



ARIZONA CORPORATION COMMISSION

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Commission Revokes Registration-License of Fountain Hills Investment Professional, Also Sanctions Tucson Investment Adviser Representative

PHOENIX, AZ—The Arizona Corporation Commission today entered orders sanctioning two investment professionals and a limited liability company for violating state securities and investment management laws.

Lawrence M. LaBine

The Commission revoked the Arizona securities registration and investment adviser representative license of Lawrence M. LaBine of Fountain Hills based upon his two-year bar from the securities industry by the U.S. Securities and Exchange Commission (SEC), a federal securities regulator.

In its decision against LaBine, the SEC found that LaBine employed a scheme to defraud clients and made multiple material misrepresentations and omissions in connection with selling his clients debentures in a software company. Specifically, LaBine failed to disclose to investors the numerous risk factors indicating a high chance of the investment's failure. Also, LaBine failed to inform investors that he:

- could receive warrants in the company as an extra incentive compensation from selling the debentures,
- had made significant fundraising commitments to the company's board, a material conflict of interest, and
- was the company's primary fundraiser.

For more details about this case, view the full text of the Commission's order [S-21010A-17-0096](#).

William M. Holliday and AIO Financial, LLC

In a separate case, the Commission ordered William M. Holliday of Tucson and his affiliated company, AIO Financial, LLC to pay a \$3,000 administrative penalty for recommending an investment product without conducting reasonable due diligence.

The Commission found that Holliday and his affiliated company recommended an investment product called a First Position Commercial Mortgage to three of their investment advisory clients who invested a total of \$100,000. The Commission found that the First Position Commercial Mortgages were securities which in turn funded hard-money, commercial real estate loans. Nevertheless, the Commission found that the three investors have been repaid in the amount of their entire investment.

In settling this matter, Holliday admits the Commission's findings only for purposes of this

proceeding, but agrees to the entry of the consent order. For more details about this case, view the full text of the Commission's order [S-20988A-16-0354](#).

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 website also has helpful information at www.azinvestor.gov.

Established by Article 15 of the state's constitution, the Arizona Corporation Commission is responsible for the regulation of public utilities, overseeing the incorporation or registration of companies wishing to do business in Arizona. Additionally, the Corporation Commission registers and oversees securities offerings and dealers, and enforces railroad and pipeline safety. The five commissioners who make up the Commission are elected by the people of Arizona for a four-year term, with the option of serving for two consecutive terms. To learn more about the Arizona Corporation Commission and the Commissioners, please check out <http://www.azcc.gov/Divisions/Administration/about.asp>

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