



ARIZONA CORPORATION COMMISSION

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Commission Sanctions Former Securities Salesman for Unregistered Sales in Investment Program Funding Real Estate Loans

PHOENIX, AZ—The Arizona Corporation Commission today ordered a former securities salesman to pay an administrative penalty for offering and selling an unregistered investment program that funded real estate mortgage loans.

The Commission ordered Robert W. Carfagno, Sr. of Tucson to pay a \$3,000 penalty to the state of Arizona for his securities violations, which equals the commission Carfagno received from the investment proceeds. The Commission found that, while not registered as an Arizona securities salesman, Carfagno sold the investment program called First Position Commercial Mortgages to a married couple who invested a total of \$150,000.

“Predatory and unscrupulous business practices will not be tolerated,” said Chairman Tom Forese. “Arizona is a state that is open for business, and we expect companies to conduct their business with ethics and in accordance with the laws. Consumers can be assured that this Commission is committed to consumer protection and as we continue strengthening those protections. We will not hesitate to take action when necessary as the Commission did today.”

The Commission found that Carfagno offered and sold the First Position Commercial Mortgages program in the form of notes, investment contracts, and real property investment contracts for investor money that in turn funded commercial real estate mortgage loans.

In settling this matter, Carfagno neither admits nor denies the Commission’s findings, but agrees to the entry of the consent order.

More caution for investors:

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 602-542-0662 or toll free in Arizona, 1-866-VERIFY-9. The Division’s investor education web site also has helpful information at www.azinvestor.gov.

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