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BEFORE THE ARIZONA CORPORATION COMMISSION

2016 NOV 16 PM 1 28
AZ CORP COM
DOCKET COMM
REC'D

COMMISSIONERS

DOUG LITTLE - Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

In the matter of:
LOANGO CORPORATION, a Utah corporation,
JUSTIN C. BILLINGSLEY and HEATHER
BILLINGSLEY, husband and wife,
JEFFREY SCOTT PETERSON, an unmarried
man,
JOHN KEITH AYERS and JENNIFER ANN
BRINKMAN-AYERS, husband and wife,
Respondents.

DOCKET NO. S-20932A-15-0220

SECURITIES DIVISION'S POST-HEARING BRIEF

Arizona Corporation Commission
DOCKETED

NOV 16 2016

DOCKETED BY

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") submits its post-hearing brief as follows:

I. PROCEDURAL HISTORY

On June 30, 2015, the Division filed a Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties, and Order for Other Affirmative Action ("Notice") against Respondents LoanGo Corporation, Justin C. Billingsley, Jeffrey Scott Peterson, and John Keith Ayers (collectively "Respondents"), in which the Division alleged violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of promissory notes. All Respondents filed Answers to the Notice.

On August 22, 2016, Administrative Law Judge Mark Preny ("ALJ Preny") issued the Thirteenth Procedural Order scheduling the hearing to begin on September 26, 2016.

1 The administrative hearing began on September 26, 2016, and ended on September 28, 2016.¹

2 **II. JURISDICTION**

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

5 **III. FACTS**

6 Based on the evidence in the record, the Commission can find the following facts.

7 **A. The Respondents**

8 1. LoanGo Corporation (“LoanGo”) is an expired Utah corporation that was organized
9 under the laws of the state of Utah in June 2011 and was located in Chandler, Arizona. LoanGo has not
10 been registered by the Commission as a securities salesman or dealer.²

11 2. Justin C. Billingsley (“Billingsley”) has been, at all relevant times, i.e. June 2011 through
12 April 2012, a married man. From at least June 2011 through approximately February 2012, Billingsley
13 was a resident of the state of Arizona. Billingsley has not been registered by the Commission as a
14 securities salesman or dealer.³

15 3. At all relevant times, Billingsley was Vice President and a Director of LoanGo.⁴

16 4. Billingsley was licensed as an Arizona insurance producer from May 13, 2003 to
17 February 28, 2015.⁵

18 5. Jeffrey Scott Peterson (“Peterson”) has been at all relevant times an unmarried man and
19 resident of the state of Arizona. Peterson has not been registered by the Commission as a securities
20 salesman or dealer.⁶

21 6. At all relevant times, Peterson was the CEO and Chairman of the Board of Directors of
22 LoanGo.⁷

23 _____
24 ¹ Citations to the hearing transcript are cited as T.[page]. Line numbers are indicated by a colon, e.g. T.101:3–5.
25 Citations to the hearing exhibits are cited as the exhibits numbers, e.g. S-1.

26 ² Admitted in all parties’ Answers

³ Admitted in the Billingsleys’ Answer

⁴ Admitted in all parties’ Answers

⁵ S-2

⁶ Admitted in LoanGo and Peterson’s Answer

⁷ Admitted in all parties’ Answers

1 7. John Keith Ayers (“Ayers”) has been, at all relevant times, a married man and resident
2 of the state of Arizona (LoanGo, Billingsley, Peterson, and Ayers may be referred to collectively as
3 “Respondents”).⁸

4 8. At all relevant times, Ayers was President and a Director of LoanGo.⁹

5 9. Heather Billingsley was, at all relevant times, the spouse of Respondent Justin C.
6 Billingsley,¹⁰ and Jennifer Ann Brinkman-Ayers was, at all relevant times, the spouse of Respondent
7 John Keith Ayers¹¹ (Heather Billingsley and Jennifer Ann Brinkman-Ayers may be referred to
8 collectively as “Respondent Spouses”). Respondent Spouses are joined in this action under A.R.S. § 44-
9 2031(C) solely for purposes of determining the liability of the marital communities.

10 10. At all relevant times, Billingsley and Ayers were acting for their own benefit and for the
11 benefit or in furtherance of Billingsley, Ayers, and Respondent Spouses’ marital communities.¹²

12 11. Billingsley, Peterson, and Ayers created LoanGo to be an online payday lending
13 company.¹³

14 12. Billingsley, Peterson, and Ayers were the only directors of LoanGo and owned equal
15 shares of the company.¹⁴

16 13. Peterson incorporated LoanGo and was, at all relevant times, the only director who
17 was a signer on LoanGo’s bank accounts.¹⁵ Peterson also gave Ayers account information sufficient
18 to allow Ayers to monitor LoanGo’s bank accounts.¹⁶

19 14. Ayers contributed his knowledge of the marketing of payday loans and provided
20 LoanGo with the use of employees and office space of one of his other companies.¹⁷

21
22
23 ⁸ Admitted in the Ayers’ Answer

⁹ Admitted in all parties’ Answers

¹⁰ Admitted in the Billingsleys’ Answer

¹¹ Admitted in the Ayers’ Answer

¹² Admitted in the Ayers’ Answer

¹³ Admitted in all parties’ Answers

¹⁴ S-23

¹⁵ Admitted in LoanGo and Peterson’s Answer

¹⁶ T.197:18–198:3; S-36 at ACC1068–1069 on 10/05/2011 at 10:06:58–10:07:56

¹⁷ S-39 p.50:16–51:11, p.52:12–20

1 15. Ayers' role at LoanGo was to develop marketing to borrowers, develop the website
2 with which loans would be offered, coordinate the software the company would use, and structure
3 the call center operations.¹⁸ Ayers also prepared LoanGo's application for a Utah lending license.¹⁹

4 **B. The Notes and Investors**

5 16. On September 7, 2011, Billingsley, Peterson, and Ayers, as directors of LoanGo,
6 approved a resolution authorizing the directors to raise \$3,000,000 in capital for LoanGo.²⁰

7 17. Peterson hired an attorney to prepare an offering memorandum for LoanGo.²¹

8 18. From September 2011 to April 2012, LoanGo offered promissory notes ("Notes") to
9 investors through Billingsley and sold Notes to investors through Billingsley and Peterson. From
10 October 2011 to February 2012, Peterson and Ayers often communicated with Billingsley and each
11 other about Billingsley's progress selling the Notes.²²

12 19. The Notes were not registered by the Commission.

13 20. Five investors invested a total of \$250,000 in exchange for LoanGo Notes. Mrs.
14 Erickson invested \$30,000 on September 28, 2011.²³ Mrs. Rowley invested \$45,000 on October 6,
15 2011.²⁴ Mr. Goble invested \$25,000 on October 13, 2011.²⁵ Mr. Smeltzer invested \$50,000 on
16 October 19, 2011.²⁶ Mr. Jordan invested \$70,000 on February 21, 2012, and he invested an additional
17 \$30,000 on April 13, 2012.²⁷ (Mrs. Erickson, Mrs. Rowley, Mr. Goble, Mr. Smeltzer, and Mr. Jordan
18 may be referred to collectively as "the Investors").

19
20 ¹⁸ Admitted in the Ayers' Answer

21 ¹⁹ S-39 p.44:4-21

22 ²⁰ Admitted in all parties' Answers

23 ²¹ S-38 p.29:15-23

24 ²² S-36 at ACC1065 on 10/3/2011 at 16:07:28 through 10/4/2011 at 9:29:32; S-36 at ACC1066 on 10/4/2011 at
25 10:04:48-10:05:48; S-36 at ACC1067 on 10/5/2011 at 9:49:31-09:49:40; S-36 at ACC1069 on 10/6/2011 at 11:17:43-
26 11:18:45; S-36 at ACC1073 on 11/22/2011 at 10:55:27-10:55:50; S-36 at ACC1075 on 12/13/2011 at 10:18:08-
10:18:16; S-36 at ACC1076 on 12/14/2011 at 15:15:01 through 12/21/2011 at 12:31:57; S-36 at ACC1077 on
1/20/2012 at 15:01:01-15:01:16; S-36 at ACC1078 on 1/26/2012 at 16:11:54 through 1/31/2012 at 14:25:03; S-36 at
ACC1078 on 2/21/2012 at 11:16:21-11:16:33

²³ S-4; S-7; S-27 at ACC3063

²⁴ S-8; S-28 at ACC3066

²⁵ S-10; S-28 at ACC3066; S-43

²⁶ S-12; S-28 at ACC3066

²⁷ S-16; S-30 at ACC41; S-41; S-42

1 21. All of the Investors first met Billingsley during insurance seminars that Billingsley held
2 at a recreational vehicle park in Casa Grande, Arizona.²⁸ All of the Investors subsequently bought
3 annuities from Billingsley.²⁹

4 22. In 2011 and early 2012, Billingsley told the Investors about investing in LoanGo.³⁰
5 Billingsley called Mr. Jordan about LoanGo and scheduled an office appointment to discuss it further.³¹
6 Billingsley asked Mrs. Rowley to invest in LoanGo after she called Billingsley in 2011 and asked him
7 what she should do with approximately \$45,000 she had just received.³²

8 23. Before they invested, Mrs. Rowley, Mr. Smeltzer, Mrs. Erickson, and Mr. Jordan did
9 not discuss the LoanGo investment with anyone other than Billingsley.³³ Nor did they receive any
10 documents describing LoanGo before they invested.³⁴

11 24. The Investors' accounts of how Billingsley described LoanGo to them are consistent
12 with Billingsley's admission that he "thought for sure [LoanGo] was nothing but success. And I was
13 excited about it, and I tended to talk about it."³⁵ Billingsley told Mrs. Erickson that LoanGo was a
14 new company he was starting, and that investing in LoanGo was a great, low-risk opportunity.³⁶
15 Billingsley told Mrs. Rowley he was starting a company with others and that it would be a very good,
16 profitable investment for her but told her very little about it.³⁷ She was willing to invest without
17 knowing any more details about LoanGo because she trusted Billingsley.³⁸ Billingsley told Mr.
18 Smeltzer that LoanGo was a new company he was starting, and he repeatedly told Mr. Smeltzer that

19 _____
20 ²⁸ T.24:17-19; T.60:6-10; T.100:5-11; T.408:3-8

21 ²⁹ T.25:1-11; T.60:11-13; T.62:24-63:3; T.64:15-21; T.100:12-21; T.335:25-336:2; T.343:4-5; T.348:21-25;
22 T.350:5-9; T.351:4-10

23 ³⁰ T.60:16-19; T.62:13-20; T.64:22-24

24 ³¹ T.100:24-101:4

25 ³² T.25:15-23

26 ³³ T.27:19-21; T.61:7-9; T.65:23-25; T.102:12-14

³⁴ T.27:22-28:2; T.33:21-34:2; T.61:24-62:1; T.66:7-10; T.105:24-106:14. Although the Division's Notice alleged that Mr. Jordan received an offering memorandum before he invested, the Division concedes that this allegation was incorrect. Instead, Mr. Jordan's testimony should be credited, namely that he received no descriptive documents until after he had invested his full \$100,000. T.105:24-106:14. Accordingly, the Division's allegations regarding omissions in the offering memorandum can be disregarded.

³⁵ T.411:18-20

³⁶ T.65:4-13

³⁷ T.25:24-26:4; T.46:3-11

³⁸ T.27:4-10

1 investing in LoanGo was low-risk.³⁹ Billingsley told Mr. Jordan that LoanGo was a new business
2 that had potential and would be a good investment for Mr. Jordan.⁴⁰ Billingsley also told him that
3 LoanGo would perform better than Mr. Jordan's other investments.⁴¹

4 25. Billingsley did not tell Mrs. Erickson, Mrs. Rowley, Mr. Smeltzer, or Mr. Jordan that
5 their money might be used to pay him a commission or to repay Billingsley and Peterson's loans to
6 LoanGo.⁴²

7 26. By the time Mr. Jordan invested on February 21, 2012, LoanGo had already defaulted
8 on its Notes to the four earlier Investors.⁴³ However, Billingsley did not tell Mr. Jordan about the
9 defaults.⁴⁴

10 27. Billingsley was in Arizona when he spoke to each of the Investors about LoanGo.⁴⁵
11 Mrs. Erickson, Mrs. Rowley, and Mr. Smeltzer mailed their investment checks to an Arizona address.⁴⁶

12 28. Peterson signed the Investors' subscription agreements and Notes.⁴⁷

13 29. To date, the Investors have not received any interest payments or a refund of their
14 principal investments.⁴⁸

15 **C. Billingsley's Testimony Was Not Credible**

16 30. Billingsley's testimony was not credible because it was inconsistent in many respects
17 with the testimony of all other witnesses. In particular, Billingsley's testimony was not credible
18 regarding how the Investors learned about LoanGo, what information they received about LoanGo,
19 and who they spoke to about LoanGo.

20 31. Billingsley claimed that he did not present LoanGo to the Investors as an investment
21 opportunity and "it just eventually came up in conversation" while discussing his own business

22 ³⁹ T.60:20-3

23 ⁴⁰ T.101:5-12

⁴¹ T.101:13-19

24 ⁴² T.27:11-18; T.61:4-6; T.65:17-22; T.101:25-102:8

⁴³ T.254:5-255:10

25 ⁴⁴ T.102:9-11

⁴⁵ T.398:3-11

⁴⁶ T.28:9-11; T.61:10-12; T.66:4-6

26 ⁴⁷ Admitted in LoanGo and Peterson's Answer

⁴⁸ T.32:20-22; T.61:22-23; T.63:7-8; T.66:18-20; T.103:18-20

1 endeavors, and he claimed that it was the Investors who took the initiative to ask if they could invest
2 in LoanGo.⁴⁹ None of this testimony was credible. Mrs. Rowley and Mr. Jordan both testified that
3 Billingsley raised LoanGo with them as an investment, and in Mr. Jordan's case it was Billingsley
4 who called him to discuss LoanGo.⁵⁰ Their testimony was consistent with Peterson's examination
5 under oath ("EUO") testimony that finding investors to raise money for LoanGo was Billingsley's
6 job. When asked what Billingsley's role at LoanGo was, Peterson testified that Billingsley was asked
7 to raise money to start the business and that Billingsley believed he knew people he could raise capital
8 from.⁵¹ When asked whether LoanGo had made any Securities and Exchange Commission filings,
9 Peterson suggested that Billingsley would know and said "...the corporate finance portion of the
10 business had been conducted by Mr. Billingsley."⁵² Ayers testified in his EUO that Billingsley
11 claimed to know how to raise money and that he did, in fact, raise money for LoanGo.⁵³ Mr. Rosov
12 also testified that Billingsley's role was mostly to find LoanGo's initial investors.⁵⁴ Billingsley even
13 signed a FINRA disclosure statement certifying that, "In the capacity of a Director of LoanGo
14 Corporation, I will assist in raising capital during the offering period."⁵⁵ Accordingly, Billingsley's
15 testimony about how investors learned about LoanGo was not credible.

16 32. Billingsley also testified that he gave each of the Investors a LoanGo offering
17 memorandum similar to exhibit S-3. This was similarly not credible. Four of the Investors said they
18 did not receive such a document before they invested.⁵⁶

19 33. Billingsley claimed that Noah Agron of Gilford Securities, Inc. ("Gilford") had called
20 all of the Investors to discuss their eligibility.⁵⁷ Again, this was not credible. FINRA personnel
21 determined that Gilford had not agreed to offer LoanGo's Notes.⁵⁸ Mrs. Rowley and Mr. Jordan

22 ⁴⁹ T.338:21-339:9; T.343:6-344:9; T.349:9-13; T.421:2-13

23 ⁵⁰ T.25:15-23; T.100:24-101:4

24 ⁵¹ S-38 p.27:4-11

25 ⁵² S-38 p.43:5-14

26 ⁵³ S-39 p.53:10-12, p.68:1-13

⁵⁴ T.393:25-394:19

⁵⁵ L-13 p.63

⁵⁶ T.27:22-28:2; T.33:21-34:2; T.61:24-62:1; T.66:7-10; T.105:24-106:14

⁵⁷ T.346:9-347:7; T.348:15-20; T.362:24-363:5

⁵⁸ T.443:9-444:10

1 testified, and Mr. Smeltzer and Mrs. Erickson stated to an investigator, that they did not discuss the
2 LoanGo investment with anyone other than Billingsley before they invested.⁵⁹

3 34. Peterson and Ayers' EUO testimony also contradicted Billingsley's claim that Noah
4 Agron called the Investors before they invested. In his EUO testimony, Peterson never mentioned
5 any contact between Gilford and the Investors, and instead said, "It was my understanding that the
6 interaction with investors was going to be handled by Mr. Billingsley."⁶⁰ Peterson also said, "Again,
7 the money raising ... was done by Mr. Billingsley, to the best of my knowledge. And no one else."⁶¹
8 Ayers' EUO testimony was that Gilford did not raise money for LoanGo and was waiting for
9 Billingsley to raise a threshold amount first.⁶² This testimony about Gilford requiring a threshold
10 investment amount before getting involved was consistent with a Skype message from Peterson in
11 January 2012 saying, "...especially with justin's next 90k, gilford should have no excuse[,] gilford
12 should step in and do at least 1MM."⁶³

13 35. This substantial body of evidence from multiple sources that contradicted
14 Billingsley's testimony shows that his testimony was not credible.

15 **D. Peterson's Testimony Was Also Not Credible On Several Issues**

16 36. Peterson's hearing and EUO testimony shows that he was willing to give testimony that
17 seemed advantageous to him at the time and was also willing to change that testimony if a different
18 answer became more advantageous.

19 37. Peterson changed his testimony about Billingsley's compensation. During his EUO,
20 when Peterson was asked whether Billingsley received any compensation for selling the Notes, Peterson
21 said, "I don't know. I don't think so."⁶⁴ After the EUO, the Division filed its Notice, which alleged fraud
22 for failing to disclose a commission to Billingsley. Therefore, the importance of commissions had
23 changed since the EUO, and so had Peterson's level of certainty. When asked during the hearing whether

24 ⁵⁹ T.27:19-21; T.61:7-9; T.65:23-25; T.102:12-14

25 ⁶⁰ S-39 p.38:24-40:1

26 ⁶¹ S-38 p.59:19-22

⁶² S-39 p.104:3-8

⁶³ S-36 at 1077 on 1/20/2012 at 15:01:18-15:01:29

⁶⁴ S-38 p.33:8-10

1 there was ever any discussion of a commission for Billingsley, Peterson said, “Absolutely not,” and
2 added that anyone with securities experience would “absolutely, positively never pay a commission to
3 an unlicensed person. It would just never happen.”⁶⁵ These differing answers show Peterson’s
4 willingness to change his testimony to his advantage.

5 38. Peterson’s testimony about Gilford also changed. Peterson testified in his EUO about
6 discussions with Gilford about conducting LoanGo’s Note offering, saying “those discussions were
7 terminated about April or May of 2012.”⁶⁶ Gilford’s involvement later became a significant issue when
8 the Notice alleged that LoanGo misrepresented that it had engaged Gilford. Peterson then claimed during
9 the hearing, contrary to his EUO testimony, that LoanGo’s discussions with Gilford about acting as a
10 placement agent “never ended.”⁶⁷

11 39. Peterson also changed his testimony about his level of initiative. Peterson claimed in his
12 EUO that his day-to-day role in LoanGo was to wait for instructions from Ayers then take a corporate
13 action when Ayers instructed him to.⁶⁸ Peterson testified during the hearing, however, that he acted on
14 his own initiative for LoanGo and did not act only on Ayers’ instructions.⁶⁹

15 40. Peterson’s memory of particular issues also shifted during the hearing between uncertain
16 and confident based on what suited him. For example, Peterson’s testimony changed regarding whether
17 the Investors received a LoanGo offering memorandum before investing. When the Division asked
18 Peterson whether the Investors received the exhibit S-3 offering memorandum, Peterson suggested he
19 did not know and misstated testimony, saying, “I don’t know any of those investors. I have never spoken
20 to them. It sounded like they had all seen it yesterday.”⁷⁰ But when his own counsel asked a similar
21
22

23 ⁶⁵ T.276:18–277:4

24 ⁶⁶ S-38 p.36:11–22

25 ⁶⁷ T.237:5–10

26 ⁶⁸ S-38 p.30:17–23

⁶⁹ T.324:7–325:1

⁷⁰ T.248:4–9. The actual prior testimony was that four of the Investors received no documents describing LoanGo before they invested, and there was no testimony about whether Mr. Goble received any. T.27:22–28:2; T.33:21–34:2; T.61:24–62:1; T.66:7–10; T.105:24–106:14.

1 question about what documents the Investors received, Peterson's recollection changed and he said, "...
2 PPM's were distributed, absolutely."⁷¹

3 41. Peterson's memory of commission negotiations with Gilford is another example. When
4 the Division asked Peterson about LoanGo's offering memorandum showing a 10% commission rate
5 for Gilford, Peterson said that he recalled that LoanGo anticipated a 10% rate but that LoanGo was still
6 in "discussions" with Gilford on what the commission rate would be.⁷² When the Division suggested
7 that an undecided commission rate undermined Peterson's claim that LoanGo had formally engaged
8 Gilford, Peterson changed his mind, and he indicated that he misremembered and that the commission
9 rate had been decided.⁷³

10 42. Peterson's memory also changed regarding whether he instructed Billingsley to disclose
11 LoanGo's prior defaults to Mr. Jordan before his March 1, 2012 Note.⁷⁴ During a long series of questions
12 by the Division, Peterson argued that his general insistence on good disclosures should be construed as
13 an instruction to Billingsley to disclose the defaults, but he eventually conceded that he did not remember
14 whether he specifically gave such an instruction because it would have happened five years earlier.⁷⁵
15 However, he later testified that he was "highly confident" that he told Billingsley to disclose LoanGo's
16 prior defaults to Mr. Jordan.⁷⁶ This new confidence also contradicted his earlier testimony during the
17 hearing that he was not even aware until April or May of 2012 that LoanGo had failed to make any
18 payments to the Investors.⁷⁷ And that testimony contradicted his EUO testimony that he did not know
19 whether LoanGo made payments to investors.⁷⁸

20 43. When asked about a Skype message in which he said that Ayers was not his boss,
21 Peterson first answered uncertainly, saying, "I don't think I ever said it."⁷⁹ However, by the end of the
22

23 ⁷¹ T.270:7-271:8

⁷² T.259:2-19

⁷³ T.259:12-260:6

⁷⁴ S-16

⁷⁵ T.255:6-258:10

⁷⁶ T.292:23-292:2

⁷⁷ T.261:24-262:17

⁷⁸ T.262:18-265:6; S-38 p.39:15-40:3

⁷⁹ T.291:6-17

1 same answer, five sentences later, Peterson had already changed his mind and asserted absolutely, "I
2 never said these things."⁸⁰

3 44. Peterson's demeanor during the Division's questioning also suggested a lack of
4 credibility. He was often unwilling to answer the questions actually posed to him and instead repeatedly
5 gave self-serving non-responsive answers until finally being cornered into answering the original
6 question.⁸¹

7 **E. The Exhibits Produced By Ayers Are Authentic and Accurate**

8 45. Peterson and Billingsley's claims that documents produced by Ayers were fake or
9 "selectively edited" are a contrivance. Peterson created this theory during his EUO testimony to avoid
10 embarrassment about a minor issue over incomplete investor documents. During the EUO, Peterson
11 agreed without reservation to the authenticity of his signatures on two Notes and a subscription
12 agreement.⁸² This changed only when he was confronted with the copy of Mrs. Erickson's Note that
13 was admitted during the hearing as exhibit S-6.⁸³ Exhibit S-6 is a \$30,000 Note signed by Peterson but
14 with blank lines where the date and investor name were not written.⁸⁴ After Peterson was asked during
15 his EUO about the blank date and name lines, he said, "I'm starting to wonder if my signature may have
16 been photocopied or affixed to other documents without my permission," because "As a general rule, I
17 don't sign incomplete contracts."⁸⁵ The possibility that Peterson was simply a bit careless with some
18 investor documents because he trusted Billingsley to complete them accurately is more plausible than
19 the notion that someone would fabricate or alter investor documents just to embarrass Peterson slightly.

20 46. Ayers testified that he received the notes and subscription documents from
21 Billingsley.⁸⁶ This is consistent with Peterson's EUO testimony that Billingsley handled the investor
22 documents. Peterson said, "I do remember that Mr. Billingsley was the one that was coordinating the
23

24 ⁸⁰ T.291:6-24

⁸¹ T.217:6-219:2; T.241:1-245:8; T.245:21-247:22; T.255:20-258:10; T.324:1-325:1

⁸² S-38 p.38:25-40:6, p.41:4-42:14, p.44:14-45:16

⁸³ S-6; S-38 p.46:9-47:1

⁸⁴ S-6

⁸⁵ S-38 p.46:23-47:4

⁸⁶ T.171:8-14

1 investor activity. And I believe he would have had custody of the documents and presented the
2 documents to me for a signature.”⁸⁷ When asked about a missing subscription agreement, Peterson
3 testified, “To the extent there was a note that was placed with [an] investor by Mr. Billingsley, I
4 would have requested that he have full documentation for each note.”⁸⁸

5 **F. The Skype Message Logs In Particular Are Authentic and Accurate**

6 47. Overwhelming circumstantial evidence confirms the authenticity and accuracy of the
7 Skype message log exhibits (“Skype Logs”), namely exhibits S-34, S-35, S-36, and S-37. Peterson
8 admitted that many circumstances mentioned in the Skype Logs were real. Other exhibits also
9 corroborate many statements in the Skype Logs. Peterson’s theory that Ayers fabricated or altered the
10 Skype Logs is implausible because the Skype Logs are inconsistent with Ayers’ interests. The theory is
11 also conclusory and self-serving.

12 48. The Skype Logs containing messages between Peterson, Billingsley, and Ayers are
13 consistent with many circumstances that Peterson admitted were true. A reference to “Elijah” doing
14 legal work in December 2011 is consistent with Elijah Rosov’s legal work for LoanGo at that time.⁸⁹
15 LoanGo’s bank accounts were opened in approximately June 2011, consistent with a Skype Log
16 message on June 10, 2011.⁹⁰ A statement that “Gary” needed a few more days for the investor document
17 was consistent with attorney Gary Agron preparing LoanGo’s offering memorandum at that time.⁹¹ A
18 conversation about Billingsley contributing \$10,000 to LoanGo and being repaid with the first investor
19 money was consistent with Peterson’s plans.⁹² A discussion about needing a threshold of \$100,000
20 raised by Billingsley was consistent with Peterson’s recollection of his plans.⁹³ Ayers asking Ana
21 Moreno if LoanGo had a debit card was consistent with her role at LoanGo.⁹⁴ Peterson also admitted
22 that there were circumstances consistent with Skype Log messages regarding LoanGo being set up in

23 ⁸⁷ S-38 p.50:3–6

24 ⁸⁸ S-38 p.57:14–22

25 ⁸⁹ S-34 at ACC1050 on 12/13/2011 at 10:18:08; T.206:10–13; T.368:18–20; T.382:8–10

26 ⁹⁰ S-36 at ACC1063 on 6/10/2011 at 11:07:23; T.213:23–214:5

⁹¹ S-36 at ACC1063 on 6/10/2011 at 11:07:32; T.214:6–14

⁹² S-36 at ACC1063 on 6/10/2011 at 11:08:24–11:08:54; T.214:20–215:17

⁹³ S-36 at ACC1065 on 10/4/2011 at 9:31:13–9:32:17

⁹⁴ S-36 at ACC1069 on 10/5/2011 at 17:01:08–17:01:31; T.221:15–222:9

1 Utah in June 2010,⁹⁵ a person in Davao named JJ,⁹⁶ wiring money for furniture to a person named
 2 Aldrin,⁹⁷ training a worker in the Philippines named Paul,⁹⁸ discussing persons named Ellen and
 3 Daisey,⁹⁹ discussing an accountant named Moley working the night shift in Manila,¹⁰⁰ discussing the
 4 relationships between LoanGo and several other companies,¹⁰¹ and Peterson travelling to the Philippines
 5 from mid December 2011 until late February 2012.¹⁰²

6 49. A Skype Log with messages between Peterson and someone named Ket was also
 7 consistent with many circumstances that Peterson admitted were true. A conversation between Peterson
 8 and Ket about office rentals in the Philippines was consistent with LoanGo activity.¹⁰³ So was a
 9 statement about people in Davao being patient.¹⁰⁴ A reference to someone named Ellen was also
 10 consistent with actual circumstances.¹⁰⁵ A statement by Peterson in the Skype Logs that he told Ayers
 11 to do his own thing in the Philippines with his own money correctly summarized a statement Peterson
 12 made to Ayers around the same time.¹⁰⁶ Peterson did not specifically recall making a Skype Log
 13 statement that he told Ayers that Ayers was not his boss, but the statement was consistent with Peterson's
 14 opinion that Ayers "thinks he's everyone's boss."¹⁰⁷

15 50. Bank statements produced by Peterson and Bank of America also corroborate the Skype
 16 Logs.¹⁰⁸ A Skype Log statement that there had been no LoanGo transactions since Billingsley deposited
 17 \$10,000 in June 2011 is consistent with the September 2011 bank statement showing a \$10,000 starting
 18 balance.¹⁰⁹ A reference to LoanGo having received only \$30,000 of investment as of October 3, 2011,
 19

20 ⁹⁵ S-36 at ACC1063 on 6/10/2011 at 11:07:41; T.214:15-19

21 ⁹⁶ S-36 at ACC1064 on 6/27/2011 at 7:57:05-7:59:55; T.215:18-216:10

22 ⁹⁷ S-36 at ACC1070 on 10/24/2011 at 10:53:20-10:53:32; T.222:12-224:5

23 ⁹⁸ S-36 at ACC1079 on 2/27/0012 at 15:07:18-15:07:54; T.224:24-225:15

24 ⁹⁹ S-36 at ACC1081 on 3/23/2012 at 10:56:14-10:56:55; T.225:16-226:3

25 ¹⁰⁰ S-36 at ACC1081 on 3/23/2012 at 12:34:03; T.226:4-12

26 ¹⁰¹ S-36 at ACC1082 on 3/23/2012 at 12:36:51; T.226:13-227:4

¹⁰² S-37 at ACC1094 on 11/21/2011 at 10:03:14; T.234:25-235:17

¹⁰³ S-35 at ACC1054 on 4/16/2012 at 11:38:53 AM; T.207:23-208:25

¹⁰⁴ S-35 at ACC1054 on 4/16/2012 at 11:41:01 AM; T.209:1-15

¹⁰⁵ S-35 at ACC1055 on 4/16/2012 at 11:51:47 AM; T.212:2-10

¹⁰⁶ S-35 at ACC1056 on 4/18/2012 at 2:36:49 PM; T.212:16-213:1

¹⁰⁷ S-35 at ACC1057 on 4/18/2012 at 2:38:33 PM; T.213:2-22

¹⁰⁸ S-27 through S-30; S-46; T.89:9-10; T.89:24-25; T.90:14-16; T.91:5-6; T.442:14-16

¹⁰⁹ S-36 at ACC1067 on 10/5/2011 at 9:50:24-9:50:47; S-27 at ACC3062

1 is consistent with bank statements showing a \$30,000 deposit on September 28, 2011, and no further
 2 deposits until October 6, 2011.¹¹⁰ References to imminent deposits by Billingsley on October 6, 2011,
 3 and October 13, 2011, are consistent with deposits of the correct amounts on those days.¹¹¹ References
 4 to two payments for LoanGo equipment purchases in the Philippines on October 24, 2011, and October
 5 25, 2011, are consistent with the dates and amounts of two wire transfers to Aldrin Baldonado, whom
 6 Peterson confirmed to be involved with LoanGo.¹¹² An October 26, 2011, reference to a \$9,000 wire to
 7 Epic, which is a trade name of Advance Loan Technologies, is consistent with a \$9,000 wire the
 8 following day to Advance Loan Technologies.¹¹³ A statement on December 13, 2011, that LoanGo
 9 would soon wire Billingsley \$15,000 for a “loan” is consistent with a \$15,000 wire to Billingsley’s
 10 company sent two days later on December 15, 2011.¹¹⁴ A February 21, 2011, reference to a \$70,000
 11 deposit that day is consistent with the deposit of Mr. Jordan’s first investment check.¹¹⁵ An April 6,
 12 2011, reference to a \$10,000K transfer between LoanGo accounts resulting in a “14K” balance is
 13 consistent with a \$10,000 transfer that day from account ‘2939 to account ‘2955 resulting in an ending
 14 balance that day of \$13,943.97.¹¹⁶

15 51. Peterson’s theory that Ayers doctored the Skype Logs is implausible. Peterson claimed
 16 that Ayers prepared the Skype Logs to make him look bad.¹¹⁷ However, Ayers’ use of the Skype Logs
 17 is inconsistent with that theory because Ayers did not produce them to the Division on his own initiative.
 18 Ayers’ EUO transcript shows that Ayers had produced documents to the Division the day before his
 19 EUO.¹¹⁸ It also shows that Ayers did not produce the Skype Logs until after the EUO. The Division
 20 attorney asked Ayers during the EUO if he had email correspondence with Peterson, and Ayers

21 _____
 22 ¹¹⁰ S-36 at ACC1065 on 10/3/2011 at 16:07:28; S-27 at ACC3063; S-28 at ACC3066

23 ¹¹¹ S-36 at ACC1069 on 10/6/2011 at 11:17:43–11:18:08; S-36 at ACC1069–1070 on 10/13/2011 at 15:57:19–
 24 15:58:13; S-28 at 3066

25 ¹¹² S-36 at ACC1070–1071 on 10/24/2011 at 10:53:20–10:54:58; S-36 ACC1071 on 10/25/2011 at 13:34:17–14:42:02;
 26 S-27 at ACC3066; T.222:15–25

¹¹³ S-36 at ACC1071 on 10/26/2011 at 17:15:00; S-28 at ACC3066. Ayers explained in his EUO that Epic and
 Advance Loan Technologies are the same entity. S-39 p.127:13–15.

¹¹⁴ S-36 at ACC1076 on 12/13/2011 at 10:18:31; S-46 at ACC3073; T.407:11–15

¹¹⁵ S-36 at ACC1078 on 2/21/2011 at 11:16:21; S-29 at ACC388; S-41

¹¹⁶ S-36 at ACC1084 on April 6, 2011 at 11:34:06–11:36:11; S-30 at ACC41, 43

¹¹⁷ T.304:12–24

¹¹⁸ S-39 p.70:29–25

1 responded that he did not have email correspondence but did have recorded Skype communications.¹¹⁹
2 Ayers did not offer to produce the Skype Logs, and instead the Division attorney had to request them.¹²⁰
3 These circumstances are inconsistent with Peterson's theory. If Ayers had doctored the Skype Logs to
4 implicate Peterson, Ayers would have produced them to the Division at the first opportunity with the
5 rest of his document production. Instead, he produced the Skype Logs only when the Division
6 discovered and requested them during his EUO.

7 52. Peterson's theory that Ayers altered the Skype Logs is also conclusory and self-serving.
8 When Peterson was asked about a Skype Log message in which he discussed giving Billingsley a
9 \$15,000 "loan" because he could not be paid "commission," Peterson said, "I don't know if I said that.
10 Again, I testified that it's my theory that your client modified these documents to make me look bad. It
11 would be consistent with his prior behavior." (emphasis added).¹²¹ This exchange sums up Peterson's
12 conclusory position about the Skype logs: Peterson thinks Ayers is dishonest, and Peterson is therefore
13 prepared to discount anything from Ayers, even statements that Peterson concedes he may have actually
14 made.

15 53. Two other instances where Peterson conceded that he did not recall whether or not he
16 made specific written statements further demonstrate that his theory is conclusory. When the Division
17 asked if Peterson recalled making a Skype Log statement about Billingsley's "quirks," Peterson said,
18 "No. It looks like something Ayers would have edited and inserted to try and drive a wedge between me
19 and Billingsley."¹²² But when Ayers' counsel later pressed him on whether he believed the "quirks"
20 statement was fabricated, Peterson said, "I guess. Honestly, I don't remember. Okay? I could have said
21 this."¹²³ Later, Ayers' counsel showed Peterson an email from him to Ayers several months after their
22 falling out asking Ayers to meet with him briefly.¹²⁴ When asked if he recognized the email, Peterson
23

24 ¹¹⁹ S-39 p.69:18-23

25 ¹²⁰ S-39 p.24-25

26 ¹²¹ T.304:12-24

¹²² T.216:16-217:1

¹²³ T.284:14-18

¹²⁴ A-5

1 said, "Again, it looks like something that has been selectively edited."¹²⁵ But when asked if he
2 recognized in particular his request to meet with Ayers, he said, "I don't. I'm a big believer in conflict
3 resolution. And this was a long time ago, so I don't know," thus conceding that he might have sent the
4 email.¹²⁶

5 54. The conclusory nature of Peterson's theory was also evident from a Skype Log passage
6 that Peterson denied but a neutral witness confirmed. The Skype Logs include a statement by Peterson
7 about instructing Mr. Rosov to prepare a promissory note for an investor.¹²⁷ When Ayers' counsel asked
8 why Peterson would have instructed Mr. Rosov to prepare such a note, Peterson said, "I wouldn't. Your
9 client modified these documents."¹²⁸ However, Mr. Rosov himself testified that he did receive
10 instructions from Peterson similar to those described in the Skype Log, and Ayers probably was not
11 even aware of such instructions until Peterson told him via Skype.¹²⁹

12 55. Peterson effectively conceded that his theory that the Skype Logs were altered was just
13 speculation based on what he expected from Ayers, not disagreement with any significant content of the
14 Skype Logs. When asked if he had any evidence that the Skype Logs were fabricated, he answered,
15 "Just the FTC investigation ..., they alleged he had modified evidence."¹³⁰ However, Peterson never
16 offered any explanation of what evidence Ayers supposedly altered in the FTC case.

17 56. Peterson's theory about the Skype Logs is also implausible because the Skype Logs work
18 against Ayers' interests by contradicting his EUO testimony. A Skype Log statement giving Ayers
19 online banking login information is evidence indicating that Ayers was a control person of LoanGo, and
20 the statement contradicts Ayers' EUO testimony that he did not have access to bank records.¹³¹ A Skype
21 Log statement by Peterson to Ayers explaining the purpose of Infobenefit Corporation is inconsistent
22 with Ayers' EUO testimony that he did not know the purpose of Infobenefit Corporation.¹³² The Skype

23 ¹²⁵ T.496:6-16

24 ¹²⁶ T.497:9-11

¹²⁷ S-36 at ACC1075 on 12/13/2011 at 10:18:08; T.306:16-307:5

25 ¹²⁸ T.306:16-307:5

¹²⁹ T.384:19-386:22

¹³⁰ T.285:24-286:4

26 ¹³¹ S-36 at ACC1068-1069 on 10/5/2011 at 10:06:58-10:07:56; S-39 p.62:2-9, p.72:10-12

¹³² S-36 at ACC1082 on 3/23/2012 at 12:36:51; S-39 p.83:6-11

1 Logs also contradict Ayers' position during the hearing that Peterson never made a \$10,000 contribution
2 to LoanGo's startup costs.¹³³

3 57. Based on the overwhelming evidence corroborating the Skype Logs and the weakness
4 of Peterson's claim that they were altered, the Skype Logs should be credited as being authentic and
5 accurate.

6 **G. A \$15,000 Payment to Billingsley Was a Commission Disguised As a Sham Loan**

7 58. LoanGo made a \$15,000 payment to Billingsley's company on December 15, 2011.¹³⁴
8 Although Peterson and Billingsley claimed that this payment was not a commission for Billingsley's
9 sales of the Notes to his clients, the circumstances show that this payment was a commission. Peterson
10 stated in a Skype Log that a promissory note was being prepared "to 'loan' \$15k to Justin" and that
11 LoanGo would wire Billingsley the money as soon as he signed the note.¹³⁵ Peterson stated, "remember
12 he [can't] be 'paid' commission but he can be loaned money."¹³⁶ Despite his attempts to discredit the
13 Skype Logs, Peterson effectively conceded that he may have made this particular statement, admitting
14 "I don't know if I said that."¹³⁷

15 59. Peterson and Mr. Rosov both testified that it was very important that no one be paid a
16 commission for bringing in investors.¹³⁸ However, the importance of not paying commissions is
17 consistent with Peterson's Skype Log statement admonishing Ayers that the \$15,000 payment to
18 Billingsley must be considered a "loan" because Billingsley's "[can't] be 'paid' commission."¹³⁹
19 Peterson's use of quotations around the words "loan" and "paid" shows that his message was an attempt
20 to explain to Ayers the nature of the sham "loan" while also emphasizing the terminology needed to
21 maintain the sham. Ayers testified that his understanding was that the \$15,000 payment to Billingsley

22
23 ¹³³ T.619:21-626:3; S-36 at ACC1063 on 6/10/2011 at 11:08:54. Peterson wrote, "so as soon as the first money comes
24 in, we will get out 10k back." S-36 at ACC1063 on 6/10/2011 at 11:08:54. This reference to "we" getting \$10,000 back
indicates that Peterson did contribute \$10,000, contrary to Ayers' position.

¹³⁴ S-46 at ACC3073; T.407:11-15

¹³⁵ S-36 at ACC1076 on 12/13/2011 at 10:18:31

¹³⁶ S-36 at ACC1076 on 12/13/2011 at 10:18:31

¹³⁷ T.304:12-24

¹³⁸ T.276:18-277:4; T.384:3-7

¹³⁹ S-36 at ACC1076 on 12/13/2011 at 10:18:31

1 was a commission.¹⁴⁰ This shows that Ayers had forgotten the sham “loan” pretext and that Ayers
2 instead remembered the payment for what it truly was, a commission for Billingsley’s Note sales.

3 60. Billingsley’s testimony about the commission was not credible. Billingsley denied that
4 the \$15,000 payment was even a loan to him. Billingsley testified that the only payments he ever
5 received from LoanGo were the repayment of a loan he made to LoanGo and reimbursement of his
6 expenses.¹⁴¹ However, the \$15,000 payment was exactly 10% of the \$150,000 total investment amount
7 that Billingsley had raised at that point from Mrs. Erickson, Mrs. Rowley, Mr. Goble, and Mr.
8 Smeltzer.¹⁴² LoanGo’s offering memorandum also showed that 10% was the commission rate for the
9 Note offering.¹⁴³ It is implausible that Billingsley received an expense reimbursement that was
10 coincidentally a perfectly round \$15,000 sum that just happened to exactly equal the commission rate
11 for the funds Billingsley had raised from his clients. The Skype Logs also show that the \$15,000 sum
12 was not an expense reimbursement as Billingsley claimed.¹⁴⁴

13 **IV. ARGUMENT**

14 **A. The Notes Are Securities**

15 61. LoanGo’s Notes are securities. The Act identifies notes as securities. A.R.S. § 44-
16 1801(26). For purposes of the Act’s registration provisions, all notes are securities unless they are
17 exempt from registration pursuant to the Act. State v. Tober, 173 Ariz. 211, 213 (1992). The Notes
18 are not exempt from registration, as explained below, therefore the notes are securities for purposes
19 of the Act’s registration provisions.

20 62. The Notes are also securities for purposes of the Act’s anti-fraud provisions. Under
21 the applicable “family resemblance” test, notes are presumptively securities for anti-fraud purposes.
22 MacCollum v. Perkinson, 185 Ariz. 179, 187 (App. 1996). A respondent may attempt to rebut this
23 presumption by showing that a note bears a strong resemblance to an instrument that is not intended
24

25 ¹⁴⁰ T.157:4–25

¹⁴¹ T.359:19–360:2

¹⁴² S-4; S-8; S-10; S-12; S-27 at ACC3063; S-28 at ACC3066; T.261:4–23

¹⁴³ S-3 at ACC1001; T.259:12–260

¹⁴⁴ S-36 at ACC1076 on 12/13/2011 at 10:18:31

1 to be regulated as a security based on four factors: 1) the motives of the parties, 2) the plan of
 2 distribution, 3) the public's reasonable expectations, and 4) the existence of a risk-reducing factor
 3 such as another regulatory scheme. Id.

4 63. In the present case these four factors do not rebut the presumption that the Notes are
 5 securities. First, the motives of the parties were consistent with the Notes being securities. The high
 6 18% interest rate promised by the Notes indicates that investors were motivated by high investment
 7 returns.¹⁴⁵ LoanGo's motive to raise capital to fund its business operations is also consistent with a
 8 security.¹⁴⁶ Second, the plan of distribution was also consistent with the Notes being securities.
 9 LoanGo's short term plan was to raise capital from the clients of an investment professional,
 10 Billingsley. Its long term plan was to raise capital from the clients of a securities dealer, Gilford, using
 11 an offering memorandum.¹⁴⁷ Third, the public's reasonable expectations were also consistent with the
 12 Notes being securities. Peterson, a former securities professional, believed that the Notes were
 13 securities, and LoanGo's offering memorandum referred to them as securities.¹⁴⁸ The public could
 14 reasonably expect that those characterizations were correct. Lastly, there was no risk-reducing factor
 15 to suggest that the Notes were anything other than securities.

16 64. Therefore the Notes are securities for purposes of both the registration and anti-fraud
 17 provisions of the Act.

18 **B. LoanGo, Billingsley, and Peterson Offered or Sold the Securities Within or From**
 19 **Arizona**

20 65. An offer to sell a security means any attempt to offer or dispose of a security. A.R.S.
 21 § 44-1801(15). A sale of a security means any sale or disposition of a security for value or a contract
 22 to make such a sale. A.R.S. § 44-1801(21). Billingsley offered all of the Notes by telling the Investors
 23 about LoanGo and recommending that they invest because it was a promising business.¹⁴⁹ This was
 24

25 ¹⁴⁵ S-5; S-9; S-11; S-13; S-16

¹⁴⁶ S-18

¹⁴⁷ S-3

¹⁴⁸ S-38 p.27:12-20; S-3

¹⁴⁹ T.60:16-19; T.62:13-20; T.64:22-24;

1 an attempt to dispose of the Notes because selling the Notes to raise initial capital from his clients was
 2 Billingsley's role at LoanGo.¹⁵⁰ Peterson and LoanGo sold all of the Notes by Peterson executing the
 3 Notes and subscription agreements on behalf of LoanGo, thereby disposing of the Notes for value and
 4 executing contracts to sell the Notes.¹⁵¹

5 66. All of LoanGo's Notes were offered and sold from Arizona because the only office
 6 where LoanGo conducted its business was its Chandler, Arizona office and because at least three of
 7 the Investors' payments were mailed to Arizona.¹⁵² The offer to Mr. Jordan occurred within Arizona
 8 at Billingsley's office.¹⁵³

9 **C. LoanGo, Billingsley, Peterson, and the Notes Were Neither Registered Nor Exempt**
 10 **From Registration**

11 67. Billingsley, Peterson, and LoanGo were not registered by the Commission as
 12 securities salesmen or dealers.¹⁵⁴ LoanGo's securities were not registered by the Commission.¹⁵⁵

13 68. It is the Respondents' burden to prove any exemption from registration. A.R.S. § 44-
 14 2033. Because of the vital public policies underlying the Act's registration requirements, all
 15 exemption requirements must be strictly complied with. State v. Baumann, 125 Ariz. 404, 411
 16 (1980).

17 69. Although the Respondents have not specified which exemptions they believe apply,
 18 they have failed to prove that any exemption from registration applies to them or to the securities.
 19 Most fundamentally, there is no evidence that LoanGo has ever filed a Form D Notice of Exempt
 20 Offering of Securities with the Commission, which is a requirement for several exemption grounds
 21 after making a securities sale.¹⁵⁶

22
 23
 24 ¹⁵⁰ S-38 p.27:4-11, p.43:5-14

¹⁵¹ S-38 p.42:12-14, p.53:8-16

¹⁵² T.28:9-11; T.61:10-12; T.66:4-6

¹⁵³ T.100:24-101:4

¹⁵⁴ S-1a; S-1b; S-1c

¹⁵⁵ S-1a

¹⁵⁶ See, e.g., R14-4-126(D); R14-4-140(L)

1 70. The Respondents also failed to prove that they satisfied the requirements of any
2 exemption limited to accredited or sophisticated investors. At the time they invested, none of the
3 Investors were accredited investors based on their net worth or annual income.¹⁵⁷ There was also no
4 credible evidence that the Investors had enough investment experience to be able to evaluate the risks
5 and merits of the investment. Although Billingsley gave conclusory testimony that the Investors were
6 all sophisticated, this testimony was not credible.¹⁵⁸ Mrs. Rowley and Mr. Jordan's testimony showed
7 that their investment experience was quite limited, so limited that they simply trusted Billingsley's
8 advice unquestioningly.¹⁵⁹

9 71. The Respondents also lacked a reasonable belief that the Investors were qualified.
10 Billingsley admitted that he did not know their net worth or annual income when they invested and,
11 as explained below, it was Billingsley, not the Investors, who falsely indicated on the subscription
12 agreements that they had a net worth over \$1,000,000.¹⁶⁰ Billingsley also admitted that nothing about
13 the products the Investors had previously purchased from him gave him any indication of their
14 sophistication levels.¹⁶¹

15 72. Finally, the Respondents have not proven the statutory non-public offering exemption.
16 The Act exempts "Transactions by an issuer not involving any public offering." A.R.S. § 44-
17 1844(A)(1). Although there is no Arizona authority on the meaning of this provision, it is identical to
18 Section 4(a)(2) of the Federal Securities Act of 1933. See 15 U.S.C. § 77d(a)(2). Therefore court
19 authorities on Section 4(a)(2) should be used as an interpretive guide for the non-public offering
20 provision of the Act. See Laws 1996, Ch. 197, § 11(C) (Legislature intends that court interpretations
21 of substantially similar federal securities provisions be used as interpretive guide for the Act).

22 73. The federal non-public offering provision only exempts offerings in which the offerees
23 can "fend for themselves" and do not need the protection of a securities registration statute, such as

24 ¹⁵⁷ T.28:17-24; T.61:13-18; T.63:23-64:6; T.66:7-17; T.105:5-7; T.124:13-18; T.144:3-8

25 ¹⁵⁸ T.411:9-25

26 ¹⁵⁹ T.27:2-10; T.29:4-14; T.101:5-12; T.109:8-11; T.113:25-114:12

¹⁶⁰ T.339:23-342:9; T.347:8-348:20; T.349:21-350:4; T.350:20-351:3; T.351:24-352:8; T.353:10-24; T.421:14-422:8

¹⁶¹ T.421:14-25

1 the executive officers of the issuer. See S.E.C. v. Ralston Purina Co., 346 U.S. 119, 125–126 (1953).
2 “A court may only conclude that the investors do not need the protection of the [Securities Act of
3 1933] if all of the offerees have relationships with the issuer affording them access to or the disclosure
4 of the sort of information about the issuer that registration reveals.” S.E.C. v. Murphy, 626 F.2d 633,
5 647 (9th Cir. 1980). The information required is “quite extensive” and includes the use of investor
6 funds. Id. The test for the federal non-public offering exemption is based on, 1) the number of offerees,
7 2) the sophistication of the offerees, 3) the size and manner of the offering, and 4) the relationship of
8 the offerees to the issuer. Id. at 644–645.

9 74. LoanGo’s Notes offering does not satisfy this test for the non-public offering
10 exemption. Although there were few investors and the offering was relatively small in amount, the
11 second and fourth factors clearly show that the Investors did not have access to extensive information
12 about LoanGo. The limited sophistication of the investors is evident from how little information they
13 demanded about LoanGo. At least four of the Investors invested before they saw an offering
14 memorandum or any other documents about LoanGo.¹⁶² Mrs. Rowley and Mr. Jordan’s testimony
15 showed that they basically requested no information about LoanGo at all.¹⁶³ In particular, they lacked
16 information about the possible use of their investment funds to pay commissions and to repay Peterson
17 and Billingsley’s loans. The Investors also had no relationship with the issuer and had never heard of
18 LoanGo before Billingsley recommended that they invest.¹⁶⁴ The Investors’ relationship with
19 Billingsley was not one that gave them leverage and access to information, as Billingsley’s misleading
20 omissions show. Instead, the Investors’ relationship with Billingsley had the opposite effect of
21 encouraging the Investors to trust Billingsley’s recommendation without seeking any information
22 about LoanGo.¹⁶⁵ Therefore, because the Investors did not have access to extensive information about
23 LoanGo, the Notes were not exempt based on the non-public offering exemption.

24
25 ¹⁶² T.27:22–28:2; T.33:21–34:2; T.61:24–62:1; T.66:7–10; T.105:24–106:14.

¹⁶³ T.27:4–10; T.101:1–12; T.109:8–11

26 ¹⁶⁴ T.60:16–19; T.62:13–20; T.64:22–24

¹⁶⁵ T.27:4–10; T.101:1–12; T.109:8–11

1 **D. LoanGo and Billingsley Violated the Anti-Fraud Provisions of the Act**

2 75. Billingsley, on behalf of LoanGo, engaged in multiple violations of A.R.S. § 44-
3 1991(A), the anti-fraud provisions of the Securities Act.

4 76. Under A.R.S. § 44-1991(A)(2) it is unlawful to make untrue statements of material
5 fact or to omit to state a material fact necessary in order to make the statements made, in light of the
6 circumstances under which they were made, not misleading. A.R.S. § 44-1991(A)(2). A statement is
7 misleading if it misleads potential investors in any way. See Trimble v. Am. Sav. Life Ins. Co., 152
8 Ariz. 548, 553 (App. 1986) (the Act places a heavy burden upon the offeror not to mislead potential
9 investors in any way). A statement with misleading implications is also misleading. See State v.
10 Schwenke, 222 P.3d 768, 773 (Utah App. 2009) (statement was misleading based on what it lead
11 one to believe). Statements made to create confidence in a transaction can be misleading if omitted
12 facts would undermine that confidence. See State v. Johnson, 224 P.3d 720, 731 (Utah App. 2009).
13 See also Denver Energy Exploration, LLC v. Ariz. Corp. Comm'n, 2016 WL 4916776, ¶ 18 (Ariz.
14 App. 2016) (memorandum decision) (statements were intended to create confidence in the
15 company).¹⁶⁶ Investors are not required to investigate or perform due diligence. Trimble, 152 Ariz.
16 at 553. It is the offeror who bears the burden not to mislead potential investors. Id.

17 77. A fact is material if there is a substantial likelihood that, under all of the circumstances,
18 the fact would have assumed actual significance in the deliberations of a reasonable investor.
19 Caruthers v. Underhill, 230 Ariz. 513, 524, ¶ 43 (App. 2012). This is an objective test that does not
20 rely on the subjective opinions of the actual investors. Aaron v. Fromkin, 196 Ariz. 224, 227, ¶ 14
21 (App. 2000). Materiality does not require evidence that a reasonable investor would have decided not
22 to invest. See id.

23 78. Under A.R.S. § 44-1991(A)(3) it is unlawful to engage in any transaction, practice,
24 or course of business which operates or would operate as a fraud or deceit. A.R.S. § 44-1991(A)(3).

25
26 ¹⁶⁶ <http://www.azcourts.gov/Portals/0/OpinionFiles/Div1/2016/CV15-0553.pdf>

Misrepresentations and Omissions

1
2 79. Billingsley misrepresented to Mrs. Erickson and Mr. Smeltzer that the Notes were
3 a low-risk investment.¹⁶⁷ In reality, the Notes were a speculative investment involving a high
4 degree of risk, as explained in LoanGo's offering memorandum.¹⁶⁸ This misrepresentation was
5 material because the risk of an investment is always significant to any reasonable investor's
6 deliberations.

7 80. Billingsley told Mrs. Erickson, Mrs. Rowley, Mr. Smeltzer, and Mr. Jordan that
8 their money would be used to start a new company, but he omitted that their money could also be
9 used to pay him a 10% commission and to repay \$20,000 in loans that he and Peterson made to
10 LoanGo. Both of these omissions were misleading because using the investors' money for those
11 purposes meant some of their money would not be used to set up the company, as Billingsley stated.

12 81. These omissions were also material. Using investor money to pay 10% commissions
13 and repay earlier investments reduces the amount of capital available to make the venture succeed.
14 Knowing how much of an investment will be used to make the venture succeed, instead of other uses,
15 would be significant to the deliberations of a reasonable investors. High commissions are also
16 significant to reasonable investors because they suggest that the salesman may have a reason to
17 misrepresent the quality of an investment. See U.S. v. Santoro, 302 F.3d 76, 81 (2nd Cir. 2002)
18 (discussing a 15% commission rate). The use of funds to repay Billingsley and Peterson's loans to
19 LoanGo also cashed out their own investments with new investors' money. The fact that two of the
20 founders cashed out their investments in LoanGo might suggest that they were not confident in their
21 own company's success, and this would also be significant to the deliberations of a reasonable investor
22 and was therefore material.

23 82. Billingsley told Mr. Jordan that the LoanGo Notes were a good investment but
24 omitted that LoanGo had already defaulted on its notes to the first four Investors.¹⁶⁹ This omission

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26 ¹⁶⁷ T.60:20-3; T.65:4-13

¹⁶⁸ S-3 at ACC1000

¹⁶⁹ T.101:5-12; T.254:5-255:10

1 was misleading because the defaults strongly indicated that the Notes were not, in fact, a good
2 investment. See Denver Energy, 2016 WL 4916776, ¶ 18 (statements intended to create confidence
3 in the company). Defaults on notes to earlier investors would clearly be significant to the
4 deliberations of later investors and were therefore material.

5 **Falsified Subscription Agreements**

6 83. Billingsley, on behalf of LoanGo, engaged in a course of business that operated as a
7 fraud or deceit by falsifying four of the Investor's subscription agreements to create the appearance that
8 they were accredited and therefore qualified to invest. The Commission can infer that Billingsley
9 falsified four of the Investors' subscription agreements because those subscription agreements
10 misrepresented the Investors' true finances and because Billingsley had the motive and opportunity to
11 falsify them.

12 84. At the time they invested, none of the Investors had net worths over \$1,000,000.¹⁷⁰
13 However, Mrs. Erickson, Mrs. Rowley, Mr. Goble, and Mr. Smeltzer's subscription agreements all
14 include a checked box falsely indicating a net worth over \$1,000,000.¹⁷¹ Mrs. Rowley testified that the
15 check mark in that box on her subscription agreement did not look like her writing.¹⁷² There was no
16 evidence that any of the Investors had any reason to overstate their net worth.

17 85. Billingsley had a motive to falsify the subscription agreements. Billingsley was a one-
18 third owner of LoanGo, and LoanGo needed the Investors' money to have a chance at success.¹⁷³
19 Creating the appearance that the Investors were qualified to invest created that opportunity and gave
20 Billingsley a chance to own a successful company. Billingsley was also motivated to find investors that
21 would be accepted because he had personally lent \$10,000 to LoanGo that would not be repaid until
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25 ¹⁷⁰ T.28:17-20; T.61:13-15; T.63:23-64:3; T.66:7-13; T.105:5-7; T.124:13-15; T.144:3-8

26 ¹⁷¹ S-4 at ACC507; S-8 at ACC523; S-10 at ACC493; S-12 at ACC537

¹⁷² T.30:25-31:10

¹⁷³ S-18; S-23

1 LoanGo received investor funds.¹⁷⁴ Lastly, Billingsley was paid a 10% commission, so falsifying
2 investor qualifications to qualify more investors directly benefitted him.¹⁷⁵

3 86. Billingsley also had the opportunity to falsify the subscription agreements because he
4 had custody of them. It was Billingsley who coordinated investor activity for LoanGo and presented
5 investor documents, such as the subscription agreements, to Peterson for signature.¹⁷⁶

6 87. Either four of the Investors lied about their net worth on their subscription agreements
7 for no apparent reason, or someone altered the subscription agreements. Given Billingsley's motive and
8 opportunity to falsify the subscription agreements, the Commission can infer that it was him.

9 **E. Peterson and Ayers Were Controlling Persons of LoanGo and Are Liable for Its Anti-**
10 **Fraud Violations**

11 88. Peterson and Ayers are also liable as control persons for LoanGo's anti-fraud
12 violations. A.R.S. § 44-1999(B) imposes presumptive liability "on those persons who have the power
13 to directly or indirectly control the activities of those persons or entities liable as primary violators of
14 A.R.S. § 44-1991." Eastern Vanguard Forex Ltd. v. Ariz. Corp. Comm'n, 206 Ariz. 399, 412, ¶ 42
15 (App. 2003). See also A.R.S. § 44-1999(B). Control includes both actual control and legally
16 enforceable control. See Eastern Vanguard, 206 Ariz. at 412, ¶ 41. Liability may be premised on
17 the mere power to control, regardless of whether the respondent actually exercised that power. See
18 id. at 412, ¶¶ 41-42. Thus, "those persons who have voluntarily assumed a status or position that
19 ordinarily conveys certain authority to control," such as corporate directors, may not avoid liability
20 by ignoring "the duties and responsibilities – fiduciary and otherwise – attendant to that control."
21 Loftus C. Carson, II, *The Liability of Controlling Persons under the Federal Securities Act*, 72
22 *Notre Dame L.Rev.* 263, 284 (1997) (cited with approval in Eastern Vanguard, 206 Ariz. at 411-
23 412, ¶¶ 38, 41).

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25 ¹⁷⁴ S-36 at ACC1063 on 06/10/2011 at 11:08:24 through 06/10/2011 at 11:08:54; S-36 at ACC1067 on 10/5/2011 at
9:50:24

26 ¹⁷⁵ S-36 at ACC1076 on 12/13/2011 at 10:18:31; S-46 at ACC3073; T.261:4-23

¹⁷⁶ S-38 p.50:3-6

1 **Peterson and Ayers Had the Power to Control LoanGo**

2 89. Peterson and Ayers had both legally enforceable control and actual control over
3 LoanGo. Peterson and Ayers were both directors, officers, and one-third owners of LoanGo, which
4 gave them both legally enforceable control.¹⁷⁷ Both of them approved the board resolution that
5 approved a \$3,000,000 offering.¹⁷⁸ They were both involved in creating the infrastructure for and
6 starting LoanGo's business operations.¹⁷⁹ Peterson admitted that he controlled LoanGo together with
7 Ayers and Billingsley.¹⁸⁰ Peterson was also the only officer who was a signer on LoanGo's bank
8 accounts.¹⁸¹ When LoanGo's securities attorney needed approval to amend the cover of LoanGo's
9 offering memorandum, he sought and received that approval from Peterson.¹⁸² Peterson later asserted
10 in an electronic message that "LoanGo is my business."¹⁸³ Ayers exercised control by developing
11 marketing to borrowers, developing the website where loans would be offered, coordinating the
12 software that LoanGo would use, and structuring LoanGo's call center operations.¹⁸⁴ Ayers also
13 controlled employees in the Chandler office that he lent to LoanGo from his other business.¹⁸⁵ He also
14 prepared LoanGo's application for a Utah lending license.¹⁸⁶

15 90. It is no defense that Ayers failed to effectively exercise the legal power he had as
16 President and Director. To prevent those clothed with authority, such as Ayers, from ceding their
17 responsibilities, "the appropriate standard [for control person liability] must be flexible enough to
18 include actions of omission as well as commission." Eastern Vanguard, 206 Ariz. at 414, ¶ 48.

19 **Peterson and Ayers Have Not Proven Good Faith or Lack of Inducement**

20 91. An affirmative defense is available to control persons who acted in good faith and did
21 not directly or indirectly induce the violations, but it is the controlling person's burden to prove those

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¹⁷⁷ S-3 at ACC1020; S-18; S-23

23 ¹⁷⁸ S-18

¹⁷⁹ S-38 p.61:4-7

24 ¹⁸⁰ T.281:20-23

¹⁸¹ S-31; S-32; S-33

¹⁸² S-19

25 ¹⁸³ S-35 at ACC1056 on 4/18/2012 at 2:37:25

¹⁸⁴ S-39 p.55:10-17, p.60:1-4

26 ¹⁸⁵ S-39 p.50:16-51:11

¹⁸⁶ S-39 p.44:15-45:2

1 circumstances. Eastern Vanguard, 206 Ariz. at 413, ¶ 46. See A.R.S. § 44-1999(B). The good faith
2 element requires at a minimum that the control person exercised due care by taking reasonable steps
3 to maintain and enforce a reasonable and proper system of supervision and internal controls. Eastern
4 Vanguard, 206 Ariz. at 414, ¶ 50.

5 92. Peterson has not proven this affirmative defense because he has not proven that he
6 acted in good faith. Peterson did not maintain or enforce supervision or control of Billingsley's use of
7 documents with investors. He testified in his EUO that he would have put such policies into place if
8 LoanGo had done a traditional private placement with Gilford, but he did not put such policies into
9 place for Billingsley because he "felt comfortable that Mr. Billingsley was not doing anything
10 unreasonable."¹⁸⁷ Peterson also failed to enforce a system of supervision and controls by failing to
11 determine whether LoanGo ever filed paperwork, such as a Form D Notice of Exempt Offering of
12 Securities, with the Commission or the Securities and Exchange Commission.¹⁸⁸ Peterson also did not
13 know whether Billingsley was registered as a securities salesman.¹⁸⁹ Peterson simply trusted that
14 Billingsley was relying on appropriate exemptions from securities salesman registration without
15 confirming whether Billingsley ever filed relevant notices.¹⁹⁰ Peterson also failed to exercise good
16 faith when he failed to take the opportunity to partially refund the Investors before abandoning
17 LoanGo to a President he did not trust, even though he had signing power on all of LoanGo's bank
18 accounts and could have executed such refunds.¹⁹¹

19 93. Peterson also failed to prove the affirmative defense because he indirectly induced
20 some of LoanGo's fraud violations. Specifically, LoanGo's omissions that investor money would be
21 used to pay Billingsley a commission and to repay Peterson and Billingsley's loans only came about
22 because Peterson authorized those payments. Peterson stated in a Skype Log that a promissory note
23 was being prepared "to 'loan' \$15k to Justin" and that LoanGo would wire Billingsley the money as
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25 ¹⁸⁷ S-38 p.37:24-38:11

¹⁸⁸ S-38 p.32:4-10

¹⁸⁹ S-38 p.16-18

26 ¹⁹⁰ S-38 p.31:19-32:10

¹⁹¹ T.526:3-528:4

1 soon as he signed the note.¹⁹² Peterson also intended to repay \$10,000 loans from himself and
2 Billingsley with investor funds all along. He announced in a June 2011 Skype message that he and
3 Billingsley would be repaid with investor funds and restated his plan to repay himself in an August
4 2011 email.¹⁹³ The commission payment and loan repayments were all made from an account for
5 which only Peterson and his assistant were the signers.¹⁹⁴

6 94. Ayers has not proven the affirmative defense because he failed to prove that he acted
7 in good faith. Ayers admitted in his EUO several ways that he failed to exercise due care with
8 supervision and internal controls. Ayers admitted that he did no due diligence on Billingsley or
9 Peterson's backgrounds before partnering with them.¹⁹⁵ He admitted he knew an offering
10 memorandum was being drafted but that he did not read the offering memorandum until after LoanGo
11 failed.¹⁹⁶ He admitted that he did not know how Billingsley raised money.¹⁹⁷ He admitted that despite
12 being LoanGo's President, he did not have access to LoanGo's books and records while it was raising
13 money and that this concerned him, but he did not put his foot down because he does not have a
14 confrontational personality, and instead he simply trusted Peterson.¹⁹⁸ He also admitted that he did
15 not have any system of supervision over whether LoanGo was paying the Investors and did not even
16 know what LoanGo's payment obligations to the Investors were.¹⁹⁹

17 95. Ayers also failed to enforce supervision and internal controls by allowing the
18 undisclosed commission to Billingsley. Ayers knew about Peterson's intention to pay Billingsley a
19 commission disguised as a sham loan.²⁰⁰ Ayers allowed the sham transaction and even aided it by
20 instructing Peterson's assistant not to wire the \$15,000 payment until after Billingsley signed the
21 promissory note to document the sham loan.²⁰¹

22 ¹⁹² S-36 at ACC1076 on 12/13/2011 at 10:18:31

23 ¹⁹³ S-17; S-36 at ACC1063 on 06/10/2011 at 11:08:24 through 06/10/2011 at 11:08:54

24 ¹⁹⁴ S-28 at ACC3066; S-31; S-46 at ACC3073; T.221:15-222:9

25 ¹⁹⁵ S-39 p.53:18-20; T.160:8-10

26 ¹⁹⁶ S-39 p.56:23-57:8; T.160:22-161:23

¹⁹⁷ S-39 p.52:21-53:1; T.160:12-21

¹⁹⁸ S-39 p.68:21-59:17; T.163:5-164:12

¹⁹⁹ T.162:2-13

²⁰⁰ S-36 at ACC1076 on 12/13/2011 at 10:18:31-10:18:47

²⁰¹ S-36 at ACC1076 on 12/13/2011 at 10:20:49-10:25:12

1 96. Accordingly, Peterson and Ayers have failed to prove the affirmative defense to
2 control person liability.

3 **F. Billingsley and Ayers' Marital Communities Are Liable Under the Act**

4 97. All property acquired by either husband or wife during marriage is the community
5 property of the husband and wife except for several narrow exceptions that are not relevant here. See
6 A.R.S. § 25-211. During marriage, "the spouses have equal management, control and disposition
7 rights over their community property and have equal power to bind the community." A.R.S. § 25-
8 214(B). Either spouse may contract debts and otherwise act for the benefit of the community. A.R.S.
9 § 25-215(D). "(T)he presumption of law is, in the absence of the contrary showing, that all property
10 acquired and all business done and transacted during coverture, by either spouse, is for the
11 community." Johnson v. Johnson, 131 Ariz. 38, 45 (1981). Furthermore, a debt is incurred at the
12 time of the actions that give rise to the debt. Arab Monetary Fund v. Hashim, 219 Ariz. 108, 111
13 (App. 2008). Here, the actions giving rise to the debt occurred while Billingsley, Ayers, and
14 Respondent Spouses were married. Therefore, the debts were incurred during marriage and are
15 presumed to be community debts.

16 98. Billingsley, Ayers, and Respondent Spouses failed to rebut the presumption that a debt
17 incurred during marriage is a community obligation. A party contesting the presumptively community
18 nature of a debt bears the burden of overcoming that presumption by clear and convincing evidence.
19 Hrudka v. Hrudka, 186 Ariz. 84, 91 (App. 1995). The presumption of intent is enough to bind the
20 community regardless of Respondent Spouses' knowledge or participation. See Ellsworth v.
21 Ellsworth, 5 Ariz. App. 89, 92 (App. 1967). Since Billingsley, Ayers, and Respondent Spouses failed
22 to overcome this presumption, the debt remains a liability of the marital community. Therefore, the
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1 marital communities of Billingsley, Ayers, and Respondent Spouses are subject to any order of
2 restitution, administrative penalties, or other appropriate affirmative action.

3 **V. CONCLUSION**

4 99. Based on the evidence admitted at the hearing, the Division respectfully requests that
5 the Commission make the following conclusions of law.

6 100. LoanGo, Billingsley, and Peterson violated A.R.S. § 44-1841 by the offer or sale of
7 unregistered securities within or from Arizona.

8 101. LoanGo, Billingsley, and Peterson violated A.R.S. § 44-1842 by the offer or sale of
9 securities within or from Arizona while not registered as a securities salesman or dealer.

10 102. LoanGo and Billingsley violated A.R.S. § 44-1991(A)(2) by making untrue statements
11 of material fact or materially misleading omissions in connection with an offer to sell securities within
12 or from Arizona.

13 103. LoanGo and Billingsley violated A.R.S. § 44-1991(A)(3) by engaging in a course of
14 business which operated as a fraud or deceit in connection with an offer to sell securities within or
15 from Arizona.

16 104. Peterson and Ayers controlled LoanGo within the meaning of A.R.S. § 44-1999, so
17 that they are jointly and severally liable under A.R.S. § 44-1999 to the same extent as LoanGo for its
18 violations of A.R.S. § 44-1991.

19 105. The Division respectfully requests that the Commission grant the following relief.

20 106. Order LoanGo, Billingsley, Peterson, and Ayers to jointly and severally pay restitution
21 in the amount of \$250,000, plus pre-judgment interest from the date of each investor's investment as
22 set forth above in paragraph 20 (interest rate to be calculated at the time of judgment under A.R.S. §
23 44-1201);

24 107. Order LoanGo, Billingsley, Peterson, and Ayers to pay administrative penalties of
25 not more than five thousand dollars (\$5,000) for each violation of the Act, as the Commission deems
26 just and proper, pursuant to A.R.S. § 44-2036(A). The Division recommends that LoanGo be ordered

1 to pay an administrative penalty in the amount of \$20,000, that Billingsley be ordered to pay an
2 administrative penalty in the amount of \$20,000, that Peterson be ordered to pay an administrative
3 penalty in the amount of \$20,000, and that Ayers be ordered to pay an administrative penalty in the
4 amount of \$10,000;

5 108. Order LoanGo, Billingsley, Peterson, and Ayers to cease and desist from further
6 violations of the Act, pursuant to A.R.S. § 44-2032;

7 109. Order that the marital communities of Billingsley, Ayers, and Respondent Spouses be
8 subject to any order of restitution, rescission, administrative penalties, or other appropriate affirmative
9 action pursuant to A.R.S. § 25-215; and

10 110. Order any other relief the Commission deems appropriate or just.

11
12 RESPECTFULLY SUBMITTED this 16 day of November, 2016.

13
14 ARIZONA CORPORATION COMMISSION

15
16 By: 

17 Paul Kitchin
18 Attorney for the Securities Division of the
19 Arizona Corporation Commission
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1 On this 16 day of November, 2016, the foregoing document was filed with Docket Control as a
2 Securities Division Brief, and copies of the foregoing were mailed on behalf of the Securities
3 Division to the following who have not consented to email service. On this date or as soon as possible
4 thereafter, the Commission's eDocket program will automatically email a link to the foregoing to
5 the following who have consented to email service.

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