
22 investor's MTE PSA states that the investor is entitled to receive up to 3% of the net profits  
23 generated by the Business.

24          30.    Similarly, another Arizona resident purchased a Gold Mine Investment in the  
25 principal amount of \$20,000 from Respondents on or about October 12, 2010. This investor's  
26

1 MTE PSA states that the investor is entitled to receive up to 3% of the net profits generated by the  
2 Business and 20% interest based on the actual funds loaned from MTE to EEL.

3 31. From on or about May 2010, to November 2010, Respondents issued, offered, and  
4 sold the Gold Mine Investments within and from Arizona.

5 32. Investors purchased their Gold Mine Investments by making their principal  
6 investment checks payable to MTE or EEL.

7 33. Respondents sold the Gold Mine Investments of at least \$322,000 to approximately  
8 twenty-five investors residing in Arizona, Ohio, and Utah for principal amounts ranging in price  
9 from \$2,000 to \$45,000.

10 34. All investor funds received by MTE were ultimately forwarded to Langenbach or  
11 EEL to be used for the gold mining Business operations.

12 35. To date, however, investors have received no returns and/or profits from their  
13 investments.

14 36. At all relevant times, Respondents represented to offerees and investors that  
15 Respondents or their affiliates would manage the essential aspects of the Business including the  
16 negotiation and execution of third-party mining agreements and management of the Gold Mine  
17 Investment funds.

18 37. The Gold Mine Investments have not been registered with the Commission as  
19 securities.

20 38. At all relevant times, Respondents have not been registered with the Commission as  
21 securities salesmen or dealers.

22  
23 **II.**

24 **CONCLUSIONS OF LAW**

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



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

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

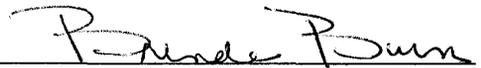
5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

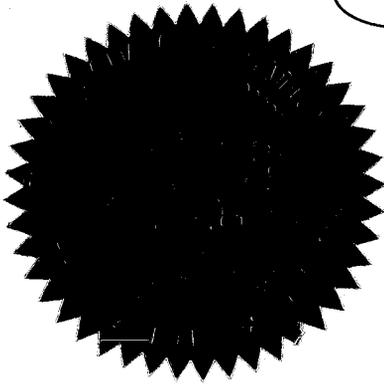
6   
7 CHAIRMAN

  
8 COMMISSIONER

9   
10 COMMISSIONER

**EXCUSED**  
11 COMM. NEWMAN  
12 COMMISSIONER

  
13 COMMISSIONER



14 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,  
15 Executive Director of the Arizona Corporation  
16 Commission, have hereunto set my hand and caused the  
17 official seal of the Commission to be affixed at the Capitol,  
18 in the City of Phoenix, this 12<sup>th</sup> day  
19 of December, 2012.

  
20 ERNEST G. JOHNSON  
21 EXECUTIVE DIRECTOR

22 \_\_\_\_\_  
23 DISSENT

24 \_\_\_\_\_  
25 DISSENT

26 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).

(PTH)

**CONSENT TO ENTRY OF ORDER**

1  
2           1.     LARRY L. GOLDMAN and MT EXPLORATIONS, LLC (“Respondents”), admit  
3 the jurisdiction of the Commission over the subject matter of this proceeding. Respondents  
4 acknowledge that they has been fully advised of their right to a hearing to present evidence and call  
5 witnesses and Respondents knowingly and voluntarily waives any and all rights to a hearing before  
6 the Commission and all other rights otherwise available under Article 11 of the Securities Act and  
7 Title 14 of the Arizona Administrative Code. Respondents acknowledge that this Order to Cease  
8 and Desist, Order for Administrative Penalties, and Consent to Same (“Order”) constitutes a valid  
9 final order of the Commission.

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

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

15                     Respondents acknowledge that they have been represented by an attorney in this  
16 matter, Respondents have reviewed this Order with their attorney, Alan S. Baskin, of Bade Baskin  
17 Richards, PLC, and understand all terms it contains.

18           5.     Respondents neither admit nor deny the Findings of Fact and Conclusions of Law  
19 contained in this Order. Respondents agree that they shall not contest the validity of the Findings  
20 of Fact and Conclusions of Law contained in this Order in any present or future proceeding in  
21 which the Commission or any other state agency is a party concerning the denial or issuance of any  
22 license or registration required by the state to engage in the practice of any business or profession.

23           6.     By consenting to the entry of this Order, Respondents agree not to take any action or  
24 to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of  
25 Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual  
26

1 basis. Respondents will undertake steps necessary to assure that all of Respondents' agents and  
2 employees understand and comply with this agreement.

3 7. While this Order settles this administrative matter between Respondents and the  
4 Commission, Respondents understands that this Order does not preclude the Commission from  
5 instituting other administrative or civil proceedings based on violations that are not addressed by  
6 this Order.

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

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

13 10. Respondents agree that they will not apply to the state of Arizona for registration as  
14 a securities dealer or salesman or for licensure as an investment adviser or investment adviser  
15 representative until such time as all penalties under this Order are paid in full.

16 11. Respondents agree that they will not exercise any control over any entity that offers  
17 or sells securities or provides investment advisory services within or from Arizona until such time  
18 as all penalties under this Order are paid in full.

19 12. Respondents agree that they will continue to cooperate with the Securities Division  
20 including, but not limited to, providing complete and accurate testimony at any hearing in this  
21 matter and cooperating with the state of Arizona in any related investigation or any other matters  
22 arising from the activities described in this Order.

23 13. Respondents consent to the entry of this Order and agree to be fully bound by its  
24 terms and conditions.

25  
26



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

Its: Larry Goldman, its Managing  
Member

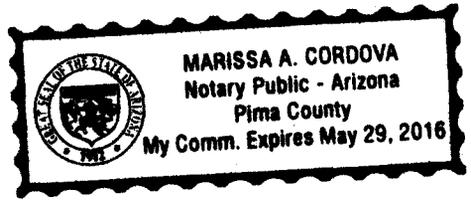
STATE OF ARIZONA       )  
  ) ss  
County of                    )

SUBSCRIBED AND SWORN TO BEFORE me this 9th day of October 2012.

Marisa A. Cordova  
NOTARY PUBLIC

My commission expires:

May 29, 2016



1 SERVICE LIST FOR: In re Larry Lee Goldman, et al.

2

3 Alan S. Baskin, Esq.  
4 Bade Baskin Richards PLC  
80 E Rio Salado Parkway, Suite 511  
5 Tempe, AZ 85281-0001  
Attorney for Respondents  
6 Larry Lee Goldman  
MT Explorations, LLC

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2  
3 COMMISSIONERS

4 GARY PIERCE, Chairman  
5 BOB STUMP  
6 SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

7 In the matter of: )  
8 LARRY L. GOLDMAN, an individual, )  
9 MT EXPLORATIONS, LLC, an Arizona limited )  
10 liability company, )  
11 Respondent. )

DOCKET NO. S-20863A-12-0438

**NOTICE OF FILING OF PROPOSED  
OPEN MEETING AGENDA ITEM**

12 Pursuant to A.A.C. R14-4-303, you are hereby notified that the attached: Order to Cease  
13 and Desist, Order for Administrative Penalties, and Consent to Same by the above-referenced  
14 Respondents was filed with the Arizona Corporation Commission's Docket Control.

15  
16 Dated: 11/26/19

By: 

17 I hereby certify that I have this day served the foregoing document on all parties of record  
18 in this proceeding by mailing a copy thereof, properly addressed with first class postage prepaid to:

19 Alan S. Baskin, Esq.  
20 Bade Baskin Richards PLC  
21 80 E Rio Salado Parkway, Suite 511  
22 Tempe, AZ 85281-0001  
23 Attorney for Respondents  
Larry Lee Goldman and  
MT Explorations, LLC

24 Dated: 11/26/19

By: 