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**IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR ADA COUNTY**

STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Plaintiff,

vs.

RICHARD "RICK" F. GUYON, and JANE
DOES 1 through 5,

Defendants.

CV01-17-06813

Case No. _____

COMPLAINT

Fee category: Exempt

COMES NOW the State of Idaho, Department of Finance, Securities Bureau, Mary E. Hughes, Acting Director, Plaintiff herein (Department), by and through its counsel, Alan Conilogue, Deputy Attorney General, and upon information and belief, complains and alleges as follows:

This action is brought pursuant to Idaho's Uniform Securities Act (2004), Idaho Code § 30-14-101 *et seq.* (the Act), and in particular Idaho Code § 30-14-603, wherein the Department is authorized to bring actions seeking injunctive and other relief against persons who have either violated or are about to violate provisions of the Act or any rule promulgated thereunder.

VENUE

The acts and practices described herein comprising violations of law by the above-named Defendant occurred in Ada County, Canyon County Idaho and elsewhere. Defendant Richard "Rick" F. Guyon (Guyon) resided or was located in Boise, Idaho when the alleged acts constituting violations of the Act were committed.

JURISDICTION

Defendants, in connection with the offer and sale of securities, made material misrepresentations and omitted material information in connection with the offer or sale of such securities, and employed a device, scheme or artifice to defraud, or materially aided the same, in violation of Idaho's Uniform Securities Act (2004), Idaho Code § 30-14-101, *et seq.* Jurisdiction is conferred under the provisions of that Act.

CASE SUMMARY

The statements in this Case Summary are not part of the allegations supporting the Department's causes of action, but are intended simply to provide a framework for understanding this regulatory enforcement lawsuit.

Rick Guyon has engaged in a series of fraudulent money-raising schemes beginning in at least 1991. He first conducted a false student loan bank fraud scheme, for which he was sentenced to 37 months in prison in 1994. He later, under the alias Michael Banks, defrauded a female victim. After meeting in a Kinko's, he began dating his victim, convinced her he loved

her, and gained access to her money. He stole savings bonds from her, forged signatures on them, and cashed them. He forged checks from her accounts, and he managed to steal funds using her ATM card. Guyon ultimately stole over \$170,000 from this victim.¹

Since arriving in Idaho, this lothario has convinced at least two women, both of whom he dated, to assist him in defrauding several local investors of over \$2 million. He met them online while incarcerated, and shortly after he was released on supervision he moved in with one of them and began working with the other.

Operating under the names Rick Thompson and Rick Garrison, he told these local investors he was managing a \$12 million portfolio of family money, and although he was not seeking investment clients, he would do them a favor and invest their money for them. These agreements constituted securities under Idaho law.

Guyon defrauded investors by not investing their money as promised. He misrepresented the investments, he omitted material information from the investor solicitations, and he ran a scheme to defraud. Guyon spent investor money mostly on personal expenses, such as cash, travel, restaurant meals and automobile expenses without disclosing this use beforehand. Neither Guyon nor his securities were registered as required by Idaho law.

DEFENDANTS

1. **Richard F. Guyon** (Guyon) is also known as Rick Guyon and is reported to have locally used the names Rick Garrison, Mark Thompson, and Rick Thompson. He has previously used the alias Michael A. Banks.

2. **Jane Does 1 through 5** are persons whose true names are currently unknown. Plaintiff alleges that these persons unlawfully and fraudulently offered or sold securities in the same or in a similar fashion as Defendants named in this Complaint, and made the same

¹ *United States v. Guyon*, 474 F.3rd 114, 116 (4th Cir. 2006).

misrepresentations and failures to disclose as Defendants, or materially aided in the same. This Complaint will be amended pursuant to Idaho Rule of Civil Procedure 10(d) when the true name(s), and in some cases additional facts, is (are) discovered.

FACTS

Guyon's criminal history of fraud

3. Guyon was charged with bank fraud in the United States District Court in Massachusetts. The indictment in that case alleged that from February 1987 through approximately August 1988, Guyon executed a scheme to defraud the Bank of Boston of \$76,756.40. Guyon applied for a series of student loans in his name and the names of three other persons, including his father. Guyon forged the applications and the signatures for the loans and also forged certifications of a purported university official.

4. Trial began in Massachusetts on the bank fraud charges on July 17, 1991. On June 27, 1991, the fourth day of his trial on those charges, Guyon failed to appear, having fled in the middle of his own cross-examination. He was arrested about two weeks later, in Idaho or Wyoming², but during this period Guyon was convicted *in absentia* and was sentenced to 30 months imprisonment.

5. After his western arrest, Guyon faced additional bank fraud charges in federal court in Virginia. He was convicted on the Virginia charges and on January 24, 1992, was sentenced to thirty seven months imprisonment, the first thirty of which were to run concurrently with the Massachusetts sentence.

6. After being released on the bank fraud charges, Guyon was arrested again, on May 13, 2002, in North Carolina, on charges relating to fraudulent conduct during the course of

² Two eastern courts writing about Guyon's early convictions and appeals (*U.S. v. Guyon*, 27 F.3d 723, 725 (1st Cir. 1994); *U.S. v. Guyon* 43 F.3d 1456 (1st Cir. 1994)) placed the same arrest in two different, though contiguous, western states.

a romantic relationship with CM. During this relationship, Guyon obtained at least \$80,000 and up to about \$180,000 through fraudulent means from CM while using the alias “Michael A. Banks.”³

7. On October 3rd, 2007, judgment was entered against Richard Guyon in federal court in North Carolina, for Unauthorized use of Access Device with Intent to Defraud, for Forging an Obligation of the United States, for Uttering Forged Obligation of the United States, and for Bank Fraud. Guyon was sentenced to 175 months of imprisonment and to five years of supervision upon release.

8. On May 29, 2015, Guyon was released from prison with five years of supervision. A Special Condition of Supervision is that “The defendant [Guyon] shall not incur new credit charges or open additional lines of credit without the approval of the probation office.”

Guyon set up some of the business entities and financial arrangements necessary for his scheme to defraud while he was incarcerated. Others were set up soon after he was placed on supervised release.

9. On February 21, 2014, Guyon and female associate J.O. incorporated Thompson Enterprises LTD (TELTD) in Delaware. J.O. is associated with a Massachusetts address, and the Department alleges that she and Guyon have some relationship that must have begun before this date.

10. On April 11, 2014, J.O. opened a TD Ameritrade account in the name of TELTD, listing a federal tax ID number of 46-xxxxx62 and giving a home address in Hopedale, Massachusetts.

³ “At a Kinko’s in Durham, North Carolina, Guyon introduced himself to the victim as Michael A. Banks and told her (falsely) that he owned a computer consulting business that was relocating to the area. Later, the two met for drinks and began dating. Guyon quickly convinced the victim that he loved her – and gained access to her substantial financial assets. He stole saving bonds from safety deposit box, forged them, and cashed the forgeries. He forged checks from her investment and checking accounts. He cloned or stole her ATM card and withdrew funds. Through various devised of fraud and theft, Guyon ultimately stole from her over \$170,000. *U.S. v. Guyon* 474 F.3d 114, 116 (4th Cir 2006).

11. On June 16, 2015, about two weeks after Guyon was released from the Nampa half-way house, he and female associate D.F. opened a corporation checking account in the name of TELTD at an Eagle branch of G. bank, initially funded by a \$7,000 check from D.F. The account opening documents reflect a federal tax ID number of 46-xxxxx62, a principal address of 950 W Bannock St, Boise, Idaho and list Guyon as the Executive Vice President and D.F. as the Vice President.

12. On October 29, 2015, S.G., believed to be Guyon's relative, opened a Thompson Enterprises Holdings Group LLC checking account at a Pocatello branch of G. bank, listing a federal tax ID number of 47-xxxxx43. The nature of the business was stated as "Real Estate Management."

13. The next day S.G. filed a Certificate of Organization for Thompson Enterprises Holdings Group LLC with the Idaho Secretary of State.

14. On January 6, 2016, J.O., on behalf of TELTD, federal tax ID number of 46-xxxxx62, filed an Entity Authorized Agent Form with TD Ameritrade. This form added Guyon as an Authorized Agent of TELTD and listed his title as Vice President of the company. It also stated Guyon's employer as "Thompson Holding Group" and the type of business as "consulting."

15. On February 25, 2016, J.O. filed an address update with TD Ameritrade giving the address as 950 W. Bannock St, Boise, Idaho.

16. Guyon spent the end of his incarceration in a half-way house or other supervised release facility in Nampa, Idaho. While there, Guyon was able to meet at least one woman online, and upon release began dating her.

After being released from the half-way house, Guyon commenced his fraudulent course of conduct

17. Soon after being released from incarceration in the half-way house, Guyon moved into an apartment with one of the women he met online. He told her that he was in for drug rehabilitation. Guyon told this woman he was selling off hard assets of a family business and turning it into a financial company. He told her he was an attorney and had gone to law school at Purdue. Before long they discussed a long term relationship, and even marriage. This woman helped Guyon by getting credit cards in her name which she allowed him to use. She bought a car in her name that Guyon used but was put on her auto insurance policy. She obtained a cell phone in her name for Guyon. Guyon helped with the rent and expenses, and he did eventually reimburse her for all or almost all of these in-her-name expenses. These arrangements allowed him to skirt his supervision restriction of not opening new credit accounts, and are consistent with practices that operate as a fraud or deceit upon another.

18. Another of Guyon's female associates, D.F., lived for a time in an apartment above R.F.'s (no relation) garage. The Department believes that she also began dating Guyon, apparently while he lived with the woman identified in the previous paragraph, and introduced him to R.F.

19. On June 22, 2015, R.F. "loaned" Guyon, who was operating under the name "Rick Thompson," \$35,000 as a short term loan. R.F. wrote a check paid to the order of D.F., who deposited it into the TELTD checking account. This "loan" was the first of a number of investments R.F. made with Guyon.

20. Guyon started a website titled Thompson Enterprises Ltd, at thompsonenterprisesltd.com, apparently beginning in September 2015. D.F. wrote TELTD

business checks to website developer K.W. dated January 12 and 15, 2016, for \$825 and \$185, respectively. The January 12 check bears the note “Website build – Sep 2015.”

21. Guyon began to raise money, claiming to invest it. One pitch he made to investors was that he was managing around a \$12 million portfolio of family money and investing it in various securities. Another time he said he was managing a hedge fund. He was vague about the specifics of his investment management, but he said he had written a computer algorithm that guided trading, primarily in “Asian stock markets” and “offshore trades in offshore accounts.” He said that he was not seeking clients for whom to make trades, but that he was willing to do some trading for others.

22. Guyon successfully convinced a few investors to make large investments with him. The investment checks or transfers were made primarily to Thompson Enterprises and were deposited into the TELTD checking account. Although Guyon and D.F. did business under the business names, they used the investor money in the business accounts for personal purposes.

23. For example, on June 19, 2015, the TELTD checking account had a balance of \$808.08. \$35,000 from investor R.F. was deposited into the account on June 22, 2015. By July 7, 2015, just 15 days later, the account had a balance of only \$78.27. The first 15 charges on the account, totaling \$2,409.25 were to Pocatello AvCenter, Chopstick Café, Ultra Touch, Barnes & Noble, Chili's, First Premier, Five Guys, Wal-Mart, Chevron, Shell, Maverik Country Store, Cable One Inc, Costco, The Home Depot, and Costco again. In this manner Guyon spent at least hundreds of thousands of dollars of investor money over the next 18 months.

24. These purported investments were investment contracts, and therefore securities under Idaho's Uniform Securities Act.

25. Between June 22, 2015 and February 17, 2017, investors gave Guyon monies to invest as follows:

- a. Between June 22, 2015 and March 1, 2017, R.F. made 16 investments totaling \$1,266,400, which includes the initial \$35,000 "loan";
- b. D.M. made one investment of \$250,000, in October, 2016;
- c. Between December 22, 2015, and October 11, 2016, S.F. made three investments totaling \$450,000;
- d. Between June 22, 2015 and March 1, 2017, N.A. made three investments totaling \$100,000;
- e. F.A.F.M., LLC made two investments totaling \$35,000; and
- f. Between September 8, 2016 and January 3, 2017, V.T. and T.T. made four investments totaling \$122,050.

26. The above investors gave Guyon a total of \$2,223,450 to invest.

27. On January 13, 2016, Guyon sent \$200,000 to a TD Ameritrade account he had set up. On February 26, 2016, Guyon sent \$320,000 to the TD Ameritrade account. On April 20, 2016 he sent \$160,000 more to TF Ameritrade, and on October 27, 2016, he sent \$399,000.

28. Although Guyon did send about \$1,090,000 to TD Ameritrade, and at times traded voraciously, it does not appear he was particularly successful with his trades⁴. Nevertheless, every week or two he would pull a few thousand dollars out of the TD Ameritrade account and deposit it into the TELTD account where it became available for his personal use.

⁴ For example, on the representative day of May 26, 2016, Guyon made the following trades: Bought 800 shares (sh) of Abbvie Inc at \$61, sold 800 sh at \$61.0145. Purchase fee of \$9.99, sales fee of \$9.99 plus regulatory fee of \$1.08. Gain on sale of \$11.60, less fees of \$21.06, for a loss of \$9.46. Bought and sold 675 sh of Caterpillar, net loss of \$351.81. Bought and sold 5 sh Apple, net loss of \$226.07. Bought and sold 600 sh Deere & Co, net loss of \$206.98. Bought and sold 2,500 sh of Barrick Gold Corp, net loss of \$295.69. Bought and sold 5,000 sh of Proshares, net loss of \$171.53. Bought and sold 1,600 sh Intel, net loss of \$162.52. Bought and sold 500 sh of and SPDR TR, net loss of \$27.17. Again bought and sold SPDR TR, 100 sh, net loss of \$33.44. He also bought shares in Tesla and Starbucks on May 26th, but he held them until the 27th, when he sold them at a loss.

Records currently known to the Department show that approximately \$890,000 was eventually sent back to TELTD from TD Ameritrade.

29. On February 10, 2017, D.F., under the name D.T., wrote to investor R.F. under letterhead of “Thompson Capital Management” and Thompson Strategic Solutions, LLC, telling R.F. that one of their (Thompson Capital Management’s) clients was “going into Bankruptcy” and that the client was “willing to sell a Portfolio of Options on Microsoft.” D.F. wrote “These Options are ‘In the Money’ which means that they are worth more than he paid for them.” She also wrote that the options “must be held for 90 more days before they can be redeemed.” She also wrote “We purchased the portfolio with the \$200,000 from you as we discussed.”

30. Guyon did not invest the money placed with him as he promised. Instead, he just spent it in large part on personal items for himself. D.F. also spent a significant amount of the investor money on her own personal expenses.

31. Guyon misrepresented that he was managing a \$12 million family investment portfolio.

32. Guyon misrepresented that he had a successful algorithm-based trading enterprise.

33. Guyon did not disclose to his investors that he would spend their money on his personal expenses and, in fact, told them that he would not do so.

34. Guyon did not tell his investors that he had been convicted of and imprisoned for bank fraud.

35. Guyon did not tell any of his investors that the investment contracts were unregistered securities.

36. Guyon did not tell any of his investors that he was not registered to offer or sell securities in Idaho.

COUNT ONE
(Device, Scheme or Artifice to Defraud)

37. Idaho Code § 30-14-501(1) provides that it is unlawful for any person, directly or indirectly, in connection with the offer, sale or purchase of a security, to employ a device, scheme, or artifice to defraud.

38. Guyon's acts as set forth above were made in connection with the offer, sale or purchase of securities. His conduct described herein constituted a device, scheme or artifice to defraud investors or prospective investors, in violation of Idaho Code § 30-14-501(1) as to each investor.

39. Guyon's sales pitch about his \$12 million family investment portfolio and his overseas trading were designed to lure investors into the fraud. His pitch was intended to, and did, beguile investors into giving money to him that he converted for his personal use. This ongoing pattern of deception and conversion of investor funds constituted a scheme or artifice to defraud.

COUNT TWO
(Fraud - False and Misleading Statements)

40. Idaho Code § 30-14-501(2) provides that it is unlawful for any person, directly or indirectly, in connection with the offer, sale or purchase of a security, to make an untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

41. Guyon's misrepresentations to prospective investors about his \$12 million family investment portfolio and his overseas trading, and as otherwise set forth above, were made in connection with the offer, sale or purchase of securities. Guyon's misrepresentations were

material and were false and misleading, constituting violations of Idaho Code § 30-14-501(2) as to each misrepresentation.

42. Guyon's omissions of material facts and failures to disclose material information to prospective investors, as set forth above, were made in connection with the offer, sale or purchase of securities. Guyon's omissions of material facts and failures to disclose material information constitute violations of Idaho Code § 30-14-501(2) as to each omission and failure to disclose to each investor.

COUNT THREE
(Unregistered Securities)

43. Guyon issued, sold or offered for sale in Idaho securities in the form of investment contracts. Such securities were not registered with the Department as required by Idaho Code § 30-14-301.

44. Guyon's failure to register such securities with the Department constitutes a violation of Idaho Code § 30-14-301.

COUNT FOUR
(Failure to Register)

45. Guyon transacted business in Idaho as a broker-dealer, or as an agent of a broker-dealer or agent of an issuer. Guyon never registered as a broker-dealer with the Department as required by Idaho Code § 30-14-401(a). Guyon also never registered as an agent with the Department as required by Idaho Code § 30-14-402(a).

46. Guyon's failure to register himself as a broker-dealer with the Department was a violation of Idaho Code § 30-14-401(a).

47. Guyon's failure to register as an agent with the Department was a violation of Idaho Code § 30-14-402(a).

COUNT FIVE
(Unlawful Conversion)

48. Idaho Code § 30-14-501(4) provides that it is unlawful for any person, directly or indirectly, in connection with the offer, sale or purchase of a security, to divert investor money to the personal use of the issuer, offeror or seller, or to pay prior investors without specifically disclosing that use before receiving investor money.

49. Guyon diverted investor money to his personal use without disclosing that to his investors. This was a violation of Idaho Code § 30-14-501(4).

COUNT SIX
(Materially Aiding)

50. Idaho Code § 30-14-603 provides that the Director may maintain an action in a court of competent jurisdiction to enjoin violations and enforce compliance with Idaho's Uniform Securities Act, including against a person who has materially aided an act, practice or course of business constituting a violation of Idaho's Uniform Securities Act.

51. Jane Does 1 through 5's acts in providing ongoing assistance in conducting what they knew or should have known was a unlawful enterprise, by communicating with investors, by helping with banking and making financial and business arrangements, and by their use of investor money for their personal expenses, materially aided Guyon's illegal enterprise, in violation of Idaho Code § 30-14-603.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that the Court enter Judgment against Defendant(s) as follows:

1. That Defendant(s) be adjudged to have violated Idaho's Uniform Securities Act (2004), Idaho Code § 30-14-101 *et seq.*, rules promulgated thereunder, and other applicable

federal laws and regulations as proven at trial, as to Counts One through Six alleged above, as well as any additional counts proven at trial.

2. That Defendant(s) be permanently enjoined from engaging in any act or practice that violates any provision of the Act, pursuant to Idaho Code § 30-14-603(b)(1), and in particular, that he (they) be permanently enjoined from selling or offering for sale securities in any form in the state of Idaho.

3. That Defendant(s) be permanently enjoined from working in any financial services industry or business in the State of Idaho.

4. That Defendant(s) be ordered to pay a civil penalty of up to \$10,000 for each violation of the Act as the Court deems appropriate, pursuant to Idaho Code § 30-14-603(b)(2)(C), for total penalties of at least \$60,000, and that the Court award a money judgment in favor of Plaintiff in such amount.

5. That Defendant(s) be ordered to make restitution to investors, pursuant to Idaho Code § 30-14-603(b)(2)(C), in the amount of \$2,223,450 or such other amount as proven at trial. That Defendant(s) pay the restitution amount to Plaintiff, to be delivered to the investors, and that the Court award a money judgment in favor of Plaintiff in such amount.

6. That Defendant's personal assets be frozen and that a receiver be appointed to take charge of such assets to liquidate them and apply them to the proper administration of the funds.

7. That the receiver take charge and control of the funds and manage them for the benefit of the investors.

8. That Plaintiff be awarded attorney fees and costs incurred in the preparation and prosecution of this action, pursuant to Idaho Code § 12-121, and that the Court award a money

judgment in favor of Plaintiff in such amount. Should judgment be taken by default herein, Plaintiff asserts that \$5,000 is a reasonable sum for the same.

9. For such further relief as this Court may deem just and equitable under the circumstances.

DATED this 13th day of April, 2017.

STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL

/s Alan Conilogue
ALAN CONILOGUE
Deputy Attorney General