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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

Arizona Corporation Commission

DOCKETED

FEB 20 2013

DOCKETED BY nr

In the matter of

TRUE NORTH BUSINESS VENTURES LLC, a Wyoming limited liability company; and

MARVIN QUINTON WILSON and KRISTA DIANNE WILSON, husband and wife,

Respondents.

DOCKET NO. S-20854A-12-0367

DECISION NO. 73725

ORDER TO CEASE AND DESIST, ORDER FOR RESTITUTION, ORDER FOR ADMINISTRATIVE PENALTIES AND CONSENT TO SAME BY: TRUE NORTH BUSINESS VENTURES LLC, MARVIN QUINTON WILSON and KRISTA DIANNE WILSON

Respondents TRUE NORTH BUSINESS VENTURES LLC, a Wyoming limited liability company ("TNBV") and MARVIN QUINTON WILSON ("Wilson") ("Respondents") and KRISTA DIANNE WILSON ("Respondent Spouse") 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 Restitution, Order for Administrative Penalties and Consent to Same ("Order"). Respondents and Respondent Spouse 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.

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I.

FINDINGS OF FACT

1. WILSON has been an Arizona resident at all relevant times.
2. WILSON was not registered by the Commission as a securities dealer or salesman.
3. WILSON incorporated TNBV as a Wyoming Limited Liability Company on or about June 17, 2010. WILSON has at all times been the Owner, President, CEO, and Operations Manager of TNBV.
4. TNBV has at all times had its principal and sole place of business at Scottsdale, AZ. TNBV was not registered to do business as a foreign corporation in Arizona.
5. TNBV was not registered by the Commission as a securities dealer.
6. KRISTA DIANNE WILSON was at all relevant times the spouse of Respondent WILSON. KRISTA DIANNE WILSON may be referred to as "Respondent Spouse." Respondent Spouse is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital community.
7. At all times relevant, WILSON was acting for his own benefit and for the benefit or in furtherance of WILSON's and Respondent Spouse's marital community
8. From at least as early as April, 2011 to as recently as July, 2011, TNBV and/or WILSON issued at least 8 bonds in the name of True North Business VENTURES LLC totaling \$350,000, to 6 investors.
9. WILSON signed the bonds as President and CEO of TNBV.
10. The TNBV bonds were not registered with the Commission.

A. TNBV's Merchant Services

11. Most TNBV business during 2010 and 2011 was related to making telemarketing sales of advertising and commerce products collectively described as "merchant services."

1 12. TNBV connected with potential clients of its merchant services through online
2 advertising and by purchasing “lead-sheets” which identified likely purchasers for TNBV. TNBV
3 would call these leads and offer its services.

4 13. TNBV sold to its clients packages of merchant services which included
5 combinations of: website creation, online advertising, search engine optimization, consultations,
6 and credit card merchant processing arrangements. These products were paid for, inter alia, by use
7 of credit cards.

8 14. TNBV’s credit card charge back rate grew from approximately 2% for most of 2010
9 to as high as 15 to 20% due to unauthorized activity of former employees.

10 15. Credit card charge backs in excess of 1% of credit account volume may cause the
11 account provider to terminate the account.

12 16. All six of TNBV’s credit card merchant accounts were terminated as a result of the
13 excessive chargeback rates.

14 17. TNBV was experiencing significant losses as early as mid-February, 2011.

15 **B. TNBV’s Bond Sales**

16 18. TNBV hired in-house counsel on or about March 11, 2011 expressly for the purpose
17 of raising capital.

18 19. On or about April 11, 2011, TNBV issued a “FRAUD UPDATE” letter to its
19 existing clients warning them of fraudulent schemes of former employees who possessed TNBV
20 client information.

21 20. The Fraud Update did not inform TNBV clients of TNBV’s financial distress,
22 TNBV’s inability to pay employees, the significant decline in TNBV’s sales figures, the significant
23 increase in TNBV’s charge back rates and/or TNBV’s intention to sell bonds.

24 21. Between approximately April and July, 2011, TNBV sales agents were instructed to
25 offer bonds to existing TNBV merchant services clients.

26

1 22. TNBV sales agents provided potential bond investors with a two-page “TNBV Bond
2 Prospectus” containing some risk disclosure and financial terms via e-mail and by reading over the
3 phone.

4 23. TNBV sales agents possessed no more information to communicate to investors
5 beyond what was stated on the bond prospectuses.

6 24. The TNBV Bond Prospectus disclosed only the following generic risks:

7 a) “There are certain risks associated with start-up enterprises.”

8 b) “Economic instability and governmental investigations/audits are known to
9 affect business operating in the same space as True North Business Ventures.”

10 c) “Past performance of True North Business Ventures is not an indicator of
11 future results.”

12 25. The TNBV Bond Prospectus further promised the following:

13 a) “Investment in True North Business Ventures will set the stage for
14 aggressive growth of the enterprise while simultaneously helping to insulate the company from
15 prospective competitors.”

16 b) “Investment in True North Business Ventures will allow the company to
17 execute strategies that will enable a more dominant presence in the company’s niche market.”

18 26. At no time did TNBV inform bond purchasers that:

19 a) Prior to the first bond sale, TNBV “sales were almost non-existent and things
20 began caving in fast” as described in a post-hoc letter by WILSON.

21 b) Fraudulent charge backs and/or other market conditions had left TNBV
22 unable to pay its employees and on the verge of closing its business.

23 c) TNBV’s profitability had significantly decreased such that by August, 2011,
24 TNBV’s gross company revenue generated for the first eight months of 2011 was just \$423,000,
25 compared to over \$1.1 million for the full year of 2010.

26

1 d) TNBV's merchant accounts used to bill clients were closed or in danger of
2 closing due to TNBV's excessively high charge back rate.

3 27. TNBV ultimately sold at least 8 unsecured bonds in the name of TRUE NORTH
4 BUSINESS VENTURES LLC to six investors. The bonds were signed by Marvin Wilson as
5 president and CEO, bore interest between 10 and 60 percent, and matured on various dates between
6 2013 to 2016.

7 **II.**

8 **CONCLUSIONS OF LAW**

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

11 2. Respondents offered or sold securities within or from Arizona, within the meaning
12 of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

13 3. Respondents violated A.R.S. § 44-1841 by offering or selling securities that were
14 neither registered nor exempt from registration.

15 4. Respondents violated A.R.S. § 44-1842 by offering or selling securities while
16 neither registered as dealers or salesmen nor exempt from registration.

17 5. Respondents violated A.R.S. § 44-1991(A)(2) by making untrue statements or
18 misleading omissions of material facts.

19 6. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S.
20 § 44-2032.

21 7. Respondents' conduct is grounds for an order of restitution pursuant to A.R.S. § 44-
22 2032..

23 8. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-
24 2036 .

25
26

1 without notice or demand. Respondent agrees and understands that acceptance of any partial or late
2 payment by the Commission is not a waiver of default by the Commission.

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

11 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that TRUE NORTH
12 BUSINESS VENTURES LLC and MARVIN QUINTON WILSON individually, and the marital
13 community of Respondent MARVIN QUINTON WILSON and KRISTA DIANNE WILSON shall
14 pay an administrative penalty in the amount of \$25,000; provided however, in the event that all
15 sums due and owing for restitution hereunder are paid in accordance with the repayment schedule
16 set forth herein above, said administrative penalty shall be automatically reduced to \$10,000.
17 Payment is due in full 3/18/2016. Payment shall be made to the "State of Arizona." Any amount
18 outstanding shall accrue interest from the date judgment is entered at the rate of 5 percent per
19 annum.

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.

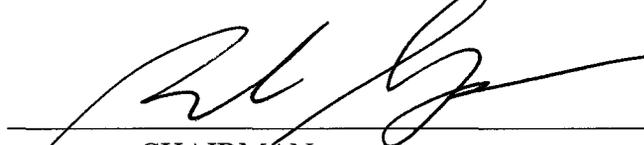
23 IT IS FURTHER ORDERED, that if any Respondent fails to comply with this order, the
24 Commission may bring further legal proceedings against that Respondent, including application to
25 the superior court for an order of contempt.

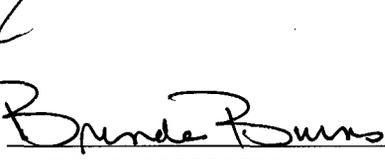
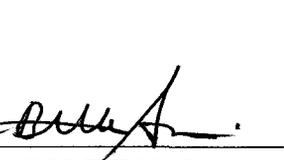
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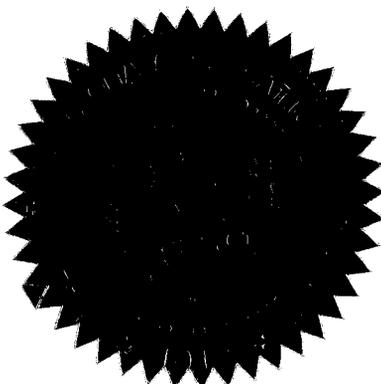
1 IT IS FURTHER ORDERED, that no finding of fact or conclusion of law contained in this
2 Order shall be deemed binding against any Respondent under this Docket Number who has not
3 consented to the entry of this Order.

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 
11 COMMISSIONER 
12 COMMISSIONER



13 IN WITNESS WHEREOF, I, JODI JERICH, 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 20th day of February,
18 2013.

19 
20 JODI JERICH
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.

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(SCB)

CONSENT TO ENTRY OF ORDER

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2 1. Respondents TRUE NORTH BUSINESS VENTURES LLC, a Wyoming limited
3 liability company, and MARVIN QUINTON WILSON (“Wilson”) (“Respondents”) and KRISTA
4 DIANNE WILSON (“Respondent Spouse”) admit the jurisdiction of the Commission over the
5 subject matter of this proceeding. Respondents and Respondent Spouse acknowledge that
6 Respondents and Respondent Spouse have been fully advised of Respondents’ and Respondent
7 Spouse’s right to a hearing to present evidence and call witnesses and Respondents and Respondent
8 Spouse knowingly and voluntarily waive any and all rights to a hearing before the Commission and
9 all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the
10 Arizona Administrative Code. Respondents and Respondent Spouse acknowledge that this Order
11 to Cease And Desist, Order for Restitution, Order for Administrative Penalties, and Consent to
12 Same (“Order”) constitutes a valid final order of the Commission.

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

16 3. Respondents and Respondent Spouse acknowledge and agree that this Order is
17 entered into freely and voluntarily and that no promise was made or coercion used to induce such
18 entry.

19 4. Respondents and Respondent Spouse have been represented by an attorney in this
20 matter, Respondents have reviewed this order with their attorney, Robert D. Mitchell, and
21 understand all terms it contains. Respondents and Respondent Spouse acknowledge that their
22 attorney has apprised them of their rights regarding any conflicts of interest arising from dual
23 representation. Respondents and Respondent Spouse acknowledge that they have each given their
24 informed consent to such representation.

25 5. Respondents and Respondent Spouse neither admit nor deny Findings of Fact and
26 Conclusions of Law contained in this Order; and consent to the entry of this Order by the

1 Commission. Respondents and Respondent Spouse agree that Respondents and Respondent Spouse
2 shall not contest the validity of the Findings of Fact and Conclusions of Law contained in this
3 Order in any present or future proceeding in which the Commission is a party concerning the denial
4 or issuance of any license or registration required by the state to engage in the practice of any
5 business or profession.

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

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

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

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

22 10. Respondents agree that neither of them will apply to the state of Arizona for
23 registration as a securities dealer or salesman or for licensure as an investment adviser or
24 investment adviser representative until such time as all restitution and penalties under this Order are
25 paid in full.

26

1 11. Respondents agree that neither of them will exercise any control over any entity that
2 offers or sells securities or provides investment advisory services within or from Arizona until
3 such time as all restitution and penalties under this Order are paid in full.

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

8 13. Respondent WILSON and Respondent Spouse acknowledge that any restitution or
9 penalties imposed by this Order are obligations of Respondent WILSON as well as the marital
10 community of Respondent WILSON and Respondent Spouse.

11 14. Respondents and Respondent Spouse consent to the entry of this Order and agree to
12 be fully bound by its terms and conditions.

13 15. Respondents and Respondent Spouse acknowledge and understand that if
14 Respondents and Respondent Spouse fail to comply with the provisions of the order and this
15 consent, the Commission may bring further legal proceedings against Respondents and Respondent
16 Spouse, including application to the superior court for an order of contempt.

17 16. Respondents and Respondent Spouse understand that default shall render
18 Respondents and Respondent Spouse liable to the Commission for its costs of collection and
19 interest at the maximum legal rate.

20 17. Respondents and Respondent Spouse agree and understand that if Respondents and
21 Respondent Spouse fail to make any payment as required in the Order, any outstanding balance
22 shall be in default and shall be immediately due and payable without notice or demand.
23 Respondents and Respondent Spouse agree and understand that acceptance of any partial or late
24 payment by the Commission is not a waiver of default by the Commission.

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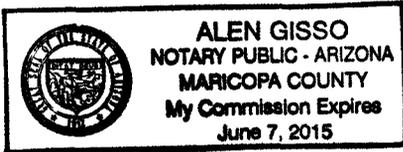
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18. MARVIN QUINTON WILSON represents that he is the President and CEO of TRUE NORTH BUSINESS VENTURES LLC and has been authorized by TRUE NORTH BUSINESS VENTURES LLC to enter into this Order for and on behalf of it.

TRUE NORTH BUSINESS VENTURES LLC
By MARVIN QUINTON WILSON
Its President and CEO

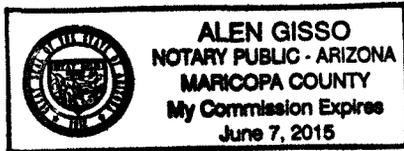
STATE OF ARIZONA)
County of *maricopa*) ss

SUBSCRIBED AND SWORN TO BEFORE me this 30th day of January, 2013.


NOTARY PUBLIC
MARVIN QUINTON WILSON

STATE OF ARIZONA)
County of *maricopa*) ss

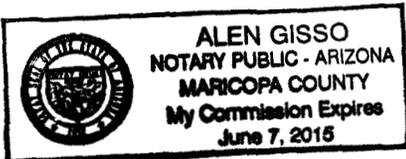
SUBSCRIBED AND SWORN TO BEFORE me this 30th day of January, 2013.


NOTARY PUBLIC

Krista Dianne Wilson
KRISTA DIANNE WILSON

STATE OF ARIZONA)
County of *maricopa*) ss

SUBSCRIBED AND SWORN TO BEFORE me this 30th day of January, 2013.



A. Gisso
NOTARY PUBLIC

1 SERVICE LIST FOR: In the matter of TRUE NORTH BUSINESS VENTURES LLC, a
2 Wyoming Limited Liability Company; and MARVIN QUINTON WILSON and KRISTA
DIANNE WILSON, husband and wife,

3
4 TRUE NORTH BUSINESS VENTURES LLC
c/o Robert D. Mitchell
5 Mitchell & Associates, P.C.
Viad Corporate Center
6 1850 North Central Avenue Suite 2030
Phoenix, Arizona 85004

7
8 MARVIN QUINTON WILSON and KRISTA DIANNE WILSON, husband and wife
c/o Robert D. Mitchell
9 Mitchell & Associates, P.C.
Viad Corporate Center
10 1850 North Central Avenue Suite 2030
11 Phoenix, Arizona 85004

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True North Ventures - Amortization of Investor Restitution

Rate Period : Monthly

Nominal Annual Rate : 5.000 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	02/21/2013	319,016.41	1		
2 Payment	03/18/2013	6,000.00	12	Monthly	02/18/2014
3 Payment	03/18/2014	11,468.73	24	Monthly	02/18/2016

AMORTIZATION SCHEDULE - U.S. Rule (no compounding)

	Date	Payment	Interest	Principal	Balance
Loan	02/21/2013				319,016.41
1	03/18/2013	6,000.00	1,092.52	4,907.48	314,108.93
2	04/18/2013	6,000.00	1,308.79	4,691.21	309,417.72
3	05/18/2013	6,000.00	1,289.24	4,710.76	304,706.96
4	06/18/2013	6,000.00	1,269.61	4,730.39	299,976.57
5	07/18/2013	6,000.00	1,249.90	4,750.10	295,226.47
6	08/18/2013	6,000.00	1,230.11	4,769.89	290,456.58
7	09/18/2013	6,000.00	1,210.24	4,789.76	285,666.82
8	10/18/2013	6,000.00	1,190.28	4,809.72	280,857.10
9	11/18/2013	6,000.00	1,170.24	4,829.76	276,027.34
10	12/18/2013	6,000.00	1,150.11	4,849.89	271,177.45
2013 Totals		60,000.00	12,161.04	47,838.96	
11	01/18/2014	6,000.00	1,129.91	4,870.09	266,307.36
12	02/18/2014	6,000.00	1,109.61	4,890.39	261,416.97
13	03/18/2014	11,468.73	1,089.24	10,379.49	251,037.48
14	04/18/2014	11,468.73	1,045.99	10,422.74	240,614.74
15	05/18/2014	11,468.73	1,002.56	10,466.17	230,148.57
16	06/18/2014	11,468.73	958.95	10,509.78	219,638.79
17	07/18/2014	11,468.73	915.16	10,553.57	209,085.22
18	08/18/2014	11,468.73	871.19	10,597.54	198,487.68
19	09/18/2014	11,468.73	827.03	10,641.70	187,845.98
20	10/18/2014	11,468.73	782.69	10,686.04	177,159.94
21	11/18/2014	11,468.73	738.17	10,730.56	166,429.38
22	12/18/2014	11,468.73	693.46	10,775.27	155,654.11
2014 Totals		126,687.30	11,163.96	115,523.34	
23	01/18/2015	11,468.73	648.56	10,820.17	144,833.94
24	02/18/2015	11,468.73	603.47	10,865.26	133,968.68
25	03/18/2015	11,468.73	558.20	10,910.53	123,058.15
26	04/18/2015	11,468.73	512.74	10,955.99	112,102.16
27	05/18/2015	11,468.73	467.09	11,001.64	101,100.52
28	06/18/2015	11,468.73	421.25	11,047.48	90,053.04
29	07/18/2015	11,468.73	375.22	11,093.51	78,959.53
30	08/18/2015	11,468.73	329.00	11,139.73	67,819.80

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True North Ventures - Amortization of Investor Restitution

Date	Payment	Interest	Principal	Balance
31 09/18/2015	11,468.73	282.58	11,186.15	56,633.65
32 10/18/2015	11,468.73	235.97	11,232.76	45,400.89
33 11/18/2015	11,468.73	189.17	11,279.56	34,121.33
34 12/18/2015	11,468.73	142.17	11,326.56	22,794.77
2015 Totals	137,624.76	4,765.42	132,859.34	
35 01/18/2016	11,468.73	94.98	11,373.75	11,421.02
36 02/18/2016	11,468.73	47.71	11,421.02	0.00
2016 Totals	22,937.46	142.69	22,794.77	
Grand Totals	347,249.52	28,233.11	319,016.41	

True North Ventures - Amortization of Investor Restitution

Last interest amount increased by 0.12 due to rounding.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 BOB STUMP, Chairman
4 GARY PIERCE
5 BRENDA BURNS
6 BOB BURNS
7 SUSAN BITTER SMITH

6 In the matter of)
7 TRUE NORTH BUSINESS VENTURES LLC, a)
8 Wyoming limited liability company; and)
9 MARVIN QUINTON WILSON and KRISTA)
10 DIANNE WILSON, husband and wife,)
Respondents.

S-20854A-12-0367

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

11 Pursuant to A.A.C. R14-4-303, you are hereby notified that the attached: Order To Cease
12 And Desist And Order For Administrative Penalties was filed with the Arizona Corporation
13 Commission's Docket Control.

14 Dated: 1/31/13

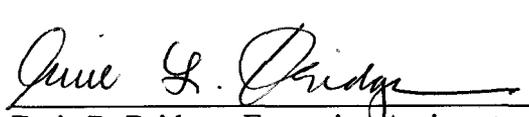
15 By: 
16 Steven C. Briggs, Enforcement Attorney

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 TRUE NORTH BUSINESS VENTURES LLC
20 c/o Robert D. Mitchell
21 Mitchell & Associates, P.C.
22 Viad Corporate Center
1850 North Central Avenue Suite 2030
Phoenix, Arizona 85004

23 MARVIN QUINTON WILSON and KRISTA DIANNE WILSON, husband and wife
24 c/o Robert D. Mitchell
25 Mitchell & Associates, P.C.
26 Viad Corporate Center
1850 North Central Avenue Suite 2030
Phoenix, Arizona 85004

Dated: 1/31/13

By: 
Emie R. Bridges, Executive Assistant