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NEWS RELEASE

For Immediate Release

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FINANCE DEPARTMENT PROVIDES ENFORCEMENT CASE UPDATES
Injunction Entered and New Enforcement Case Filed

Boise, Idaho . . . The Idaho Department of Finance today announced the completion of one securities fraud enforcement action and the filing of another. Enjoined was Richard "Rick" Guyon who was ordered to repay more than \$2.2 million to affected Idaho investors. In a separate matter, the department filed a civil securities lawsuit against missing Boise businessman Rodney Allen and his company, KA Investments, Inc.

Guyon Matter – In resolution of the department's securities fraud lawsuit allegations, Mr. Guyon neither admitted nor denied the State's allegations but agreed to be permanently barred from issuing, offering or selling securities in Idaho. He also must pay \$2.23 million for the benefit of affected investors. The original complaint alleged that Guyon violated Idaho securities law by a) engaging in a scheme or artifice to defraud, b) making false and misleading statements, c) engaging in an unlawful conversion of investor funds, and d) failing to register both himself and the securities. The complaint also alleged that other parties materially aided Guyon in his scheme and two individuals have been sanctioned as a result of their alleged support activities. According to the complaint, Guyon previously was convicted of federal financial crimes including bank fraud, and was released from prison in May 2015. Guyon is believed to have used aliases in Idaho and elsewhere including Rick Garrison, Rick Thompson, Mark Thompson and Michael Banks.

Rodney Allen – The civil securities enforcement action filed by the department alleges that Allen raised more than \$7 million from approximately 70 investors while promising low-risk annual

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NEWS RELEASE

February 1, 2018

Page 2 of 2

returns of 24-36 percent. The suit further alleges that Allen a) generated fake client statements showing gains when he actually lost money investing, b) converted some investor money for his personal use, c) furthered the illusion of his success by providing liquidity to investors who needed funds, and d) operated in violation of the law by not registering himself or the securities with the Department of Finance. The lawsuit seeks to permanently bar Allen from future securities activities in Idaho while asking for a judgment of nearly \$4 million for the benefit of investors affected by Allen's investment scheme. Allen is the subject of a missing person search and a federal criminal indictment for much of the same activity.

Gavin Gee, director of the Department of Finance, provided the following statement in connection with these separate enforcement actions.

*While the story in each case involves different facts and bad actors, substantially similar themes are discernable – misrepresentations, omissions of important information, conversion of investor money and the telltale promise of low-risk, above-average returns. Most importantly, the department only came to know about each of these matters because of public inquiries regarding the registration status of the promoters. Sadly, Mr. Allen is alleged to have been conducting his investment scheme as early as 2009, while Mr. Guyon came to our attention approximately 18 months after the first investment. **Idahoans must know that there is no shame in making reasonable inquiries about the background and licensing history of any financial professional.** Any inquiry made about Mr. Allen earlier in his operation might have saved many unsuspecting investors before \$7 million had been raised.*

Department of Finance press releases and a copy of the civil complaints and related documents can be found on the internet at <http://finance.idaho.gov> and may be obtained by contacting the department at (208) 332-8004 or Idaho toll-free at 1-888-346-3378.

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