

OPEN MEETING ITEM

12/17-18/13



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



SECURITIES DIVISION
1300 West Washington, Third Floor
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JODI JERICH
EXECUTIVE DIRECTOR

ARIZONA CORPORATION COMMISSION

ORIGINAL

MEMORANDUM

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

Arizona Corporation Commission
DOCKETED

DEC 03 2013

2013 DEC 3 AM 9 21
AZ CORP COMMISSION
DOCKET CONTROL

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

DOCKETED BY *[Signature]*

DATE: December 3, 2013

RE: Order to Cease and Desist, for Restitution, for Administrative Penalties and Consent to Same By: Respondent Nicole Kordosky, Docket No. S-20867A-12-0459

CC: Jodi Jerich, Executive Director

Attached is a proposed Order to Cease and Desist, for Restitution, for Administrative Penalties and Consent to Same By: Respondent Nicole Kordosky ("Order"). The Order requires Kordosky to cease and desist from violating the Securities Act, and requires Kordosky to pay restitution in the principal amount of \$6,000.00, and pay an administrative penalty in the amount of \$1,000.00.

The Order finds that from at least January 2012, Kordosky offered promissory notes issued by Respondent ERC Investments, LLC in and from Arizona ("ERCI Investment"). The Order also finds that from at least November 2010 until October 2011, Kordosky offered and sold promissory notes issued by C&D Construction Services, Inc. in and from Arizona ("C&D Investment"). Kordosky was not registered as securities salesman or dealer, nor have the investments she offered and sold been registered with the Commission.

The Order finds that Kordosky violated A.R.S. §§ 44-1841 and 44-1842 by selling unregistered securities while being unregistered. 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 Business Development, LLC, ERC Compactors, LLC, ERC Investments, LLC, C&D Construction Services, Inc., and Jason Todd Mogler.

Originator: Stacy Luedtke

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BEFORE THE ARIZONA CORPORATION COMMISSION

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, FOR RESTITUTION, FOR ADMINISTRATIVE PENALTIES AND CONSENT TO SAME BY: RESPONDENT NICOLE KORDOSKY

1 Respondent Nicole Kordosky ("Respondent") elects to permanently waive any right to a
2 hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et*
3 *seq.* ("Securities Act") with respect to this Order To Cease And Desist, For Restitution, and For
4 Administrative Penalties ("Order"). Respondent admits the jurisdiction of the Arizona Corporation
5 Commission ("Commission"); admits only for purposes of this proceeding and any other
6 proceeding in which the Commission or any other agency of the state of Arizona is a party the
7 Findings of Fact and Conclusions of Law contained in this Order; and consents to the entry of this
8 Order by the Commission.

9 **I.**

10 **FINDINGS OF FACT**

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

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

21 3. C&D CONSTRUCTION SERVICES, INC. ("C&D"), has been at all relevant times
22 a Nevada corporation organized under the laws of the state of Nevada in April 2000. C&D has not
23 been registered by the Commission as a securities salesman or dealer.

24 4. PANGAEA INVESTMENT GROUP, LLC ("Pangaea"), has been at all relevant
25 times a limited liability company organized under the laws of the state of Arizona in August 2009.
26 Since December 2009, Pangaea has been the registered with the Arizona Secretary of State as the

1 owner of the trade name "Arizona Investment Center" ("AIC") and has been doing business under
2 that name. Pangaea and AIC have not been registered by the Commission as a securities salesman
3 or dealer. Hereafter, Pangaea is collectively referenced with AIC.

4 5. NICOLE KORDOSKY ("Kordosky"), has been at all relevant times a resident of the
5 state of Arizona. Kordosky has not been registered by the Commission as a securities salesman or
6 dealer.

7 ERCI INVESTMENT

8
9 6. From at least January 2012, Kordosky offered promissory notes issued by ERC
10 Investments in and from Arizona.

11 7. At all relevant times, ERC Investments provided offerees with a private placement
12 memorandum dated December 2, 2011 ("12/2/11 ERCI PPM"). The 12/2/11 ERCI PPM offered
13 offerees a total of 400 promissory notes in two offerings, with a combined total offering of
14 \$10,000,000.00 ("ERCI Investment").

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

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

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

23 11. The 12/2/11 ERCI PPM advised offerees that the funds for the ERCI Investment
24 would be used, "to purchase land, equipment, commodities and locomotives, for a new recycling
25 center located in Chicago, Illinois."
26

1 20. The 10/1/10 C&D PPM represented that the proceeds of the promissory notes would
2 be used to “create the company structure for the purchase and start up requirements for a recycling
3 center located in Apex, Las Vegas, Nevada.” (“C&D Investment”).

4 21. The 10/1/10 C&D PPM and subscription agreements provided to offerees stated
5 that, “Tri-Core Business Development LLC is solely acting as the agent for C & D Construction
6 Services Inc. for this offering.”

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

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

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

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

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

25 27. At all relevant times, the C&D Investment was not registered as a security by the
26 Commission.

CONCLUSIONS OF LAW

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

4 2. Respondent Nicole Kordosky offered or sold securities within or from Arizona,
5 within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

6 3. Respondent Nicole Kordosky violated A.R.S. § 44-1841 by offering or selling
7 securities that were neither registered nor exempt from registration.

8 4. Respondent Nicole Kordosky violated A.R.S. § 44-1842 by offering or selling
9 securities while neither registered as a dealer or salesman nor exempt from registration.

10 5. Respondent Nicole Kordosky's conduct is grounds for a cease and desist order
11 pursuant to A.R.S. § 44-2032.

12 6. Respondent Nicole Kordosky's conduct is grounds for an order of restitution
13 pursuant to A.R.S. § 44-2032.

14 7. Respondent Nicole Kordosky's conduct is grounds for administrative penalties
15 under A.R.S. § 44-2036.

16 **III.**

17 **ORDER**

18 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents'
19 consent to the entry of this Order, attached and incorporated by reference, the Commission finds
20 that the following relief is appropriate, in the public interest, and necessary for the protection of
21 investors:

22 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondent Nicole Kordosky, and
23 any of Respondent Nicole Kordosky's agents, employees, successors and assigns, permanently
24 cease and desist from violating the Securities Act.

25 IT IS FURTHER ORDERED that Respondent Nicole Kordosky comply with the attached
26 Consent to Entry of Order.

1 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondent Nicole
2 Kordosky, and all Respondents against whom orders are or have been entered under Docket No. S-
3 20867A-12-0459, jointly and severally, shall pay restitution to the Commission in the principal
4 amount of \$6,000.00. Payment is due in full on the date of this Order. Payment shall be made to
5 the "State of Arizona" to be placed in an interest-bearing account controlled by the Commission.
6 Any principal amount outstanding shall accrue interest at a rate pursuant to A.R.S. § 44-1201, from
7 the date of Order until paid in full.

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

16 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondent Nicole
17 Kordosky pay an administrative penalty in the amount of \$1,000.00. Payment is due in full on the
18 date of this Order. Payment shall be made to the "State of Arizona." Any amount outstanding shall
19 accrue interest as allowed by law.

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 For purposes of this Order, a bankruptcy filing by Respondent Nicole Kordosky shall be an
24 act of default. If Respondent Nicole Kordosky does not comply with this Order, any outstanding
25 balance may be deemed in default and shall be immediately due and payable.

26

1 IT IS FURTHER ORDERED, that if Respondent Nicole Kordosky fails to comply with this
2 order, the Commission may bring further legal proceedings against her, including application to the
3 superior court for an order of contempt.

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

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

8 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

9
10 _____
11 CHAIRMAN

COMMISSIONER

12
13 _____
14 COMMISSIONER

COMMISSIONER

COMMISSIONER

15 IN WITNESS WHEREOF, I, JODI JERICH, Executive
16 Director of the Arizona Corporation Commission, have
17 hereunto set my hand and caused the official seal of the
18 Commission to be affixed at the Capitol, in the City of
19 Phoenix, this _____ day of December, 2013.

20 _____
21 JODI JERICH
22 EXECUTIVE DIRECTOR

23 _____
24 DISSENT

25 _____
26 DISSENT

1 This document is available in alternative formats by contacting Shaylin A. Bernal, ADA
2 Coordinator, voice phone number 602-542-3931, e-mail sabernal@azcc.gov.

3 (SLL)
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CONSENT TO ENTRY OF ORDER

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2 1. Respondent Nicole Kordosky admits the jurisdiction of the Commission over the
3 subject matter of this proceeding. Respondent Nicole Kordosky acknowledge that she has been
4 fully advised of her right to a hearing to present evidence and call witnesses and Respondent Nicole
5 Kordosky knowingly and voluntarily waives any and all rights to a hearing before the Commission
6 and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the
7 Arizona Administrative Code. Respondent Nicole Kordosky acknowledges that this Order To
8 Cease And Desist, For Restitution, For Administrative Penalties and Consent to the Same By:
9 Respondent Nicole Kordosky ("Order") constitutes a valid final order of the Commission.

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

13 3. Respondent Nicole Kordosky acknowledges and agrees that this Order is entered
14 into freely and voluntarily and that no promise was made or coercion used to induce such entry.

15 4. Respondent Nicole Kordosky acknowledges that she has been represented by an
16 attorney in this matter, she has reviewed this Order with her attorney, Robert Mitchell, and
17 understands all terms it contains.

18 5. Respondent Nicole Kordosky admits only for purposes of this proceeding and any
19 other proceeding in which the Commission or any other agency of the state of Arizona is a party the
20 Findings of Fact and Conclusions of Law contained in this Order. Respondent Nicole Kordosky
21 agrees that she shall not contest the validity of the Findings of Fact and Conclusions of Law
22 contained in this Order in any present or future proceeding in which the Commission or any other
23 state agency is a party concerning the denial or issuance of any license or registration required by
24 the state to engage in the practice of any business or profession.

25 6. By consenting to the entry of this Order, Respondent Nicole Kordosky agrees not to
26 take any action or to make, or permit to be made, any public statement denying, directly or

1 indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that
2 this Order is without factual basis. Respondent Nicole Kordosky will undertake steps necessary to
3 assure that all of her agents and employees understand and comply with this agreement.

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

8 8. Respondent Nicole Kordosky understands that this Order does not preclude the
9 Commission from referring this matter to any governmental agency for administrative, civil, or
10 criminal proceedings that may be related to the matters addressed by this Order.

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

14 10. Respondent Nicole Kordosky agrees that she will not apply to the state of Arizona
15 for registration as a securities dealer or salesman or for licensure as an investment adviser or
16 investment adviser representative until such time as all restitution and penalties under this Order are
17 paid in full.

18 11. Respondent Nicole Kordosky agrees that Respondent Nicole Kordosky will not
19 exercise any control over any entity that offers or sells securities or provides investment advisory
20 services within or from Arizona until such time as all restitution and penalties under this Order are
21 paid in full.

22 12. Respondent Nicole Kordosky agrees that she will continue to cooperate with the
23 Securities Division including, but not limited to, providing complete and accurate testimony at any
24 hearing in this matter and cooperating with the state of Arizona in any related investigation or any
25 other matters arising from the activities described in this Order.

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SERVICE LIST FOR: MOGLER, JASON, ET AL

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

Jeremy Geigle, Esq.
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Jackson White, PC
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Mesa, Arizona 85201
Attorney for Brian & Cheryl Buckley

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*

Nicole Kordosky
1075 N Miller Rd #149
Scottsdale, Arizona 85257
Respondent

Guy Quinn
Manager of ERC Investments, LLC & ERC Compactors, LLC
625-D Railroad St.
Montgomery, IL 60538

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

In the matter of:

DOCKET NO. S-20867A-12-0459

TRI-CORE COMPANIES, LLC, an Arizona
limited liability company,

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

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,

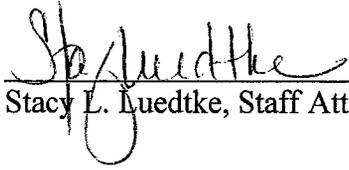
BRIAN N. BUCKLEY and CHERYL
BARRETT BUCKLEY, husband and wife,

CASIMER POLANCHEK, an Arizona
resident,

NICOLE KORDOSKY, an Arizona resident,

Respondents.

1 Pursuant to A.A.C. R14-4-303, you are hereby notified that the attached: Order to Cease
2 and Desist, for Restitution, for Administrative Penalties and Consent to Same By: Respondent
3 Nicole Kordosky was filed with the Arizona Corporation Commission's Docket Control.

4 Dated: 12/2/13 By: 
5
6 Stacy L. Luedtke, Staff Attorney

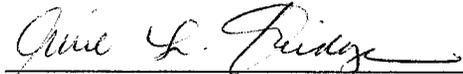
7 I hereby certify that I have this day served the foregoing document on all parties of record in this
8 proceeding by mailing a copy thereof, properly addressed with first class postage prepaid to:

9 Dale B. Rycraft Jr., Esq.
10 THE RYCRAFT LAW FIRM, PLLC
11 2929 N. Power Rd., Suite 101
12 Mesa, Arizona 85215
Attorney for C&D Construction

13 Bobby Thrasher, Jr.
14 530 E. McDowell Rd., Ste 107-495
15 Phoenix, Arizona 85004
*Attorney for Mogler, Tri-Core Companies, Tri-Core Business Dev.,
ERC Compactors, ERC Investments*

16 Nicole Kordosky
17 1075 N Miller Rd #149
18 Scottsdale, AZ 85257
Respondent

19 Guy Quinn
20 Manager of ERC Investments, LLC & ERC Compactors, LLC
21 625-D Railroad St.
Montgomery, IL 60538

22 Dated: 12/2/13 By: 
23 Emie R. Bridges, Executive Assistant