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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

Arizona Corporation Commission

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In the matter of:

ETHAN STURGIS DAY and THERESA DAY, husband and wife,

SILVERSPRINGS REAL ESTATE DEVELOPMENT & INVESTMENTS, L.L.C., formerly known as SILVERLEAF REAL ESTATE DEVELOPMENT & INVESTMENTS, L.L.C., a revoked Nevada limited liability company,

DESERT OASIS CONDOMINIUM, L.L.C., a revoked Nevada limited liability company,

THE MAYAN RESORT & CASINO, L.L.C., a revoked Nevada limited liability company,

Respondents.

DOCKET NO. S-20751A-10-0300

DECISION NO. 72265

ORDER TO CEASE AND DESIST, ORDER FOR RESTITUTION, ORDER FOR ADMINISTRATIVE PENALTIES AND CONSENT TO SAME BY: RESPONDENTS

Respondents ETHAN STURGIS DAY, THERESA DAY, SILVERSPRINGS REAL ESTATE DEVELOPMENT & INVESTMENTS, formerly known as SILVERLEAF REAL ESTATE DEVELOPMENT & INVESTMENTS, L.L.C., DESERT OASIS CONDOMINIUM, L.L.C and THE MAYAN RESORT & CASINO, L.L.C. elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 et seq. ("Securities Act") with respect to this Order To Cease And Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same ("Order"). Respondents admit the jurisdiction of the Arizona Corporation Commission ("Commission"); neither admit nor deny the Findings of Fact

1 and Conclusions of Law contained in this Order; and consent to the entry of this Order by the
2 Commission.

3 **I. FINDINGS OF FACT**

4 1. At all times relevant, ETHAN STURGIS DAY (“DAY”) was a resident of Arizona.

5 2. SILVERSPRINGS REAL ESTATE DEVELOPMENT & INVESTMENTS, L.L.C.,
6 formerly known as SILVERLEAF REAL ESTATE DEVELOPMENT & INVESTMENTS, L.L.C.,
7 (together referred to as “SILVERLEAF”), was formed in Nevada on May 19, 2005 and was
8 revoked effective June 1, 2010. DAY is identified as the manager.

9 3. DESERT OASIS CONDOMINIUM, L.L.C. (“DESERT OASIS”) was formed in
10 Nevada on May 19, 2005 and was revoked effective June 1, 2009. DAY is identified as the
11 manager.

12 4. The MAYAN RESORT & CASINO, L.L.C. (“THE MAYAN RESORT”) was
13 formed in Nevada on May 19, 2005 and was revoked effective June 1, 2009. DAY is identified as
14 the manager.

15 5. ETHAN STURGIS DAY, SILVERSPRINGS REAL ESTATE DEVELOPMENT &
16 INVESTMENTS, formerly known as SILVERLEAF REAL ESTATE DEVELOPMENT &
17 INVESTMENTS, L.L.C., DESERT OASIS CONDOMINIUM, L.L.C and THE MAYAN
18 RESORT & CASINO, L.L.C. may be referred to collectively as “Respondents.”

19 6. At all times relevant, DAY conducted the business operations of SILVERLEAF,
20 DESERT OASIS and THE MAYAN RESORT from an office located in Scottsdale, Arizona.
21 SILVERLEAF, through DAY and other agents, communicated with investors, both by phone and
22 mail, from offices located in Scottsdale, Arizona and Tucson, Arizona.

23 7. THERESA DAY was at all relevant times the spouse of DAY. THERESA DAY is
24 joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the
25 marital community. THERESA DAY may be referred to as “Respondent Spouse.”

26

1 8. At all times relevant, DAY was acting for his benefit and for the benefit or in
2 furtherance of his and Respondent Spouse's marital community.

3 9. Beginning in May 2005 and continuing through June 2008, SILVERLEAF, through
4 DAY and its agents, offered and sold unregistered securities in the form of investment contracts
5 and promissory notes to 159 investors in an amount totaling \$8,203,550.

6 10. At all times material hereto, DAY has not been registered as a securities salesman
7 and SILVERLEAF, DESERT OASIS and THE MAYAN RESORT have not been registered as
8 dealers.

9 11. SILVERLEAF was described to investors by DAY as a real estate development and
10 investment company structured to handle the new and increasing demand for residential and
11 commercial real estate development in Nevada.

12 12. Promotional materials developed by DAY and provided to investors described
13 SILVERLEAF as a company that would provide complete real estate development and construction
14 services and a company able to deliver quality projects and personalized service.

15 13. Promotional materials, promissory notes, deeds of trust and other documents
16 provided to investors by DAY were all printed on the letterhead of SILVERLEAF.

17 14. According to promotional materials and "investor updates" provided to investors by
18 DAY, SILVERLEAF had acquired 405 acres of real estate in West Wendover, Nevada to build a
19 \$500 million mega casino/resort, 1,000 residential homes and a commercial center that was
20 predicted to double West Wendover, Nevada's gaming industry and population within three years.

21 15. DAY informed investors that their funds would be used to develop the 405 acres of
22 real estate purchased in West Wendover, Nevada to include the construction of the casino/resort,
23 residential homes and the commercial center.

24 16. DAY informed investors that the investment opportunity being offered by
25 SILVERLEAF was safe, bonded and insured for guaranteed completion and that investors' funds
26 would be secured by deeds of trust.

1 17. DAY assured investors that their investments would not be “tied up” beyond 18 to
2 24 months and informed them that their investments were passive.

3 18. DAY informed investors that SILVERLEAF would be responsible for forming
4 partnerships with various companies to assist with and ensure the completion of the development
5 project.

6 19. Promotional materials identified the casino/resort to be built by SILVERLEAF as
7 The Mayan Resort & Casino, a 60,000 square foot casino and four star resort with a 25 story tower
8 including 400 rooms and 100 suites.

9 20. A sales brochure prepared by SILVERLEAF and supplied to investors that was
10 formulated in a question and answer format, provided the following information:

11 Q: What is the relationship between the Mayan Resort &
12 Casino and Silverleaf Real Estate Development and Investments,
13 LLC?

14 A: SilverLeaf is developing the Mayan Resort & Casino on 55
15 acres adjacent to the West Wendover Golf Course. The
16 relationship between The Mayan Resort & Casino and Phase I of
17 the SilverLeaf Condominium development (250 condominiums) is
18 that the developer is SilverLeaf Real Estate Developments and
19 Investments for both the Resort/Casino and Condominiums.
20 Initially the 250 condominiums that are being developed (on the
investors’ trust deed land), are Phase 1 of a multiphase master plan
overall development project consisting of 880 condominiums to
include the Mayan Resort & Casino. The Condominiums are
being built to provide a housing base for the projected 1,800
Mayan Resort & Casino employees. SilverLeaf is identifying a
reputable and successful Las Vegas Casino Operator that will lease
the Casino operations of the Mayan Resort & Casino. (sic)

21 21. DAY was described to investors in promotional materials and on an internet website
22 maintained by SILVERLEAF as an individual who became a real estate pioneer in Rio Verde,
23 Arizona and who had been successful in developing and building seventy eight custom homes in
24 the Rio Verde area.

25 22. DAY was a signatory on each of the Respondents’ bank accounts and was identified
26 as CEO of SILVERLEAF.

1 23. DAY was primarily responsible for all aspects of SILVERLEAF's daily business
2 operations including, but not limited to, contracting with construction consultants to assist in the
3 development of the Wendover project and communicating directly with investors regarding the
4 progress of the project and the status of investors' interest payments.

5 24. Some of the \$8,203,550 received from investors was used to begin developing the
6 real estate in West Wendover, Nevada; however, \$4,339,181 of the funds received from investors
7 was paid by DAY, from bank accounts in the names of SILVERLEAF and DESERT OASIS, to
8 sales agents in the form of sales commissions and marketing expenses.

9 25. Respondents failed to inform investors that DAY was paying more than one half of
10 their investment amount to sales agents in the form of sales commissions and marketing expenses.

11 26. Investors were paid \$799,087 in the form of interest payments from bank accounts
12 in the names of SILVERLEAF and DESERT OASIS.

13 27. To date, investors have not received all of their promised returns or a return of their
14 principal investment amount.

15 28. The project in West Wendover was not completed and the real estate has been
16 foreclosed upon by the original bank lender.

17 29. Based upon instructions provided by DAY, investors wired their funds to a bank
18 account in the name of SILVERLEAF or DESERT OASIS. Subsequent to the receipt of funds
19 from investors, DAY provided investors with promissory notes printed on the letterhead of
20 SILVERLEAF.

21 30. DESERT OASIS and THE MAYAN RESORT are the makers of the promissory
22 notes forwarded to investors by DAY. DAY signed each of the promissory notes as manager for
23 DESERT OASIS and THE MAYAN RESORT.

24 31. The promissory notes set forth that investors would be paid interest at a rate of
25 twelve percent (12%) per annum. Investors were to receive an annual installment payment of
26 interest only, earned on the unpaid principal balance. The entire unpaid principal balance plus all

1 accrued interest was due to be paid to the investor no later than the date of completion of the
2 development project or 18 to 24 months as previously told to investors by DAY.

3 32. In addition to the payment of twelve percent interest and the repayment of principal,
4 the terms of the promissory note set forth that investors would receive an additional sum equal to
5 five percent (5%) of the amount invested, payable upon the completion of the project and receipt by
6 DESERT OASIS or THE MAYAN RESORT of the sale proceeds arising from the project.

7 33. According to the terms of the promissory notes, payment on each note would be
8 secured by a recorded deed of trust, in the name of each investor, on the real estate purchased in
9 West Wendover, Nevada.

10 34. Deeds of trust were forwarded to some investors by DAY. The deeds of trust were
11 printed on the letterhead of SILVERLEAF.

12 35. In fact, in January 2009, well after all of the funds from investors had been received,
13 DAY corresponded with at least one investor requesting the sum of \$600 for "legal and recording
14 fee's (sic) to ensure your Deed of Trust is recorded properly with the title company."

15 36. Respondents failed to inform investors that the real estate located in West
16 Wendover, Nevada was not owned by SILVERLEAF, DESERT OASIS or THE MAYAN
17 RESORT, but rather The Spirit of Wendover, L.L.C., an entity owned and controlled by DAY.

18 II. CONCLUSIONS OF LAW

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

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

23 3. Respondents violated A.R.S. § 44-1841 by offering or selling securities that were
24 not registered.

25 4. Respondents violated A.R.S. § 44-1842 by offering or selling securities while not
26 registered as dealers or salesmen.

1 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondents and the
2 marital community of DAY and THERESA DAY, jointly and severally pay restitution to the
3 Commission in the principal amount of \$7,404,463. Payment is due in full on the date of this
4 Order. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account
5 controlled by the Commission. Any principal amount outstanding shall accrue interest at the rate of
6 10 percent per annum from the date of this Order until paid in full.

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

15 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents and the
16 marital community of DAY and THERESA DAY, jointly and severally shall pay an administrative
17 penalty in the amount of \$150,000. Payment is due in full on the date of this Order. Payment shall
18 be made to the "State of Arizona." Any amount outstanding shall accrue interest as allowed by
19 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 any Respondent or Respondent Spouse
24 shall be an act of default. If any Respondent or Respondent Spouse does not comply with this
25 Order, any outstanding balance may be deemed in default and shall be immediately due and
26 payable.

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

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

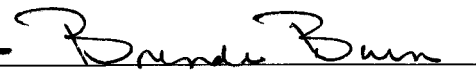
BY ORDER OF THE ARIZONA CORPORATION COMMISSION


CHAIRMAN


COMMISSIONER


COMMISSIONER


COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 15 day of April, 2011.


ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT

DISSENT

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

(wwb)

CONSENT TO ENTRY OF ORDER

1
2 1. Respondents ETHAN STURGIS DAY, SILVERSPRINGS REAL ESTATE
3 DEVELOPMENT & INVESTMENTS, formerly known as SILVERLEAF REAL ESTATE
4 DEVELOPMENT & INVESTMENTS, L.L.C., DESERT OASIS CONDOMINIUM, L.L.C and
5 THE MAYAN RESORT & CASINO, L.L.C. (“Respondents”) and THERESA DAY (“Respondent
6 Spouse”) admit the jurisdiction of the Commission over the subject matter of this proceeding.
7 Respondents and Respondent Spouse acknowledge that they have been fully advised of their right
8 to a hearing to present evidence and call witnesses and knowingly and voluntarily waive any and all
9 rights to a hearing before the Commission and all other rights otherwise available under Article 11
10 of the Securities Act and Title 14 of the Arizona Administrative Code. Respondents and
11 Respondent Spouse acknowledge that this Order To Cease And Desist, Order for Restitution, Order
12 for Administrative Penalties and Consent to Same (“Order”) constitutes a valid final order of the
13 Commission.

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

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

20 4. Respondents and Respondent Spouse have been represented by an attorney in this
21 matter, Respondents and Respondent Spouse have reviewed this Order with their attorney, Jeffrey
22 R. Perry of the Jeffrey R. Perry Law Firm, and understand all terms it contains. Respondents and
23 Respondent Spouse acknowledge that their attorney has apprised them of their rights regarding any
24 conflicts of interest arising from dual representation. Respondents and Respondent Spouse
25 acknowledge that they have each given their informed consent to such representation.
26

1 5. Respondents and Respondent Spouse neither admit nor deny the Findings of Fact
2 and Conclusions of Law contained in this Order. Respondents and Respondent Spouse agree that
3 they shall not contest the validity of the Findings of Fact and Conclusions of Law contained in this
4 Order in any present or future proceeding in which the Commission or any other state agency is a
5 party concerning the denial or issuance of any license or registration required by the state to engage
6 in the practice of any business or profession. Notwithstanding the foregoing, this Order is not
7 intended to collaterally estop, factually bind or preclude Respondents or Respondent Spouse from
8 defending themselves in any administrative, civil or criminal proceedings to which the Commission
9 is not a party. .

10 6. By consenting to the entry of this Order, Respondents and Respondent Spouse agree
11 not to take any action or to make, or permit to be made, any public statement denying, directly or
12 indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that
13 this Order is without factual basis. Notwithstanding the foregoing, this Order is not intended to
14 collaterally estop, factually bind or preclude Respondents or Respondent Spouse from defending
15 themselves in any administrative, civil or criminal proceedings to which the Commission is not a
16 party. Respondents will undertake steps necessary to assure that all of Respondents' agents and
17 employees understand and comply with this agreement.

18 7. While this Order settles this administrative matter between Respondents,
19 Respondents Spouse and the Commission, Respondents and Respondents Spouse understand that
20 this Order does not preclude the Commission from instituting other administrative or civil
21 proceedings based on violations that are not addressed by this Order.

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

25 9. Respondents and Respondent Spouse understand that this Order does not preclude
26 any other agency or officer of the state of Arizona or its subdivisions from instituting

1 administrative, civil, or criminal proceedings that may be related to matters addressed by this
2 Order.

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

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

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

13 13. Respondent ETHAN STURGIS DAY and his spouse, THERESA DAY,
14 acknowledge that any restitution or penalties imposed by this Order are obligations of Respondent
15 ETHAN STURGIS DAY as well as the marital community of ETHAN STURGIS DAY and
16 THERESA DAY.

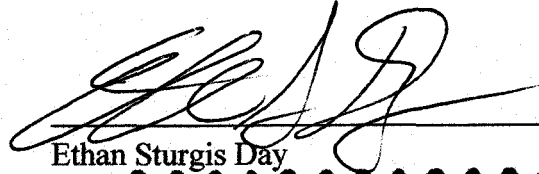
17 14. Respondents and Respondent Spouse consent to the entry of this Order and agree to
18 be fully bound by its terms and conditions.

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

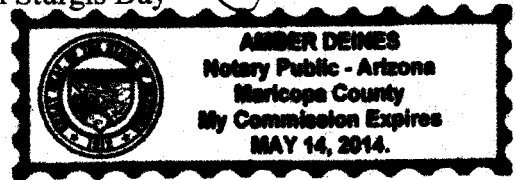
23 16. Respondents and Respondent Spouse understand that default shall render them liable
24 to the Commission for its costs of collection and interest at the maximum legal rate.

25 17. Respondents and Respondent Spouse agree and understand that if they fail to make
26 any payment as required in the Order, any outstanding balance shall be in default and shall be

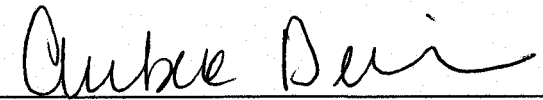
1 immediately due and payable without notice or demand. Respondents and Respondent Spouse
2 agree and understand that acceptance of any partial or late payment by the Commission is not a
3 waiver of default by the Commission. ETHAN STURGIS DAY represents that he was the
4 manager of DESERT OASIS CONDOMINIUM, L.L.C., and THE MAYAN RESORT &
5 CASINO, L.L.C. and has been authorized to enter into this Order for and on behalf of them.

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7 
8 Ethan Sturgis Day


9 STATE OF ARIZONA)
10 County of Maricopa) ss



11 SUBSCRIBED AND SWORN TO BEFORE me this 7 day of March, 2011.

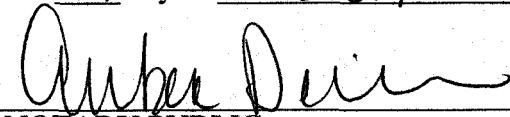
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14 NOTARY PUBLIC

15 My commission expires:
16 May 14, 2014

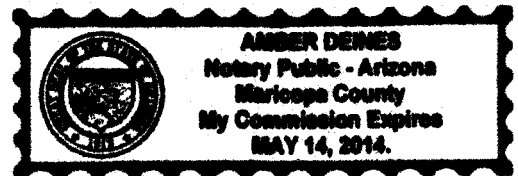
17 
18 Theresa Day

19 STATE OF ARIZONA)
20 County of Maricopa) ss

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22 SUBSCRIBED AND SWORN TO BEFORE me this 7 day of March, 2011.

23 
24 NOTARY PUBLIC

25 My commission expires:
26 May 14, 2014



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DESERT OASIS CONDOMINIUM,
L.L.C.

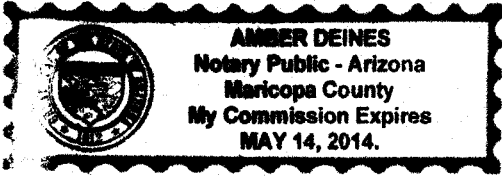
By [Signature]
Its Manager

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 4 day of March, 2011.

[Signature]
NOTARY PUBLIC

My commission expires:
May 14, 2014



THE MAYAN RESORT & CASINO, L.L.C.

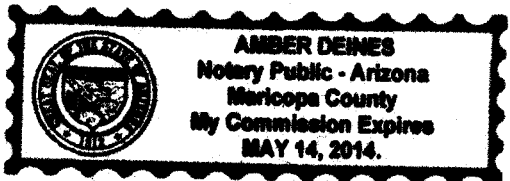
By [Signature]
Its Manager

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 4 day of March, 2011.

[Signature]
NOTARY PUBLIC

My commission expires:
May 14, 2014



1 SERVICE LIST FOR: ETHAN STURGIS DAY

2 Mr. Jeffrey R. Perry Law Firm, P.C.
3 Jeffrey R. Perry Law Firm, P.C.
4 7119 E. Shea Blvd., Suite 109-111
5 Scottsdale, Arizona 85254-6107

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