

Division of Securities  
Utah Department of Commerce  
160 East 300 South, 2<sup>nd</sup> Floor  
Box 146760  
Salt Lake City, UT 84114-6760  
Telephone: (801) 530-6600  
FAX: (801)530-6980

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**BEFORE THE DIVISION OF SECURITIES  
OF THE DEPARTMENT OF COMMERCE  
OF THE STATE OF UTAH**

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**IN THE MATTER OF:**

**ARPEGGIO INVESTMENTS, LLC  
TRUMP ALLIANCE, LLC  
STANLEY DUANE PARRISH  
STEPHEN RONALD TRUMP  
TYSON D. WILLIAMS**

**Respondents.**

**ORDER TO SHOW CAUSE**

Docket No. ~~SD-10-0005~~  
Docket No. ~~SD-10-0006~~  
Docket No. ~~SD-10-0007~~  
Docket No. ~~SD-10-0008~~  
Docket No. ~~SD-10-0009~~

It appears to the Director of the Utah Division of Securities (Director) that Arpeggio Investments, LLC, Trump Alliance, LLC, Stanley Duane Parrish, Stephen Ronald Trump, and Tyson D. Williams have engaged in acts and practices that violate the Utah Uniform Securities Act, Utah Code Ann. § 61-1-1, et seq. (the Act). Those acts are more fully described herein. Based upon information discovered in the course of the Utah Division of Securities' (Division) investigation of this matter, the Director issues this Order to Show Cause in accordance with the provisions of § 61-1-20(1) of the Act.

**STATEMENT OF JURISDICTION**

1. Jurisdiction over Respondents and the subject matter is appropriate because the Division alleges that they violated § 61-1-1 (securities fraud) of the Act while engaged in the offer and sale of securities in or from Utah.

## **STATEMENT OF FACTS**

### **THE RESPONDENTS**

2. Arpeggio Investments, LLC (Arpeggio) is a Utah limited liability company, formed on October 11, 2006. Tyson D. Williams is the manager and registered agent of Arpeggio. Arpeggio's status as a business entity is active. Arpeggio has never been licensed by the Division as a broker/dealer agent nor an issuer/agent to sell securities.
3. Trump Alliance, LLC (Trump Alliance) is a Utah limited liability company, formed on November 12, 2008. Stephen R. Trump is the manager and registered agent of Trump Alliance. Trump Alliance's status as a business entity is active. Trump Alliance has never been licensed by the Division as a broker/dealer agent nor an issuer/agent to sell securities.
4. Stanley Duane Parrish (Parrish) was, at all relevant times, a resident of the State of Utah. Parrish has never been licensed as a broker-dealer, agent, investment advisor, or investment advisor representative in Utah.
5. Stephen Ronald Trump (Trump) was, at all relevant times, a resident of the State of Utah. Trump has never been licensed as a broker-dealer, agent, investment advisor, or

investment advisor representative in Utah.

6. Tyson D. Williams (Williams) was, at all relevant times, a resident of the State of Utah. Williams was not, at all relevant times, licensed as a broker-dealer, agent, investment advisor, or investment advisor representative in Utah<sup>1</sup>.

#### **GENERAL ALLEGATIONS**

7. In September 2008, Respondents offered and sold securities to an investor, in or from Utah, and collected a total of \$25,000.
8. Respondents made material misrepresentations and omissions in connection with the offer and sale of a security to the investor below.
9. The investor lost all \$25,000 in principal.

#### INVESTOR MG

10. In September 2008, MG met Trump while in Bountiful, Utah.
11. During the meeting, Trump told MG that he had been building a big home for his friend, Parrish. Trump said that he had asked Parrish how Parrish had enough money for such a big house and Parrish told him he made money through investing.
12. Trump said that he had asked Parrish to notify him of any investment opportunities in the

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<sup>1</sup>Williams had passed the Series 7 and 63 exams and was affiliated with the brokerage firm Raymond James, though he has not been licensed or affiliated with Raymond James since 1999. In 1999, there was an internal review by Raymond James regarding unauthorized trading by Williams. In 2000, a Financial Industry Regulatory Authority (FINRA) customer complaint was filed against Williams.

future.

13. On or about September 25, 2008, Trump called MG and said that Trump was meeting with Williams and Parrish at a friend's office that day to discuss an investment opportunity. MG decided to join them at the meeting.
14. MG met with Williams, Parrish, Trump, another partner of Arpeggio, and Trump's friend who owned the office in Bountiful, Utah. Trump told MG that Williams and Parrish told Trump that investors would make 20% - 30% return on investment.
15. During the meeting, Williams and Parrish presented the investment opportunity. Williams and Parrish said they usually only invested their own funds, but their funds were tied up elsewhere. Williams and Parrish said that this was the first time they were looking to raise money for an investment.
16. Williams made the following representations:
  - a. Williams and Parrish were looking to raise about \$1 million in a week to deposit in either a Swiss or London bank;
  - b. The investment opportunity would not be available for long;
  - c. Williams and Parrish needed the investors' funds for one year;
  - d. The bank would pay monthly dividends on the funds, which would pay investors between 5% and 20% per month in profit;
  - e. The risk was whether investors made 5% rather than 20% per month;

- f. High rates of return could be earned from the foreign banks because of the “leveraging the banks could do”;
  - g. These types of deals did not come around often, but Williams and Parrish were able to do the deal because of people they knew;
  - h. There were “unbelievable” returns in similar deals Williams and Parrish had done in the past; and
  - i. Some deals had gone bad, but by seeing those occur, Williams and Parrish were able to navigate the investments better.
17. On or about September 26, 2008, Trump called MG to ask if MG was going to invest with Williams and Parrish. MG responded, saying he was thinking of \$20,000. Trump suggested that MG invest everything he had available.
18. Trump said that he had confidence in the investment. He guaranteed the investment would work or else Trump would finish building MG’s basement. During this phone call, Trump provided MG with bank wire instructions for Arpeggio’s bank account. This was the first time MG heard the name “Arpeggio.”
19. Based on the representations of the Respondents, MG invested \$25,000 in Arpeggio. On September 27, 2008, MG wired \$25,000 to Arpeggio’s Wells Fargo bank account.
20. From September 2008 to January 2009, Trump gave MG updates on the investment.
21. In or about February 2009, Trump told MG that Williams and Parrish were finally able to

place the invested funds in a deal, but not the bank deal discussed.<sup>2</sup>

22. Trump told MG that the investment funds were tied up for three months, but MG would get his principal plus interest back at the end of the three month term.
23. On or about February 24, 2009, MG received a payment of \$1,250 from Trump Alliance<sup>3</sup>. Arpeggio still owes MG \$23,750 in principal alone.<sup>4</sup>

#### CAUSES OF ACTION

#### COUNT I Securities Fraud under § 61-1-1 of the Act

24. The Division incorporates and re-alleges paragraphs 1 through 23.
25. The investment opportunities offered and sold by Respondents are securities under § 61-1-13 of the Act.

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<sup>2</sup>Williams told the Division that the bank deal fell through because Arpeggio would have lost control of the funds and Arpeggio was not willing to do that. Williams said that Arpeggio then invested the funds by buying a triple A rated bond - collateralized mortgage obligation bond - that was going to pay 50% to 100% interest. Williams said he then decided to place the bond "into an account with a partner overseas" who was a princess from Bahrain. Arpeggio invested about \$1.6 million in the bond, but has not received any money back on the investment. According to Williams, Arpeggio has collected \$1,895,000 from a group of ten investors.

<sup>3</sup>Trump told the Division that he set up Trump Alliance to keep the investment funds separated from Trump's personal accounts. The idea was to have interest payments from Arpeggio deposited into an account of Trump Alliance and then disburse payments to the investor from that account. Trump said that he had not received interest payments from Arpeggio, so he made the \$1,250 payment to MG from Trump's personal funds to keep "everybody calm."

<sup>4</sup>Trump has not finished MG's basement as offered.

26. In connection with the offer and sale of securities to the investor, Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
- a. That the risk for MG was whether he made 5% rather than 20% per month, when in fact, there were many risks with the investment, including investors losing all of their principal; and
  - b. That the return on MG's investment was guaranteed, when in fact, Respondents had no reasonable basis on which to make this statement.
27. In connection with the offer and sale of securities to the investor, Respondents, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make representations made not misleading:
- a. How much Williams and Parrish had raised for the investment;
  - b. The minimum amount required to invest;
  - c. What would happen if Williams and Parrish were unable to raise the required \$1 million;
  - d. That Parrish had a \$2,614.62 judgment against him in 2007, resulting in a garnishment.<sup>5</sup>

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<sup>5</sup>*Captial One Bank v. Stanley D. Parrish*, Case No. 060203152 in the Fourth District Judicial Court. (Utah 2006)

- e. That Parrish had a \$15,030.00 tax lien ordered against him in 2007.<sup>6</sup>
- f. That Parrish was a defendant in a pending lawsuit against him which resulted in a \$20,237.60 judgment. The lawsuit was filed two days before MG invested;<sup>7</sup>
- g. Some or all of the information typically provided in an offering circular or prospectus regarding Arpeggio, such as:
  - i. Financial statements;
  - ii. Risk factors for investors;
  - iii. The number of investors;
  - iv. Suitability factors for the investment;
  - v. Williams's business and operating history;
  - vi. Williams's track record to previous investors<sup>8</sup>;
  - vii. Whether the investment is a registered security or exempt from registration; and
  - viii. Whether Williams was licensed to sell securities.<sup>2</sup>

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<sup>6</sup>*Utah State Tax Commission v. Stanley D. Parrish*, Case No. 076403820 in the Fourth District Judicial Court. (Utah 2007)

<sup>7</sup>*Advanced Credit Management v. Stanley Parrish*, Case No. 080203471 in the Fourth District Judicial Court. (Utah 2007)

<sup>8</sup>Williams and Parrish had a failed investment resulting in close to \$2 million in losses prior to offering MG this investment opportunity.

<sup>9</sup>See footnote 1.

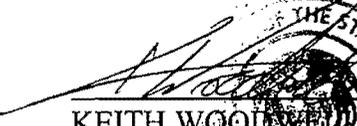
## **ORDER**

The Director, pursuant to § 61-1-20 of the Act, hereby orders Respondents to appear at a formal hearing to be conducted in accordance with Utah Code Ann. §§ 63G-4-202, -204 through -208, and held before the Utah Division of Securities. The hearing will occur on Tuesday, November 2, 2010, at 9:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2<sup>nd</sup> Floor, Salt Lake City, Utah. The purpose of the hearing is to establish a scheduling order and address any preliminary matters. If Respondents fail to file an answer and appear at the hearing, the Division of Securities may hold Respondents in default, and a fine may be imposed in accordance with Utah Code Ann. § 63G-4-209. In lieu of default, the Division may decide to proceed with the hearing under § 63G-4-208. At the hearing, Respondents may show cause, if any they have:

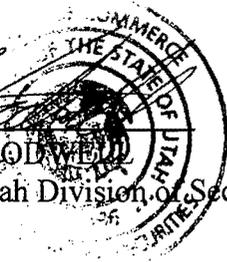
- a. Why Respondents should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;
- b. Why Respondents should not be ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1-1, or any other section of the Act; and
- c. Why Respondents should not be ordered to pay to the Division a fine amount to be determined by stipulation or by the presiding officer after a hearing in accordance with the provisions of Utah Admin. Rule R164-31-1, which may be

reduced by restitution paid to the investors.

DATED this 30<sup>th</sup> day of September, 2010.



KEITH WOODFIELD  
Director, Utah Division of Securities



Approved:



JEFF BUCKNER  
Assistant Attorney General  
J.N.

Division of Securities  
Utah Department of Commerce  
160 East 300 South, 2<sup>nd</sup> Floor  
Box 146760  
Salt Lake City, UT 84114-6760  
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**Respondents.**

**NOTICE OF AGENCY ACTION**

Docket No. SD-10-0005  
Docket No. SD-10-0006  
Docket No. SD-10-0007  
Docket No. SD-10-0008  
Docket No. SD-10-0009

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THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

You are hereby notified that agency action in the form of an adjudicative proceeding has been commenced against you by the Utah Division of Securities (Division). The adjudicative proceeding is to be formal and will be conducted according to statute and rule. See Utah Code Ann. §§ 63G-4-201 and 63G-4-204 through 209; see also Utah Admin. Code R151-46b-1, *et seq.* The legal authority under which this formal adjudicative proceeding is to be maintained is Utah Code Ann. § 61-1-20. You may be represented by counsel or you may represent yourself in this proceeding. Utah Admin. Code R151-46b-6.

You must file a written response with the Division within thirty (30) days of the mailing date

of this Notice. Your response must be in writing and signed by you or your representative. Your response must include the file number and name of the adjudicative proceeding, your version of the facts, a statement of what relief you seek, and a statement summarizing why the relief you seek should be granted. Utah Code Ann. § 63G-4-204(1). In addition, pursuant to Utah Code Ann. § 63G-4-204(3), the presiding officer requires that your response:

- (a) admit or deny the allegations in each numbered paragraph of the Order to Show Cause, including a detailed explanation for any response other than an unqualified admission. Allegations in the Order to Show Cause not specifically denied are deemed admitted;
- (b) identify any additional facts or documents which you assert are relevant in light of the allegations made; and
- (c) state in short and plain terms your defenses to each allegation in the Order to Show Cause, including affirmative defenses, that were applicable at the time of the conduct (including exemptions or exceptions contained within the Utah Uniform Securities Act).

Your response, and any future pleadings or filings that should be part of the official files in this matter, should be sent to the following:

**Signed originals to:**

Administrative Court Clerk  
c/o Julie Price  
Utah Division of Securities  
160 E. 300 South, 2<sup>nd</sup> Floor  
Box 146760  
Salt Lake City, UT 84114-6760  
(801) 530-6600

**A copy to:**

Jeff Buckner  
Assistant Attorney General  
160 East 300 South, 5<sup>th</sup> Floor  
Salt Lake City, UT 84114-0872  
(801) 366-0310

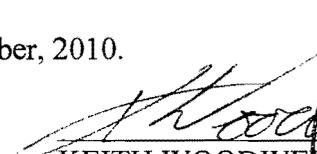
An initial hearing in this matter has been set for November 2, 2010 at the Division of Securities, 2<sup>nd</sup> Floor, 160 East 300 South, Salt Lake City, Utah, at 9:00 A.M.

If you fail to file a response, as described above, or fail to appear at any hearing that is set, the presiding officer may enter a default order against you without any further notice. Utah Code Ann. § 63G-4-209; Utah Admin. Code R151-46b-10(11). After issuing the default order, the presiding officer may grant the relief sought against you in the Order to Show Cause, and will conduct any further proceedings necessary to complete the adjudicative proceeding without your participation and will determine all issues in the proceeding. Utah Code Ann. § 63G-4-209(4); Utah Admin. Code R151-46b-10(11)(b). In the alternative, the Division may proceed with a hearing under § 63G-4-208.

The Administrative Law Judge will be J. Steven Eklund, Utah Department of Commerce, 160 East 300 South, P.O. Box 146701, Salt Lake City, UT 84114-6701, telephone (801) 530-6648. This adjudicative proceeding will be heard by Mr. Eklund and the Utah Securities Commission. You may appear and be heard and present evidence on your behalf at any such hearings.

You may attempt to negotiate a settlement of the matter without filing a response or proceeding to hearing. To do so, please contact the Utah Securities Division. Questions regarding the Order to Show Cause should be directed to the Division's attorney, Jeff Buckner, at (801) 366-0310.

Dated this 30<sup>th</sup> day of September, 2010.

  
KEITH WOODWELL  
Director, Division of Securities



**Evidence of Mailing**

I certify that on the 7<sup>th</sup> day of September, 2010, I mailed a true and correct copy of the Notice of Agency Action and Order to Show Cause to:

Arpeggio Investments, LLC

Tyson D. Williams

5842 Cuchara Way

Herriman, UT 84096

Certificate # 7008 1140 0004 1042 0480

Stanley Duane Parrish

6663 W. Normandy

Highland, UT 84003

Certificate # 7008 1140 0004 1042 0497

Trump Alliance, LLC

Stephen Ronald Trump

11 Park Place Ln.

Centerville, UT 84014

Certificate # 7008 1140 0004 1042 0503

  
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Executive Secretary