

ORIGINAL

COMMISSIONERS
BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

JODI JERICH
EXECUTIVE DIRECTOR



1/30-31/13



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Phoenix, AZ 85007
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E-MAIL: securitiesdiv@azcc.gov

ARIZONA CORPORATION COMMISSION

MEMORANDUM

TO: Bob Stump, Chairman
Gary Pierce
Brenda Burns
Bob Burns
Susan Bitter Smith

FROM: Matthew J. Neubert *mjn*
Director of Securities

DATE: January 16, 2013

RE: Proposed Order to Cease and Desist, for Restitution, and for Administrative Penalty regarding Nicole Kordosky, Docket No. S-20867A-12-0459

CC: Jodi Jerich, Executive Director

Arizona Corporation Commission

DOCKETED

JAN 16 2013

DOCKETED BY

JM

ARIZONA CORPORATION COMMISSION
SECRET CONTROL

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RECEIVED

Please find attached a proposed Order to Cease and Desist, for Restitution, and for Administrative Penalty ("Order") regarding Nicole Kordosky ("Kordosky"). The Order requires Kordosky to cease and desist from violating the Securities Act, and requires Kordosky to pay restitution in the principal amount of \$90,000.00, plus interest from the date of investment, and pay an administrative penalty in the amount of \$15,000.00.

The Division personally served the Notice upon Kordosky on November 16, 2012 in Scottsdale, Arizona. No request for hearing or answer has been filed by Kordosky as of the date of this memorandum.

From at least January 2012, Kordosky offered promissory notes issued by ERC Investments in and from Arizona ("ERCI Investment"). From at least November 2010 until October 2011, Kordosky offered and sold promissory notes issued by C&D in and from Arizona ("C&D Investment"). Kordosky offered and sold the C&D Investment to at least two investors with investments totaling \$90,000.00.

The Order finds that Kordosky violated A.R.S. §§44-1841 and 44-1842 by selling unregistered securities in the form of investment contracts as an unregistered securities salesman. In addition, the Order finds that Kordosky violated A.R.S. §44-1991 because there were untrue statements or

misleading omissions of material fact. The Division believes that the Order is appropriate to protect the public welfare.

This matter is still pending regarding Respondents Tri-Core Companies, LLC, Tri-Core Mexico Land Development, LLC, Tri-Core Business Development, LLC, ERC Compactors, LLC, ERC Investments, LLC, C&D Construction Services, Inc., Pangaea Investment Group, LLC, Jason Todd Mogler, Brian N. Buckley, Cheryl Barrett Buckley, and Casimer Polanchek. However, separate default orders have been concurrently presented at this open meeting for Tri-Core Mexico Land Development, LLC and Pangaea Investment Group, LLC.

Originator: Stacy Luedtke

BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

In the matter of:
TRI-CORE COMPANIES, LLC, an Arizona
limited liability company,
TRI-CORE MEXICO LAND
DEVELOPMENT, LLC, an Arizona limited
liability company,
TRI-CORE BUSINESS DEVELOPMENT,
LLC, an Arizona limited liability company,
ERC COMPACTORS, LLC, an Arizona
limited liability company,
ERC INVESTMENTS, LLC, an Arizona
limited liability company,
C&D CONSTRUCTION SERVICES, INC.,
a Nevada corporation;
PANGAEA INVESTMENT GROUP, LLC,
an Arizona limited liability company, d/b/a
Arizona Investment Center,
JASON TODD MOGLER, an Arizona
resident,
BRIAN N. BUCKLEY and CHERYL
BARRETT BUCKLEY, husband and wife,
CASIMER POLANCHEK, an Arizona
resident,
NICOLE KORDOSKY, an Arizona resident,
Respondents.

DOCKET NO. S-20867A-12-0459

DECISION NO. _____

**ORDER TO CEASE AND DESIST, ORDER
FOR RESTITUTION AND ORDER FOR
ADMINISTRATIVE PENALTIES**

RE: NICOLE KORDOSKY

On November 8, 2012, the Securities Division ("Division") of the Arizona Corporation
Commission ("Commission") filed a Notice of Opportunity for Hearing regarding a Proposed

1 Order to Cease and Desist, For Restitution, For Administrative Penalties and Order for Other
2 Affirmative Action (“Notice”) against TRI-CORE COMPANIES, LLC (“Tri-Core”), TRI-CORE
3 MEXICO LAND DEVELOPMENT, LLC (“Tri-Core Mexico”), TRI-CORE BUSINESS
4 DEVELOPMENT, LLC (“Tri-Core BD”), ERC COMPACTORS, LLC (“ERC Compactors”), ERC
5 INVESTMENTS, LLC (“ERC Investments”), C&D CONSTRUCTION SERVICES, INC.
6 (“C&D”), PANGAEA INVESTMENT GROUP, LLC (“Pangaea”) d/b/a Arizona Investment
7 Center (collectively “AIC”), JASON TODD MOGLER (“Mogler”), BRIAN N. BUCKLEY
8 (“Buckley”) and CHERYL BARRETT BUCKLEY (“Buckley Spouse”), CASIMER
9 POLANCHEK (“Polanchek”), and NICOLE KORDOSKY (“Kordosky”).

10 On November 16, 2012, the Division served the Notice upon Kordosky via personal service
11 in Scottsdale, Arizona. As of the date of this filing, no request for a hearing or Answer has been
12 filed by Kordosky.

13 **I.**

14 **FINDINGS OF FACT**

15 1. TRI-CORE BUSINESS DEVELOPMENT, LLC (“Tri-Core BD”), has been at all
16 relevant times a limited liability company organized under the laws of the state of Arizona in January
17 2006. At all relevant times, Tri-Core BD’s business office was located at 8840 E. Chaparral Rd.,
18 #150, Scottsdale, Arizona. Tri-Core BD has not been registered by the Commission as a securities
19 salesman or dealer.

20 2. ERC INVESTMENTS, LLC (“ERC Investments”), has been at all relevant times a
21 limited liability company organized under the laws of the state of Arizona in April 2011. At all
22 relevant times, ERC Investment’s business office was located at 8800 E. Chaparral Rd., #270,
23 Scottsdale, Arizona. ERC Investments has not been registered by the Commission as a securities
24 salesman or dealer.

1 9. The first offering in the 12/2/11 ERCI PPM was for \$25,000.00 per note, with a
2 total offering of \$5,000,000.00. The 12/1/11 ERCI PPM represented to offerees a 18% annual rate
3 of return, interest paid monthly, with a maturity date for payment of principal in 24 months.

4 10. The second offering in the 12/2/11 ERCI PPM was for \$25,000.00 per note, with a
5 total offering of \$5,000,000.00. The 12/1/11 PPM represented to offerees a 12% annual rate of
6 return, interest paid monthly, with a maturity date for payment of principal in 24 months.

7 11. The 12/2/11 ERCI PPM represented that ERC Investments was is in the business of
8 investing in rubbish and waste recycling and the purchase/sale of commodities.

9 12. The 12/2/11 ERCI PPM advised offerees that the funds for the ERCI Investment
10 would be used, “to purchase land, equipment, commodities and locomotives, for a new recycling
11 center located in Chicago, Illinois.”

12 13. The 12/2/11 ERCI PPM stated, “[t]he Notes being offered by the Company in this
13 Private Placement Offering will be secured by property, equipment and commodities such as
14 locomotives located in its new facility in Chicago, Illinois.” Per the 12/2/11 ERCI PPM, the
15 collateral did not exist at the time of the offering, and offerees and/or investors were provided with
16 no information in the 12/2/11 ERCI PPM to determine if there was adequate security for their
17 investment.

18 14. The 12/2/11 ERCI PPM also stated, “[a]ll decisions with respect to the management
19 of the Company will be made exclusively by the managers of the Company. The Note holders do
20 not have the right or power to take part in the management of the Company.”

21 15. After an offeree contacted AIC, Kordosky offered the ERCI Investment to at least
22 one offeree via email from nicole@azicenter.com, and provided the offeree with the 12/2/11 ERCI
23 PPM, as well as an unexecuted subscription agreement and promissory note. Correspondence from
24 Kordosky to the offeree stated Kordosky was with AIC in “Investment Relations”.

1 25. The 10/1/10 C&D PPM for the C&D Investment instructed offerees to make checks
2 payable to “**TRI-CORE BUSINESS DEVELOPMENT LLC** as agent for C & D Construction
3 Services Inc.” and to send investment documents and the investment funds to “**Tri-Core Business**
4 **Development LLC, c/o Arizona Investment Center, 8800 E. Chaparral Road, Suite 270,**
5 **Scottsdale, AZ 85250.**” The subscription agreements stated that the check was to be “made
6 payable to the order of **TRI-CORE BUSINESS DEVELOPMENT LLC . . .**”

7 26. The 10/1/10 C&D PPM for the C&D Investment provided that, “All decisions with
8 respect to the management of the Company will be made exclusively by the officers, directors and
9 employees of the Company. Note Holders do not have the right or power to take part in the
10 management of the Company and will not be represented on the Board of Directors of the
11 Company.” The 10/1/10 C&D PPM further states, “Note Holders will not have any voting rights in
12 the Company.”

13 27. The 10/1/10 C&D PPM stated that the promissory notes “are secured” by “real
14 estate in Nevada and California”. The promissory notes contained similar language. However, the
15 real estate that forms the security is not identified, nor is the owner. Further, the 10/1/10 C&D
16 PPM failed to provide offerees and/or investors with any information to determine if the “real
17 estate” adequately secured their investment.

18 28. The signatory for the subscription agreements and promissory notes for the C&D
19 Investment was Mogler with a limited power of attorney for Peter A. Salazar Jr.

20 29. The C&D Investment was publicly offered and sold via radio broadcast and/or
21 public seminar.

22 30. The C&D Investment was sold to both Arizona residents and out of state residents
23 with investments totaling nearly \$1,500,000.

24 31. The C&D Investment was offered and sold in or from Arizona to investors totaling
25 approximately \$715,000.

1 real estate, or provide offerees and/or investors with any information determine if
2 the “real estate” adequately secured their investment.

3 7. Kordosky’s conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-
4 2032.

5 8. Kordosky’s conduct is grounds for an order of restitution pursuant to A.R.S. § 44-
6 2032.

7 9. Kordosky’s conduct is grounds for administrative penalties under A.R.S. § 44-2036.

8 **III.**

9 **ORDER**

10 THEREFORE, on the basis of the Findings of Fact and Conclusions of Law, the Commission
11 finds that the following relief is appropriate, in the public interest, and necessary for the protection of
12 investors:

13 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Kordosky and any of Kordosky’s
14 agents, employees, successors and assigns, permanently cease and desist from violating the
15 Securities Act.

16 IT IS FURTHER ORDERED, pursuant to A.R.S. §§ 44-2032 and 44-1962, that Kordosky,
17 and all Respondents against whom orders are entered awarding restitution for the same C&D
18 Investment investors listed in Exhibit A under Docket No. S-20867A-12-0459 shall, jointly and
19 severally, pay restitution to the Commission in the principal amount of \$90,000, plus interest
20 calculated pursuant to R14-4-308(C)(1) from the date of purchase until paid in full, subject to legal
21 setoffs pursuant to A.A.C. R14-4-308, as shown on attached Exhibit A. Payment is due in full on
22 the date of this Order. Payment shall be made to the “State of Arizona” to be placed in an interest-
23 bearing account controlled by the Commission.

24 IT IS FURTHER ORDERED that the restitution ordered hereinabove shall bear interest at
25 the rate of the lesser of ten percent per annum or at a rate per annum that is equal to one per cent
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1 plus the prime rate as published by the board of governors of the federal reserve system in
2 statistical release H.15 or any publication that may supersede it on the date that the judgment is
3 entered.

4 The Commission shall disburse the funds on a pro-rata basis to the specific investors shown
5 on the records of the Commission for the C&D Investment. Any restitution funds that the
6 Commission cannot disburse because an investor refuses to accept such payment, or any restitution
7 funds that cannot be disbursed to an investor because the investor is deceased and the Commission
8 cannot reasonably identify and locate the deceased investor's spouse or natural children surviving at
9 the time of the distribution, shall be disbursed on a pro-rata basis to the remaining investors shown
10 on the records of the Commission. Any funds that the Commission determines it is unable to or
11 cannot feasibly disburse shall be transferred to the general fund of the state of Arizona.

12 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Kordosky shall pay an
13 administrative penalty in the amount of \$15,000.00. Payment is due in full on the date of this
14 Order. Payment shall be made to the "State of Arizona." Any amount outstanding shall accrue
15 interest as allowed by law.

16 IT IS FURTHER ORDERED that the penalty ordered hereinabove shall bear interest at the
17 rate of the lesser of ten percent per annum or at a rate per annum that is equal to one per cent plus
18 the prime rate as published by the board of governors of the federal reserve system in statistical
19 release H.15 or any publication that may supersede it on the date that the judgment is entered.

20 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
21 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
22 shall be applied to the penalty obligation.

23 IT IS FURTHER ORDERED, that if Kordosky fails to comply with this Order, the
24 Commission may bring further legal proceedings against Kordosky, including application to the
25 superior court for an order of contempt.

1 IT IS FURTHER ORDERED, that pursuant to A.R.S. § 44-1974, upon application the
2 Commission may grant a rehearing of this Order. The application must be received by the
3 Commission at its offices within twenty calendar days after entry of this Order. Unless otherwise
4 ordered, filing an application for rehearing does not stay this Order. If the Commission does not
5 grant a rehearing within twenty calendar days after filing the application, the application is
6 considered to be denied. No additional notice will be given of such denial.

7 IT IS FURTHER ORDERED, that no finding of fact or conclusion of law contained in this
8 Order shall be deemed binding against any Respondent under this Docket Number who is not
9 subject to 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, JODI JERICH, 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 _____, 2013.

JODI JERICH
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.
(sl)

EXHIBIT A
C&D INVESTMENT / KORDOSKY ONLY

<u>Investor</u>	<u>Investment Date</u>	<u>Original Investment Amount</u>	<u>Money Returned</u>	<u>Restitution owed at order date</u>
A-1	11/30/10	35,000.00		35,000.00
A-2	11/15/10	15,000.00		15,000.00
B	11/15/10	40,000.00		40,000.00
		90,000.00		90,000.00
			Total Restitution owed at Order Date:	90,000.00

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SERVICE LIST FOR: TRI-CORE COMPANIES, LLC, ET AL

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Dale B. Rycraft Jr., Esq.
THE RYCRAFT LAW FIRM, PLLC
2929 N. Power Rd., Suite 101
Mesa, Arizona 85215
Attorney for C&D Construction

Brian & Cheryl Buckley
4259 E. Bruce Ct.
Gilbert, Arizona 85234
Respondents

Bobby Thrasher, Jr.
530 E. McDowell Rd., Ste 107-495
Phoenix, Arizona 85004
*Attorney for Mogler, Tri-Core Companies, Tri-Core Business Dev.,
ERC Compactors, ERC Investments*

Tri-Core Mexico Land Development, LLC
c/o ALPHA LEGAL FORMS & MORE
POST OFFICE BOX 12488
Tucson, Arizona 85732
Respondent

Nicole Kordosky
8880 E Chaparral Rd., Ste 270
Scottsdale, Arizona, 85250
AND
7308 E. Taylor St.,
Scottsdale, Arizona 85257
Respondent

Pangaea Investment Group, LLC
c/o ALPHA LEGAL FORMS & MORE
POST OFFICE BOX 12488
Tucson, Arizona 85732
Respondent

Casimer Polanchek
826 E Gila Lane
Chandler, Arizona 85225
Respondent

BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

In the matter of:
TRI-CORE COMPANIES, LLC, an Arizona
limited liability company,
TRI-CORE MEXICO LAND
DEVELOPMENT, LLC, an Arizona limited
liability company,
TRI-CORE BUSINESS DEVELOPMENT,
LLC, an Arizona limited liability company,
ERC COMPACTORS, LLC, an Arizona
limited liability company,
ERC INVESTMENTS, LLC, an Arizona
limited liability company,
C&D CONSTRUCTION SERVICES, INC.,
a Nevada corporation;
PANGAEA INVESTMENT GROUP, LLC,
an Arizona limited liability company, d/b/a
Arizona Investment Center,
JASON TODD MOGLER, an Arizona
resident,
BRIAN N. BUCKLEY and CHERYL
BARRETT BUCKLEY, husband and wife,
CASIMER POLANCHEK, an Arizona
resident,
NICOLE KORDOSKY, an Arizona resident
Respondents.

DOCKET NO. S-20867A-12-0459

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

Pursuant to A.A.C. R14-4-303, you are hereby notified that the attached: Order to Cease and Desist, Order For Restitution And Order For Administrative Penalties Re: Nicole Kordosky was filed with the Arizona Corporation Commission's Docket Control.

Dated: 1/18/13

By: Stacy L. Luedtke, Staff Attorney

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

Dale B. Rycraft Jr., Esq.
THE RYCRAFT LAW FIRM, PLLC
2929 N. Power Rd., Suite 101
Mesa, Arizona 85215
Attorney for C&D Construction

Brian & Cheryl Buckley
4259 E. Bruce Ct.
Gilbert, Arizona 85234
Respondents

Bobby Thrasher, Jr.
530 E. McDowell Rd., Ste 107-495
Phoenix, Arizona 85004
*Attorney for Mogler, Tri-Core Companies, Tri-Core Business Dev.,
ERC Compactors, ERC Investments*

Tri-Core Mexico Land Development, LLC
c/o ALPHA LEGAL FORMS & MORE
POST OFFICE BOX 12488
Tucson, Arizona 85732
Respondent

Nicole Kordosky
8880 E Chaparral Rd., Ste 270
Scottsdale, Arizona, 85250
AND
7308 E. Taylor St.,
Scottsdale, Arizona 85257
Respondent

1 Pangaea Investment Group, LLC
2 c/o ALPHA LEGAL FORMS & MORE
3 POST OFFICE BOX 12488
4 Tucson, Arizona 85732
5 *Respondent*

6 Casimer Polanchek
7 826 E Gila Lane
8 Chandler, Arizona 85225
9 *Respondent*

10 Dated: 1/16/13

11 By: *Emie R. Bridges*
12 Emie R. Bridges, Executive Assistant

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