



North Carolina Department of the Secretary of State

Hon. Elaine F. Marshall, Secretary

Aug–Sept 2017 SECURITIES NEWSLETTER Vol. 9, Nos. 8&9

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**NC Securities Division
Investor Protection
Hotline**

1-800-688-4507

www.sosnc.gov

Mailing Address:

**PO Box 29622
Raleigh, NC 27626-0622**



Federal Judge Sentences Huntersville Man to More Than Four Years in Prison for Investment Fraud Scheme



Robert Winecoff

On August 15, U.S. District Judge Max O. Cogburn, Jr. [sentenced](#) Robert Louis Winecoff, 37, of Huntersville, N.C. to 51 months in prison for operating an investment fraud scheme involving bogus investment products, announced Jill Westmoreland Rose, U.S. Attorney for the Western District of North Carolina. Winecoff was also ordered to serve two years under court supervision after he is released from prison and to pay more than \$175,000 as restitution.

North Carolina Secretary of State Elaine F. Marshall and David M. McGinnis, Inspector in Charge of the Charlotte Division of the U.S. Postal Inspection Service (USPIS) join U.S. Attorney Rose in making the announcement.

According to documents filed with the court and in the sentencing hearing, from June 2013 to May 2014, Winecoff executed a scheme to defraud victim-investors by inducing them to invest in a variety of bogus investment instruments and products. Rather than invest his victim-investors’ money as promised, Winecoff diverted the funds for his own personal use. ([Continued on p. 14](#))

[We Want Your Feedback!](#)

Since 2009, as part of its educational outreach program, the NC Department of the Secretary of State Securities Division has published an e-newsletter detailing the Department’s efforts to support legitimate business financing through securities offerings, while protecting the public from fraudulent investment schemes.



As a reader of this newsletter, we would appreciate you taking a few minutes to answer some questions that will help us better serve you and the citizens of North Carolina. To provide your feedback, please click the link above or go to: <https://www.surveymonkey.com/r/ZH86KQS>.



at the NC Department of the Secretary of State!

Beginning in June and continuing into the fall, the NC Department of the Secretary of State has been implementing significant changes designed to improve its services to the people and businesses who interact with the agency.



The *New* Number to Reach Us!

In June, the Department upgraded and modernized its telephone system which meant new phone numbers for most of the agency. But the only number customers need to know is the department's new central number, **(919) 814-5400**. Calling that number will route customers to any section of the Secretary of State's Office. While all NCSOS individual staffers' phone numbers have changed as a result of the switch, the agency's current fax numbers and toll-free numbers—including the NC Investor Hotline (800-688-4507)—are ***not*** changing.

Our Corporations Division is now *Business Registration!*

Effective September 1, and in response to the changing needs of the business community, the Corporations Division is now officially known as the [Business Registration Division](#). Given the growth of limited liability companies, non-profit corporations, and partnerships, Business Corporations now represent a minority of the entities we administer.



The new title should minimize the current confusion about the name and make internet searches for information easier. Moving forward, this change will be spreading across all NC Secretary of State materials and platforms.

So please, make a note: The [Business Registration Division](#) is now your destination for your business registration needs in North Carolina.

New Departmental Website!

Finally, and perhaps our most ambitious undertaking of all, look for our new www.sosnc.gov website design this fall!



We are updating the look and feel of our website to improve customer experience. The new website design, created under the statewide [Digital Commons](#) initiative, features:

- Improved navigation,
- Modern design,
- Mobile device optimization, and More!

Check our [website](#) for progress updates, or consider following us on [Facebook](#), [Twitter](#), [LinkedIn](#) or [Youtube](#)!

Marshall Honored for Contributions to International Trade

ICYMI: We hope you'll check out this great [write-up](#) in the Charlotte Business Journal on their 2017 International Trade Awards. Secretary of State Elaine F. Marshall was honored to be presented with the Lifetime Achievement Award for her work on international trade.

Speaking at the awards program, Secretary Marshall noted how vital it is that local and state officials invest the time to develop relationships with countries they're seeking to do business with.



Sign up for Our RSS Feed!

Have you signed up for the Secretary of State's Securities Division's RSS (Really Simple Syndication) feed yet?

It's a great way to get our monthly Securities newsletter delivered direct to your computer.

And don't forget to follow the Secretary of State's Office on social media!

We're on Twitter, Facebook, LinkedIn and YouTube, so follow us on your favorite platforms for more frequent updates on everything from investor education to trademarks enforcement and charitable solicitation regulation.

Just click on the icons below to go to SOSNC's social media accounts!



CFTC Launches New Podcast

The U.S. Commodity Futures Trading Commission (CFTC) launched a new podcast series called "CFTC Talks" to provide information about the commodity markets, futures trading and other information about conditions in the U.S. and abroad affecting the markets.

To listen, visit [CFTC Talks](#). Subscribe to the podcast on iTunes by looking for *CFTC Talks*.



Equifax Data Breach

Whether or not you are among the millions of people affected by the recent Equifax data breach, here are things you can do to protect yourself when your personal information is exposed according to the [US Consumer Financial Protection Bureau \(CFPB\)](#) and the [US Federal Trade Commission \(FTC\)](#).

Additional information is also available on the NC Attorney General's [website](#).



SOSNC on YouTube

Have questions about filing annual reports for your business corporation or LLC, or perhaps becoming a notary public? A series of informative videos available now on [SOSNC's YouTube channel](#) has you covered!

Our videos cover how to file annual reports for LLCs and business corporations, what to do if you've received a notice about annual reports you owe, and much more!



NASAA Cautions Investors to Watch for Scams in Wake of Hurricane Harvey

NASAA Also Extends Exam Windows for Candidates Affected by Storm

(Editor's Note: This Alert was issued in the wake of Hurricane Harvey but before Hurricanes Irma and Maria struck. The same cautions apply in all three situations.)

In the wake of widespread damage caused by Hurricane Harvey, the North American Securities Administrators Association (NASAA) is [cautioning](#) investors to watch out for opportunistic investment scams.

“As we are seeing in Texas, natural disasters bring out the best in people, with neighbors helping neighbors. Unfortunately, we know from experience that disasters also can bring out the worst in people, particularly those seeking to profit from the misfortune of others,” said Mike Rothman, NASAA President and Minnesota Commissioner of Commerce. “Unsolicited investment offers seeking to capitalize on the aftermath of Hurricane Harvey should be approached with extreme caution.”



In particular, Rothman urged investors to watch for red flags of hurricane-related scams, including unsolicited email, social media messages, crowdfunding pitches or telephone calls promoting investment pools or bonds to help storm victims, water-removal or purification technologies, electricity-generating devices and distressed real estate remediation programs.

Rothman said scam artists also may linger to prey on storm victims who anticipate receiving large lump-sum insurance settlements. “The potential for fraud remains even after the skies have cleared,” Rothman said. “Be wary of any promoter promising quick and high returns on your investments.”



NASAA also cautioned about fraudulent charitable solicitations that prey on the goodness of people seeking to help those in need. “There will be fraudulent solicitations for charities in Harvey’s wake,” Rothman said. “The best advice is to do your research. Give to those charitable organizations that are registered properly with state authorities. As with any charitable contribution, those who want to contribute to relief efforts should send contributions to only those charities with

an established track record of making sure the donations get to the victims.”

Contact the North Carolina Secretary of State’s Charitable Solicitation Licensing Division at (919) 814-5400 or visit the Division online at www.sosnc.gov/CSL/ to research charitable organizations.

NASAA offered three quick tips to help investors avoid disaster-related scams:



Delete unsolicited emails or social media messages and hang up on aggressive cold callers promoting hurricane-related investments, especially those from small companies touting unproven or new technologies or products.



Use common sense. Claims of guaranteed returns or low/no investment risk are classic red flags. Every investment involves some degree of risk.



Do your homework. You can contact the North Carolina Secretary of State's Securities [Division](#) at (919) 814-5400 or (800) 688-4507 to check that both the seller and investment are licensed and registered. If not, they may be operating illegally.

Separately, NASAA announced that it is extending the examination enrollment windows for the NASAA Series 63, 65, and 66 examinations for candidates in counties and regions declared disaster areas by state or federal governments as a result of the storm.



Individuals who have an examination window due to expire between August 25, 2017 and September 22, 2017 will have their enrollment windows extended to November 6, 2017. NASAA may provide additional extensions as more information becomes available.

NC Securities SAC Honored by State Commission

Secretary of State Securities Division Special Agent in Charge John Curry was presented with the Advanced Law Enforcement Certificate on August 18 by the North Carolina Criminal Justice Education and Training Standards Commission.

This certificate is presented to law enforcement officers serving government agencies around the State based on their education, professional training, and law enforcement experience.

Speaking at the presentation, Secretary of State Elaine F. Marshall praised Special Agent Curry's years of investigative experience and leadership in Securities enforcement.



(L to R) Criminal Justice Standards Division Director Steven Combs; NC Sheriffs' Assoc. Exec. Dir. Eddie Caldwell; Dr. Molly Curry, wife of Agent John Curry; SOSNC Securities Special Agent, John Curry; Secretary of State Elaine F. Marshall; and Commission Chair Bill Hollingsed.



Updated Investor Bulletin: New “T+2” Settlement Cycle – What Investors Need To Know

On March 22, 2017, the Securities and Exchange Commission amended Exchange Act Rule 15c6-1 to shorten the standard settlement cycle for broker-dealer transactions from “T+3” to “T+2,” subject to certain exceptions. The SEC’s Office of Investor Education and Advocacy (OIEA) is issuing this [investor bulletin](#) to explain the new “T+2” settlement cycle and how it will affect certain transactions you place with your full-service or online brokerage firm.

What is Settlement?

When you buy or sell securities, “settlement” refers to the official transfer of securities to the buyer’s account and the cash to seller’s account. Since 1993, the settlement cycle – the time between the transaction date and the settlement date – for most securities transactions has been three business days – often referred to as “T+3.” Under “T+3,” if you sold shares of ABC stock on Monday, the transaction would settle on Thursday.

What Will Change?

Under the new market-wide “T+2” settlement cycle, most securities transactions will now settle in **two business days** of their transaction date. For example, if you sell shares of ABC stock on Monday, the transaction would settle on Wednesday. That means that if you have a securities certificate, you may need to deliver your securities certificate to your broker-dealer earlier or through different means than you do today. If you hold your securities with your broker-dealer, your broker-dealer will deliver the securities on your behalf one day earlier. Similarly, if you are buying securities, you may need pay for your securities transactions one business day earlier. If you have a



margin account, consult your broker to see how the “T+2” settlement cycle might affect your margin agreement.



Which Securities Does the New “T+2” Settlement Cycle Impact?

The “T+2” settlement cycle will apply to the same securities transactions covered by the “T+3” settlement cycle. These include transactions for stocks, bonds, municipal securities, exchange-traded funds, certain mutual funds, and limited partnerships that trade on an exchange. Consult your broker if you have questions about whether the “T+2” settlement cycle covers a particular transaction.

When Will “T+2” start?

The new “T+2” settlement cycle will apply to all applicable securities transactions occurring on or after September 5, 2017.

Where Can I Find Information on the New “T+2” Settlement Cycle?

SEC: [Order Approving “T+2” Settlement Cycle](#)

Various industry groups have included information on their respective websites regarding the “T+2” settlement change: www.ust2.com (provided by the Industry Steering Committee leading efforts with respect to the change); [SIFMA](#) (Securities Industry and Financial Markets Association); [ICI](#) (Investment Company Institute); and [DTCC](#) (The Depository Trust & Clearing Corporation).

For information on how the “T+2” settlement cycle may impact “[ex-dividend](#)” dates please review the following alerts from [NYSE](#), [NASDAQ](#), and [FINRA](#).



Four Financial Resources for Senior Investors

By FINRA Staff

In marking Senior Citizen’s Day on August 21 FINRA prepared this helpful [list](#) of resources to help seniors steer clear of investment fraud:

1. [FINRA Securities Helpline for Seniors®](#). Since its inception in 2015, the Helpline has fielded more than 10,000 calls from all 50 states, the District of Columbia and Puerto Rico. This toll-free number provides older investors with a place to get assistance from FINRA staff related to concerns they have with their brokerage accounts and investments. Seniors may have unique needs that elevate the need for expedited attention with securities brokerage concerns, including lack of outside income, potential health complications and diminished mental capacity. Senior investors can call the Helpline at 844-57-HELPS or 844-574-3577 from 9 a.m. – 5 p.m. ET, Monday through Friday.

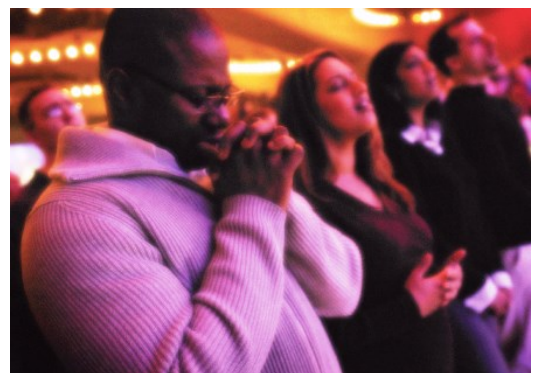


2. [FINRA BrokerCheck](#). FINRA oversees the people and firms that sell stocks, bonds, mutual funds and other securities. Investors can obtain information about and the disciplinary record of any FINRA-registered broker or brokerage firm by using FINRA’s free, online BrokerCheck tool. In 2016, members of the public used this service to conduct 111 million reviews of broker or firm records. Investors can access BrokerCheck at www.finra.org/brokercheck or by calling (800) 289-9999. Simply


type in your current or prospective brokerage firm, or your current or prospective broker’s name to see employment history, certifications and licenses—as well as regulatory actions, violations or complaints you might want to know about.

3. [Fighting Fraud](#). Even if you’ve never been subjected to an investment fraudster’s sales pitch, you probably know someone who has. Fraudsters tend to go “where the money is”—and that often means targeting older Americans who are nearing or already in retirement.

Financial fraudsters tend to go after people who are college-educated, optimistic and self-reliant. They also target those with higher incomes and financial knowledge, and who have had a recent health or financial change.



FINRA’s Fighting Fraud resources, including our [Fighting Fraud 101](#) brochure, explain strategies to help you recognize and avoid a con artist’s pitches.



Investor Home Prepare to Invest Products & Professionals Protect Your Money

Scam Meter

Start Questions Results

We've all heard the timeless warning "If it sounds too good to be true, it probably is." It's great advice, but the trick is figuring out when "good" becomes "too good." And if you have a good salesperson—or worse, a dishonest one—it gets really hard.

While there's no clear way to know, in just four questions our Scam Meter will help you tell if an investment you are thinking about might be a scam.

IS THE INVESTMENT A SCAM? CHECK HERE.

If you get a cold call to buy an investment, do not say “yes” to purchases, even if the claims sound plausible. The best fraud pitches are designed to sound believable, and counter every possible doubt or opposition. Don’t feel guilty about hanging up. Not answering at all, or putting down the phone, are generally the best and safest responses to a cold caller or anyone aggressively pitching low-priced stocks or other investment opportunities.

And while there's no clear way to know if an investment you've been offered is too good to be true, in just four questions our [Scam Meter](#) can help you tell if it might be a scam.

4. [Protecting Identity](#). Identity theft is a crime that involves the illegal access and use of an individual’s personal and/or financial information. Identity theft can result in financial loss and seriously damage a victim’s credit history, requiring substantial effort to repair.

There are several things you can do to protect yourself. While brokerage firms are required to maintain policies and procedures that address the protection of customer information and records, you can protect your [personal financial information](#) by, among other things, using strong passwords and PINs for your financial accounts, maintaining your computer security and using your own computer when accessing your accounts.



Other actions you can take to [safeguard your information](#) include using wireless connections wisely, never responding to emails that ask you to reveal personal information like Social Security numbers, and keeping an eye on your finances to make sure there are no unauthorized transactions.

Five Minutes Could Save Your Life Savings!



Is that individual offering you an investment opportunity licensed to sell securities in North Carolina? Is the investment opportunity itself registered? Know before you sign!

While registration in and of itself is no guarantee against fraud, not being registered is a very big red warning flag.

We urge you to take five minutes to call our NC Securities Hotline at 1-800-688-4507 to see if the person you have been dealing with – perhaps even for years – is properly registered and/or has a disciplinary history.

Pick up the phone and call us. You owe it to yourself and your family to check.



Investor Alert: Public Companies Making ICO-Related Claims

The SEC's Office of Investor Education and Advocacy is [warning investors](#) about potential scams involving stock of companies claiming to be related to, or asserting they are engaging in, Initial Coin Offerings (or ICOs). Fraudsters often try to use the lure of new and emerging technologies to convince potential victims to invest their money in scams. These frauds include "pump-and-dump" and market manipulation schemes involving publicly traded companies that claim to provide exposure to these new technologies.

Recent Trading Suspensions

Developers, businesses, and individuals increasingly are using ICOs – also called coin or token launches or sales – to raise capital. There has been media attention regarding this form of capital raising. While these activities may provide fair and lawful investment opportunities, there may be situations in which companies are publicly announcing ICO or coin/token related events to affect the price of the company's common stock.



The SEC may suspend trading in a stock when the SEC is of the opinion that a suspension is required to protect investors and the public interest. Circumstances that might lead to a trading suspension include:

- A lack of current, accurate, or adequate information about the company – for example, when a company has not filed any periodic reports for an extended period;
- Questions about the accuracy of publicly available information, including in company press releases and reports, about the company's current operational status and financial condition; or
- Questions about trading in the stock, including trading by insiders, potential market manipulation, and the ability to clear and settle transactions in the stock.



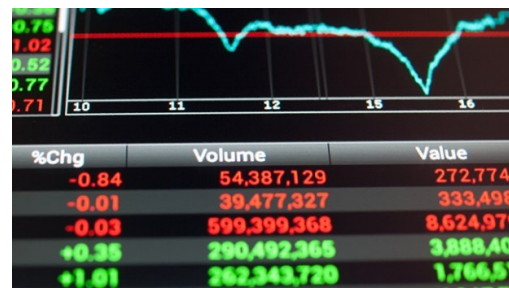
The SEC recently issued several trading suspensions on the common stock of certain issuers who made claims regarding their investments in ICOs or touted coin/token related news. The companies affected by trading suspensions include [First Bitcoin Capital Corp.](#), [CIAO Group](#), [Strategic Global](#), and [Sunshine Capital](#).

Investors should be very cautious in considering an investment in a stock following a trading suspension. A trading suspension is one warning sign of possible [microcap fraud](#) ([microcap stocks](#), some of which are [penny stocks](#) and/or nanocap stocks, tend to be low priced and trade in low volumes). If current, reliable information about a company and its stock is not available, investors should consider seriously the risk of making an investment in the company's stock. *For more on trading suspensions, see our [Investor Bulletin: Trading in Stock after an SEC Trading Suspension – Be Aware of the Risks](#).*

Pump-and-Dump and Market Manipulations

One way fraudsters seek to profit is by engaging in [market manipulation](#), such as by spreading false and misleading information about a company (typically microcap stocks) to affect the stock's share price. They may spread stock rumors in different ways, including on company websites, press releases, email spam, and posts on social media, online bulletin boards, and chat rooms. The false or misleading rumors may be positive or negative.

For example, “[pump-and-dump](#)” schemes involve the effort to manipulate a stock’s share price or trading volume by touting the company’s stock through false and misleading statements to the marketplace. Pump-and-dump schemes often occur on the Internet where it is common to see messages posted that urge readers to buy a stock quickly or to sell before the price goes down, or a promoter will call using the same sort of pitch. In reality, the author of the messages may be a company insider or paid promoter who stands to gain by selling their shares after the stock price is “pumped” up by the buying frenzy they create. Once these fraudsters “dump” their shares for a profit and stop hyping the stock, the price typically falls, and investors lose their money. *Learn more about these schemes in our [Updated Investor Alert: Fraudulent Stock Promotions](#).*



Tips for Investors

- Always research a company before buying its stock, especially following a trading suspension. Consider the company’s finances, organization, and business prospects. This type of information often is included in filings that a company makes with the SEC, which are available for free and can be found in the Commission’s [EDGAR filing system](#).
- Some companies are not required to file reports with the SEC. These are known as “non-reporting” companies. Investors should be aware of the risks of trading the stock of such companies, as there may not be current and accurate information that would allow investors to make an informed investment decision.
- Investors should also do their own research and be aware that information from online blogs, social networking sites, and even a company’s own website may be inaccurate and potentially intentionally misleading.



- Be especially cautious regarding stock promotions, including those related to new technologies such as ICOs. Look out for these warning signs of possible ICO-related fraud:

Company that has common stock trading claims that its ICO is “SEC-compliant” without explaining how the offering is in compliance with the securities laws; or

Company that has common stock trading also purports to raise capital through an ICO or take on ICO-related business described in vague or nonsensical terms or using undefined technical or legal jargon.

- Look out for these warning signs of possible microcap fraud:
 - SEC suspended public trading of the security or other securities promoted by the same promoter;
 - Increase in stock price or trading volume happening at the same time as the promotional activity;
 - Press releases or promotional activity announcing events that ultimately do not happen (*e.g.*, multiple announcements of preliminary deals or agreements; announcements of deals with unnamed partners; announcements using hyperbolic language);
 - Company has no real business operations (few assets, or minimal gross revenues);
 - Company issues a lot of shares without a corresponding increase in the company’s assets; and
 - Frequent changes in company name, management, or type of business.





Calendar of Upcoming Events

A representative from the Securities Division will be giving an anti-fraud presentation on the following dates and locations. Dates and times are subject to cancellation (although cancellations are rare), so please call the contact number listed to confirm the event is still on before leaving for it. All presentations are free and open to the public unless otherwise indicated. If you would like to schedule a speaker for your church, business, group or organization, please contact [John Maron](mailto:John.Maron@ncsc.com) at (919) 814-5400 or (800) 688-4507. For a complete list of all upcoming events, please check out our online [calendar](#).

Date	City	Details
10/3/17	Cary	“New financing options under the N.C. PACES Act Implemented Effective April 2017”. Live webcast (Course #13849) sponsored by NC Bar Association. For more information, please visit https://www.nccle.org/courses/ .
10/5/17	Monroe	“2017 Union County Senior Wellness Expo”. Location: Union County Agricultural Services & Conference Center, 3230 Presson Road. Time: 9:00 AM - Noon. Free. The 12th Annual Union County Senior Wellness Expo will take place at the Agricultural Center. Screenings will consist of a skin cancer check, an oral cancer screening, hearing test, and flu shots. A representative of the NC Department of the Secretary of State Securities Division will be on hand to provide information and tips about ways people can avoid falling victim to investment scams. If you would like to know more about what is available to you, come and learn. For additional information, contact Council on Aging in Union County at 704-292-1797 or coa@coaunion.org , or visit https://coaunion.org/event/union-county-senior-wellness-expo/ .
10/6/17	Hickory	“Scam Jam” anti-fraud presentation. Location: Hickory Metro Convention Center, 1960 13th Ave. Drive SE. Time: 10 AM-2 PM. Representatives of the NC Department of the Secretary of State Securities Division, NC Department of Justice Consumer Protection Division, and the NC Department of Insurance Senior Health Insurance Information Program will provide information on how you can protect yourself from falling victim to a wide range of scams. Topics will include identity theft, how to establish a protective ‘freeze’ on one’s credit report, securities fraud, charitable giving fraud and medical/ Medicare fraud. Attendees have learned how to keep their credit card information from being compromised, how to obtain truly free credit reports, how to protect themselves from being taken in by Ponzi schemes and other illegitimate investment come-ons, how to protect oneself against being taken advantage of by donation scams during times of national or international disaster and how to help reduce the more than 62 billion dollars in fraud that occurs each year in the Medicare program alone. For more information, please contact Christina Franklin at christina.franklin@wpcog.org .

- 10/10/17 Raleigh “ABC’s of Trademarking for NC Food & Farm Businesses”. Webinar sponsored by the NC Rural Center and the NC Growing Together Foundation. Time: 10:00 AM -- 11:00 AM. Free, but registration is required. To register, please visit: <https://register.gotowebinar.com/register/7331510932939576067>.
- 10/10/17 Dunn “Understanding Crowdfunding – the New Option for Local Financing in N.C.” at the Harnett County Small Business Center, Triangle South Enterprise Center, 600 S. Magnolia Avenue. Time: 6:00 PM -- 8:30 PM. Small businesses in North Carolina is now permitted to raise up to \$2 million from average investors with certain limits. Businesses that use the “Invest N.C. exemption” can utilize the Internet to organize such a fundraiser. The N.C. Securities Division oversees administration of the state crowdfunding exemption. This presentation is planned as an overview of investment crowdfunding for businesses that may want to utilize this option. A representative of the N.C. Secretary of State’s Securities Division will cover the following: a regulatory overview and how crowdfunding fits within securities laws; the legal do’s and don’ts of a crowdfunding offering; the marketing aspects – what you can say and how to reach investors; and utilizing a web site intermediary – picking one and connecting with investors. For more information, please contact Mari-inetta Pavlic at mpavl306@cccc.edu.
- 10/12/17-10/22/17 Raleigh The 2017 North Carolina State Fair! The NC Department of the Secretary of State will have a display booth located in the Gov. Kerr Scott Building on the NC State Fairgrounds throughout the State Fair.
- Representatives from the various divisions/sections of the Department of the Secretary of State will be on hand to greet Fairgoers and provide information about the wealth of services and resources the Department has to offer businesses and citizens. The Department's mission is to support economic growth, promote the public trust and fulfill statutory mandates by providing initial infrastructure for corporate organizations and transactions, protecting citizens and businesses from misrepresentation and fraud by providing public access to accurate and timely information, through law enforcement and through the issuance of professional credentials. The Department fosters a well informed citizenry, business community and government, by promoting a responsive, transparent, competitive, and ethical business climate.
- No visit to the NC State Fair is complete until you stop by the Secretary of State's booth for your official, all-natural, made-in-the-USA “Department of the Secretary of State” ruler! We’ll see you at the Fair!

- 10/12/17 Durham “Building It Right: Accounting, Legal and Team Panel” at Black Wall Street: Homecoming 2017 conference at Duke Full Frame Theater, 300 Blackwell Street. Time: 2:30 PM -- 3:45 PM. For more information, please visit: <http://bwshomecoming.com/agenda/#agenda>.
- 10/18/17 Fayetteville “ABCs of Trademarks for Small Business” Luncheon. Location: Revolutionary Coworking, 100 Hay Street, 3rd Floor Conference Room, Fayetteville. Time: 1:00 PM -- 3:00 PM. This event is free, but registration is required. For more information or to register, please visit <https://www.eventbrite.com/e/abcs-of-trademarks-for-small-business-luncheon-tickets-36975864807>.
- Is your company name important to you? Did you spend time and money developing a logo or a slogan? Small business owners that answer yes should consider registering for a trademark as a way to protect the business brand. North Carolina’s trademarks registry is administered by the N.C. Secretary of State’s Office, while federal trademarks are overseen by the U.S. Patent and Trademark Office.
- This seminar focuses on various aspects of trademarks – from choosing between a federal or a state trademark or both to filing for one. Attendees can expect to get an overview of the costs, benefits, and pitfalls of trademarks. Lunch, snacks, and beverages will be available.
- 10/23/17 Raleigh “Hispanic Outreach Conference.” Location: Raleigh Marriott City Center, 500 Fayetteville Street. Time: 10:15 AM -- 12:00 PM. A representative of the NC Department of the Secretary of State Securities Division will join representatives from the FTC and the BBB Council to participate in a panel discussion during the Hispanic Outreach Conference hosted by the Better Business Bureau of Eastern NC. This panel, lasting from 10:00 AM - 12:00 PM, will discuss the importance of a referral system between organizations and what services the offices offer. Topics will also include government issues as well as prevalent scams you see in Hispanic communities and society at large. The discussion will highlight agencies and organizations that can provide assistance in areas that BBB does not. For more information, please contact Claire Abshire at cabshire@raleigh.bbb.org.
- 11/2/17 Asheville “Investment Fraud: Guarding Your Assets in a Scary World” presentation. Location: Asheville Savings Bank, 778 Merrimon Ave. Time: 5:30 PM -- 6:30 PM. This event is free and open to the public. A representative of the NC Department of the Secretary of State Securities Division will give a presentation on spotting the red flags of investment fraud. For more information, please contact Aimee Sprinkel at asprinkel@ashevillesavingsbank.com.

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| 11/3/17 | Fayetteville | <p>“Investment Fraud: Guarding Your Assets in a Scary World” presentation at the 37th Annual Indian Senior Citizens Coalition Conference. Location: Holiday Inn, 1944 Cedar Creek Road, Fayetteville. The conference runs from Noon to 9:00 PM. Beginning at 1:15 PM, a representative of the NC Department of the Secretary of State Securities Division will give a one-hour presentation on spotting the red flags of investment fraud. The registration fee for the Conference is \$55.00. For more information and to register, please visit http://www.nciscc.com/master/REGISTRATION%20FORM2017.3.pdf.</p> |
| 11/10/17 | Wrightsville Beach | <p>“Combating Frauds Against the Elderly: A Partnership Working Together” presentation during the NC Emergency Nurses Association Fall Education Conference. Location: Holiday Inn Resort Wilmington E -Wrightsville Beach, 1706 N Lumina Avenue. Time: 1:00 PM -- 2:00 PM. For more information, please visit http://www.nc-ena.com/index.php.</p> |

(Continued from “Wincoff” p. 1)

According to court records, Wincoff presented himself to victims as the principal of Wincoff Financial Consulting Group (WFCG), a purported financial consulting firm, and marketed his bogus investment products through a website associated with the firm.

Court records show that Wincoff, along with others, recruited victim-investors by making a series of false and fraudulent representations. In particular, Wincoff and his recruiters told victim-investors that Wincoff would use their money as a deposit to obtain a financial instrument known as a “standby letter of credit.”

Wincoff fraudulently represented to investors that the investment in the standby letter of credit would result in large payouts within a set period of time, typically between 20 and 30 days. Wincoff falsely assured victim-investors the investments were safe, legal, short-term, and guaranteed.

According to court records, once victim-investors agreed to invest in the fraudulent scheme, Wincoff typically presented them with an “MOU Agreement” and instructed the victim-investors to wire their investment funds, typically between \$20,000 and \$60,000, to a bank account he controlled. Despite promises of early returns, court records show that Wincoff never invested any money or made any payments to investors. When victims contacted Wincoff or one of his recruiters to complain about not receiving the promised returns or to otherwise question their investments, Wincoff sent emails providing excuses about why payments had not been made, including that “[p]ayouts were made to some and not others,” and false assurances that victims would receive their money by a certain date.

During the course of the 11 month-scheme, Wincoff induced approximately 12 investors from several different countries to invest a total of approximately \$343,000. Wincoff did not invest any of the victim-investors’ funds as promised, he did not make any payments to any victim-investors and he did not return their principal when requested. Rather, than invest the victim-investors’ funds, Wincoff used the stolen money to fund his personal lifestyle. Court records show that Wincoff made purchases totaling nearly \$65,000 at hotels, airlines, gas stations, and retail stores. He also made cash withdrawals totaling nearly \$308,000 from the account into which victims had wired their money.

Wincoff pleaded guilty in March 2017 to one count of wire fraud. He is currently in federal custody and will be transferred to the custody of the Federal Bureau of Prisons upon designation of a federal facility. All federal sentences are served without the possibility of parole. The investigation of the case was led by the Securities Division of the North Carolina Secretary of State and USPIS. Assistant U.S. Attorney William Miller, of the U.S. Attorney’s Office in Charlotte, prosecuted the case.

Recent Enforcement Action



(For prior administrative actions, click on the badge to the right.)

On September 15, 2017, the Securities Division of the North Carolina Department of the Secretary of State entered into a Consent Order with SAJJDBORDEAUX, Inc. and Jeffrey Bordeaux. During an Internet sweep, the Securities Division found that SAJJDBORDEAUX, Inc. and Jeffrey Bordeaux were offering unregistered securities to the investing public through Craigslist. Neither SAJJDBORDEAUX, Inc. and Jeffrey Bordeaux were registered, nor did they secure a crowdfunding exemption for the securities. The Consent Order ordered SAJJDBORDEAUX, Inc. and Jeffrey Bordeaux to cease and desist selling unregistered securities. Click [here](#) to see the Order.

On July 10, 2017, the Securities Division of the North Carolina Department of the Secretary of State entered into a Consent Order with Deloitte Corporate Finance LLC. The Consent Order found that Deloitte Corporate Finance LLC had failed to reasonably supervise certain of its salesmen in Charlotte, and that it failed to file accurate and complete Form U4s or file timely amendments to Form U4s with respect to certain of its salesmen in Charlotte. Click [here](#) to see the Order.



On The Docket

The following cases are ones in which the Securities Division has had some involvement, either as the lead investigative agency or in a supporting role.

Darren Joseph Capote, of Patterson, NY, was indicted on July 11, 2011, in Ashe County Superior Court on three Class C felony counts of securities fraud. He is alleged to have defrauded an elderly victim in Ashe County. He was released from custody on a \$100,000 secured bond.

Alan Peter Darcy, of Murphy, pleaded guilty on June 7 in federal court to one count of felony wire fraud. A federal grand jury indicted Darcy on March 24 for orchestrating an \$800,000 investment fraud scheme. Darcy is currently awaiting sentencing.

Charles Caleb Fackrell, of Booneville, NC, in April was sentenced in state court to serve 73 to 100 months in prison for obtaining property by false pretenses. Fackrell will serve that sentence concurrent with his 63 month federal prison sentence for securities fraud. He was sentenced in federal court last December after pleading guilty to one count of securities fraud.

David Alan Topping, of Oak Island, NC, was arrested by law enforcement agents with the NC Secretary of State Securities Division on November 4, 2014 and charged with one felony count of securities fraud. The Brunswick County Sheriff's Office also charged Topping with one felony count of obtaining property by false pretenses and one misdemeanor charge for solicitation to obtain property by false pretenses. A Brunswick County Grand Jury has indicted Topping on the felony charges, which are now pending in Superior Court. Topping is alleged to have defrauded multiple victims out of more than \$100,000. He is currently out of jail on a \$250,000 unsecured bond.



News from the Regulators

The following are links to selected public notices issued by one or more securities regulator. Click the links to view the full notices. These are offered for informational purposes only.

[SEC Announces Enforcement Initiatives to Combat Cyber-Based Threats and Protect Retail Investors](#)

Sept. 25, 2017 - The Securities and Exchange Commission announced two new initiatives that will build on its Enforcement Division's ongoing efforts to address cyber-based threats and protect retail investors. The creation of a Cyber Unit that will focus on targeting cyber-related misconduct and the establishment of a retail strategy task force that will implement initiatives that directly affect retail investors reflect SEC Chairman Jay Clayton's priorities in these important areas.

[SEC Risk Alert: The Most Frequent Advertising Rule Compliance Issues Identified in OCIE Examinations of Investment Advisers](#)

Sept. 14, 2017 - The Securities and Exchange Commission urges investment advisers to review their compliance programs and practices in light of the topics noted in this Risk Alert.

[Military Spouses Receive Fellowships to Conduct Financial Counseling](#)

Aug. 9, 2017 – The FINRA Investor Education Foundation has awarded fellowships to 50 military spouses seeking to earn their AFC[®] (Accredited Financial Counselor[®]) designation to provide military service members and their families one-on-one and group financial counseling and education. Through the 2017 Military Spouse Fellowship Program, Fellows undergo rigorous training, coursework and experiential hours to gain hands-on experience – all at no cost to them. After completion of the program, Fellows are certified to support the military community as financial counselors at family readiness and support centers, credit counseling and tax centers, financial aid offices and credit unions throughout the U.S. and abroad.

All investors are strongly encouraged to contact the Securities Division at (919) 814-5400 or toll-free at (800) 688-4507 to check that their investment professional is properly registered ***before*** transferring any assets to that person's control.

One five-minute telephone call to the Securities Division could protect your entire life's savings from being stolen from you. For a wealth of investor education information, please visit our web site, www.sosnc.gov. Click on the yellow box entitled "Investment Securities."

This newsletter is produced by the Investor Education Program of the Securities Division of the North Carolina Department of the Secretary of State. If you have questions or comments about this publication, or would like to schedule an investor education presentation with your group or organization, please email [John Maron](mailto:John.Maron), Director of the Investor Education Program, or call (919) 814-5560.

Please help us publicize the educational information in this mailing by forwarding it to your contacts around the state.

If you no longer wish to receive mailings from the Securities Division, please send an email to: jmaron@sosnc.gov with "Remove from mailing list" in the subject line.

Remember that if an investment sounds too good to be true, it *probably* is!