



ARIZONA CORPORATION COMMISSION

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MEDIA CONTACT: Rebecca Wilder (602) 542-0844

Commission Finds Former Securities Salesman Sold Fake Shares of Company Stock

Denies License of Investment Adviser Representative Applicant

PHOENIX, AZ—The Arizona Corporation Commission today sanctioned a former securities salesman who committed securities fraud by offering and selling fake stock shares to investors. In a separate case, the Commission denied an investment adviser representative license to a former securities salesman who provided incomplete, inaccurate and misleading information on his application.

James F. Liebes

The Commission ordered former securities salesman-dealer James F. Liebes of Paradise Valley and his affiliated company, Lanesborough Financial Group, LLC, to pay \$684,725 in restitution and a \$75,000 administrative penalty for committing securities fraud. The Commission found that Liebes and Lanesborough Financial Group's representation of owning restricted shares in a publicly traded company and options to purchase shares was false as the company had no records indicating Liebes owned the common stock that he had agreed to sell. The Commission found that Liebes and Lanesborough Financial Group were not registered to offer or sell securities in Arizona when they entered into agreements to sell investors the company shares. Further, the Commission found that Liebes and Lanesborough Financial Group failed to disclose to investors that the Commission's Securities Division had already filed a case against them for offering and selling securities without being registered. For more details about this case, view the full text of the Commission's order [S-20876A-13-0407](#).

Jon Joseph Bauman

In a separate matter, the Commission denied an investment adviser representative license for Phoenix resident and former securities salesman, Jon Joseph Bauman. The Commission denied the license since Bauman's application contained incomplete, inaccurate and misleading information. Additionally, the Commission found that Bauman had been barred from association with any member in any capacity of the Financial Industry Regulatory Authority (FINRA) for failing to provide information requested by FINRA. For more details about this case, view the full text of the Commission's order [S-20895A-13-0377](#).

The Commission's final order against the named respondents will be posted online as soon as it is signed by all of the Commissioners. Please check the website in a few days:

<http://www.azcc.gov/divisions/securities/enforcement/enforce-orders.asp>

More caution for investors:

Even when selling a legitimate product, some promoters do not recognize the investment program they have created is a security. Determining whether an alternative investment program is a security is not always easy to determine and depends upon the unique facts and circumstances of the transaction and not on what a promoter calls the investment product. Even when investing with someone they know, investors should verify the registration of sellers and investment opportunities and investigate disciplinary histories by contacting the Arizona Corporation Commission's Securities Division at 602-542-4242 or toll free in Arizona at 1-866-VERIFY-9 (837-4399). The Securities Division's investor education website also has helpful information at www.azinvestor.gov.

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