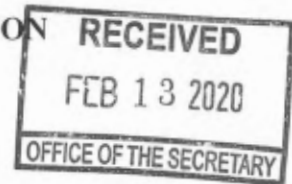


**HARD COPY**  
UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING  
File No. 3-19635

In the Matter of  
  
STEPHEN CONDON PETERS,  
  
Respondent.

**DIVISION OF ENFORCEMENT'S MOTION AND MEMORANDUM**  
**OF LAW IN SUPPORT OF SUMMARY DISPOSITION**  
**AGAINST RESPONDENT STEPHEN CONDON PETERS**

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**UNITED STATES OF AMERICA**  
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**ADMINISTRATIVE PROCEEDING**  
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--

**DIVISION OF ENFORCEMENT'S MOTION AND MEMORANDUM**  
**OF LAW IN SUPPORT OF SUMMARY DISPOSITION**  
**AGAINST RESPONDENT STEPHEN CONDON PETERS**

**I. INTRODUCTION**

The Division of Enforcement ("Division") moves for summary disposition of this matter because there are no genuine issues of material fact, and the sanctions sought against respondent Stephen Condon Peters ("Peters") should be initiated as a matter of law pursuant to Rule 250 of the Commission's Rules of Practice. This case involves an investment adviser who defrauded his advisory clients by selling them promissory notes that in which he touted, among other things, guaranteed certain rates of return. In truth, Peters used the proceeds to pay for a lavish lifestyle for himself and his family and for payments to other investors. He was charged criminally based on his misconduct and ultimately convicted on 20 counts.

Section 203(f) of the Investment Advisers Act of 1940 (hereinafter "Advisers Act") authorizes the Commission to institute administrative proceedings to determine whether certain remedial measures are appropriate against any persons "associated,

seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated with an investment adviser.” The law provides that such an action would be proper if the Commission, after notice and opportunity for hearing, has found that the remedial measures are in the public interest and if certain grounds, which are discussed in detail below, are satisfied.

In this case, the Commission has a significant, statutorily enumerated basis under Section 203(f) of the Advisers Act to impose sanctions, by virtue of a federal criminal conviction, following a federal trial by jury, in the U.S. District Court for the Eastern District of North Carolina. The public interest is served in instituting remedial measures against Peters because of the 20 of extensive and significant fraudulent and other conduct counts (including both Investment Adviser Fraud and Securities Fraud) to which for which he was found guilty and convicted. Since no genuine material issue regarding Peters’ criminal conviction exists, summary disposition of this matter is appropriate.

**II. PETERS’ ANSWER TO THE OIP ADMITS HE WAS AN INVESTMENT ADVISER, REGISTERED WITH THE COMMISSION, AND PUBLIC RECORDS FROM HIS FEDERAL CRIMINAL TRIAL DOCKET ESTABLISH THAT PETERS WAS FOUND GUILTY OF, AMONG OTHER THINGS, INVESTMENT ADVISOR FRAUD, SECURITIES FRAUD AND WIRE FRAUD**

The Commission instituted these proceedings on January 6, 2020. Peters was served with the OIP in federal prison in Petersburg, Virginia on January 10, 2020 and he filed his *pro se* Answer thereto on or about February 3, 2020. The Order Instituting Proceedings (“OIP”) alleged, in part:

Between at least April 2012 and June 30, 2017, Respondent was the owner and controlling person of VisionQuest Wealth Management, LLC (“VisionQuest Management”), an investment advisory firm registered with the Commission. VisionQuest Management effectively ceased operations following a July 12, 2017 search and seizure of its business records and

offices by the Federal Bureau of Investigation. Respondent, age 46, was a resident of Raleigh, North Carolina during this time. *See OIP*, ¶ *II.A.1*.

In Peters' Answer to the OIP he admitted the above-quoted paragraph without equivocation. *See Answer*, ¶ *II.A*. This admission makes this jurisdictional predicate one without dispute. As to the remaining substantive allegations in the OIP relating to Peters' conviction on 20 counts, including both investment adviser fraud and securities fraud, the partial judgment imposed against him and the amended judgment imposed against him, the Respondent in his Answer says only that the records in his criminal case "speak for themselves."

However, this motion for summary disposition against Peters can be resolved by the following attached undisputed documents from the public docket in Peters' related criminal trial, including:

(1) Exhibit 1, attached hereto and incorporated herein by reference, is the Superseding Indictment against Peters, a true and correct copy from the docket of Peters' criminal case dated 10/18/2018 charging him with 20 counts, including Investment Advisor Fraud and Securities Fraud. *See United States v. Peters, Case 5:17-cr-00411-D (E.D.N.C.), Docket #57[Superseding Indictment]*;

(2) Exhibit 2, attached hereto and incorporated herein by reference, is the Verdict Form against Peters, a true and correct copy from the docket of Peters' criminal case dated 6/6/2019. *See United States v. Peters, Case 5:17-cr-00411-D, (E.D.N.C.) Docket #99 [Verdict Form]* indicating that Peters was found guilty by a jury on all 20 counts with which he was charged;

(3) Exhibit 3, attached hereto and incorporated herein by reference, is the Special Verdict Form against Peters, a true and correct copy from the docket of Peters' criminal

case dated 6/6/2019. *See United States v. Peters, Case 5:17-cr-00411-D, (E.D.N.C.) Docket #100 [Special Verdict Form]* indicating special verdict findings by the jury against Peters relating to the 20 counts with which he was found guilty;

(4) Exhibit 4, attached hereto and incorporated herein by reference, is the Judgment In A Criminal Case against Peters, a true and correct copy from the docket of Peters' criminal case dated 9/13/2019. *See United States v. Peters, Case 5:17-cr-00411-D, (E.D.N.C.) Docket #157 [Judgment In A Criminal Case]* indicating that Peters is ordered to be incarcerated for a total term of 480 months [40 years] for the conduct for which he was found guilty; and

(5) Exhibit 5, attached hereto and incorporated herein by reference, is the Amended Judgment In A Criminal Case against Peters, a true and correct copy from the docket of Peters' criminal case dated 11/19/2019. *See United States v. Peters, Case 5:17-cr-00411-D, (E.D.N.C.) Docket #214 [Amended Judgment In A Criminal Case]* which, among other things, orders Respondent pay restitution for his fraud in the amount of \$15,161,624.

These five documents from the public record in the criminal case establish that Peters was a registered investment advisor and that the fraudulent conduct for which he was convicted occurred during the same relevant period of time and that his defrauded victims were his investment advisory clients. As such, the Division will fully carry its burden on this motion for summary disposition from these public docket records. For example, in paragraph four of Exhibit 1, the superseding indictment alleges that Peters was a registered investment advisor with the Commission and that he owned and operated VisionQuest Wealth Management, LLC an investment advisory firm. From the



guilty verdict entered by the jury against Peters in Exhibits 2 and 3, it is undisputed that the victims of Peters' extended fraudulent conduct was his own investment advisory clients. The relevant period of conduct from the superseding indictment began in 2009 and extended through 2017, a period of 8 years. [Ex. 1, ¶¶ 47, 49, 50, 56].

The Superseding Indictment further alleges a Ponzi scheme perpetrated by then Raleigh, North Carolina resident Peters through VisionQuest Wealth Management, LLC ("VQ Management"), VisionQuest Capital, LLC ("VQ Capital") both entities controlled by Peters. The Superseding Indictment alleged that VQ Management was a Raleigh-based investment adviser that has been registered with the Commission since March 2016 and was previously registered with the State of North Carolina. [Ex. 1 at ¶¶ 3-4].

Between at least 2009 and June 30, 2017 (the "Relevant Period"), Peters, acting individually or through VQ Capital and/or VQ Management, used misrepresentations and omissions of material fact to offer and sell to at least sixty investors approximately \$15 million in promissory notes issued by VQ Capital (the "VQ Capital notes" or "notes"). [Ex. 1 at ¶¶ 7-10]. The notes typically had five-year terms and provided for payment of annual interest of eight percent if paid quarterly, or nine percent if the noteholder elected to receive a lump-sum payment of principal and interest at the end of the term. [Ex. 1 at ¶ 8]. Virtually all of the note purchasers were VQ Management investment advisory clients. Many also were elderly and unsophisticated.

Although Peters varied what he told prospective investors to convince them to invest in VQ Capital notes, he repeated certain common claims to many of the note purchasers. For instance, he represented to some investors that VQ Capital would invest the offering proceeds into revenue-producing businesses [Ex. 1 at ¶¶ 9, 11.A] and that he

and VQ Capital would be paid from the spread between the greater return that VQ Capital would earn on the investments and the lesser return that VQ Capital was obligated to pay the noteholders. Similarly, Peters represented to some of these prospective investors that neither he nor the VQ Entities would receive compensation from the note offering proceeds. [Ex. 1, ¶ 11.C]. To the majority of investors, Peters represented that the VQ Capital notes presented little or no risk of loss—a claim that Peters emphasized by telling some investors that the notes were “guaranteed.” [Ex. 1 at ¶ 11.B]. Peters’ representations were false. [Ex. 1, ¶¶ 7-23].

Peters diverted at least two-thirds of the money raised for his own benefit or to pay interest to, or redeem, earlier investors. Peters also used several million to support his lifestyle, including remodeling a large farm in North Carolina, purchasing fine art for his personal residence, and building Peters’ luxury vacation villa in Costa Rica. [See Ex. 1, at ¶¶ 12-23]. The vast majority of these expenditures were paid for with investor proceeds.

Peters never disclosed to note purchasers that he would pay a substantial percentage of the note proceeds to himself or that he would use investor proceeds for interest payments or redemptions to other investors. [Ex. 1 at ¶ 11.A.] Peters also failed to disclose that a significant portion of the investor funds were spent on business activities, or used to pay the ongoing operating expenses of his existing businesses, rather than being invested in new businesses. [Ex. 1 at ¶ 10]. None of the notes was guaranteed and, given his scheme, investing in the notes presented substantial risk. .” [Ex. 1 at ¶ 11.B].

The Division's Notice of Filing of Proof of Service, and the Proof of Service attached thereto, was filed in this administrative proceeding. The Proof of Service establishes service of the OIP on the Respondent on 1/10/2020, it is without dispute that Peters is now incarcerated at and was served at the FCC Petersburg Medium facility in Prince George County, Virginia. (*See Executed Proof of Service, AP Docket*).

Rule 323 of the Commission's Rules of Practice provides that "[o]fficial notice may be taken of any material fact which might be judicially noticed by a district court of the United States, any matter in the public official records of the Commission, or any matter which is peculiarly within the knowledge of the Commission as an expert body. If official notice is requested or taken of a material fact not appearing in the evidence in the record, the parties, upon timely request, shall be afforded an opportunity to establish the contrary." 17 C.F.R. § 201.323. The Commission can certainly take official notice of the undisputed public criminal docket records from the U.S. District Court for the Eastern District of North Carolina in Peters' criminal case.

### **III. SUMMARY DISPOSITION IS APPROPRIATE PURSUANT TO RULE 250**

#### **A. Summary Disposition Standard**

Rule 250 of the Commission's Rules of Practice provides that the Division or the Respondent may make a motion for summary disposition subject to leave of Court prior to the presentation of the Division's case in chief. The Rule expressly provides that the Administrative Law Judge ("ALJ"), [or as the OIP says in this case the Commission], may grant the motion if there is "no genuine issue with regard to any material fact and the party making the motion is entitled to summary disposition as a matter of law." In this case, a prehearing conference was conducted on February 6, 2020 by telephone without

an ALJ, pursuant to specific directive in the OIP. In that conference, the Division advised Respondent that this motion for summary disposition would be filed not later than the end of the month of February 2020. *See Division's Statement Regarding Prehearing Conference, AP Docket.* The Commission should grant this motion for summary disposition. This motion should fully resolve this matter and the timely filing of it is necessary to obtain the relief sought by the Division, which is in the public interest.

Under Rule 250 of the Commission's Rules of Practice, summary disposition is appropriate where there is "no genuine issue with regard to any material fact and the party making the motion is entitled to summary disposition as a matter of law." Situations like *Peters*, where the relevant facts have already been litigated in earlier judicial or administrative proceedings, are particularly appropriate for summary disposition. *See: In the Matter of Joseph P. Galluzi*, Exchange Act Release No. 46405, 2002 SEC Lexis 2202 (August 23, 2002), *aff'g* Initial Decisions Release No. 187, 2001 SEC Lexis 1582 (August 7, 2001); *In the Matter of John S. Brownson*, Exchange Act Release No. 46161, 2002 SEC Lexis 1715 (July 3, 2002), *aff'g*, Initial Decisions Release No. 182, 2001 SEC Lexis 537 (March 23, 2001); *and, In the Matter of Brad Haddy*, Initial Decisions Release No. 164, 2000 SEC Lexis 927 (May 8, 2000) (all granting Division's Motion for Summary Disposition where facts were determined in an earlier criminal conviction). *See also In the Matter of Michael J. Markowski*, Exchange Act Release No. 44086, 2001 WL 267660 (March 20, 2001), *pet. denied*, No. 01-1181 (D.C. Cir. 2002) (unpublished) (Respondent may not re-litigate issues that were addressed in a previous civil proceeding against him); *accord In the Matter of John Francis D'Acquisto*, 53 S.E.C. 440, 444 (1998); *In the Matter of Demitrious Julius Shiva*, 52 S.E.C. 1247,

1249 (1997). As Peters was a registered investment adviser, the documents attached hereto that provide the basis for summary disposition in this case.

**B. Commission Action is Appropriate Due to Peters' Criminal Conviction in the U. S. District Court For The Eastern District of North Carolina**

Section 203(f) of the Adviser's Act authorizes the Commission to take action against a person associated with an investment adviser convicted of violating 18 U.S.C. § 1343. *See § 203(e)(2)(D) of the Exchange Act.* On June 6, 2019, following a trial by jury, Respondent was convicted of twenty counts, including one count of Investment Advisor Fraud and Aiding and Abetting; one count of Fraud in the Sale of Unregistered Securities; nine counts of Wire Fraud and Aiding and Abetting; four counts of Money Laundering and Aiding and Abetting; one count of Conspiracy to Make and Use False Documents And to Falsify and Conceal Records; one count of Making and Using False Documents and Aiding and Abetting; one count of Falsifying and Concealing Records and Aiding and Abetting; one count of Corrupt Endeavor to Influence a Federal Agency; and one count of Aggravated Identity Theft and Aiding and Abetting. This conduct was in violation of Title 15 United States Code, Sections 80b-6, and 80b-17; 18 United States Code, Section 2; 15 United States Code, Sections 78j(b) and 78ff and Title 17 Code of Federal Regulations, Section 240.10b-5; Section 18 United States Code, Sections 1343 and 2; 18 United States Code, Sections 1957, 1957(b)(1) and 2; 18 United States Code, Section 371; 18 United States Code, Section 1001(a)(1) through (a)(3), and 2; 18 United States Code, Section 1519 and 2; 18 United States Code, Section 1505; and 18 United States Code, Sections 1028A(a)(1) and 2 before the United States District Court for the Eastern District of North Carolina, in

*United States v. Stephen Condon Peters*, Crim. Information No. 5:17-CR-411-D.

Details of the offense are set forth in Exhibit 1, consisting of a court docket copy of the Superseding Indictment setting forth the 20 counts against Peters; Exhibit 2, consisting of a court docket copy of the Verdict Form where Peters was found guilty of all 20 counts; Exhibit 4, consisting the a court docket copy of the judgment sentencing him to a 40 year period of incarceration; and Exhibit 5, consisting the court docket copy of the amended judgment ordering Peters to pay restitution of \$15,161,624.

IV. **RESPONDENT PETERS SHOULD BE BARRED FROM ASSOCIATION WITH A BROKER, DEALER, INVESTMENT ADVISER, MUNICIPAL SECURITIES DEALER, MUNICIPAL ADVISOR, TRANSFER AGENT OR NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION**

This federal court conviction for one count of Investment Advisor Fraud; one count of Fraud in the Sale of Securities; nine counts of Wire Fraud; four counts of Engaging in Monetary Transactions in Criminally Derived Property; one count of Conspiracy to Make and Use False Documents and to Falsify and Conceal Records; one count of Making and Using False Documents; one count of Concealing Records; one count of Corrupt Endeavor to Influence Federal Agency; and one count of Aggravated Identity Theft forms the basis for the institution of proceedings in this case, and establishes Respondent Peters' participation, and indeed leadership, in a scheme to defraud his own investment advisory clients. The federal criminal authorities viewed the activity as being so pernicious as to warrant criminal prosecution on a broad and comprehensive array of charges.

The potential for substantial harm to investors from Respondent Peters' continued participation in the securities industry is significant. Now at approximately 46 years of

age, Peters has worked in investment related businesses since at least 2009, shortly after his time in the military ended. Peters has had virtually no professional experience in his civilian career where he was not employed by, or affiliated with, an investment related business. Additionally, the object of Peters' fraud was his own investment advisory clients, precisely the individuals to whom he owed a fiduciary duty. From this record alone, the Commission can reasonably conclude that Peters' employment history in the investment industry has involved a substantial number of customer complaints and client lawsuits which necessitated payment by Peters to his clients for financial transgressions.

At Peters' criminal trial, there was significant evidence adduced of Peters' insistence to various IA firm employees that certain investment advisory clients' file materials be altered, falsified and/or created to provide to the examination staff of the Commission, in order to give a false impression that he and his IA firm were complying with the law, when they were in fact in significant violation of the law. Specifically, all of the charges against Peters relating to conspiracy to falsify documents, and to the falsification and concealing of those documents related entirely to his responses to the Commission exam staff's request for production of documents. Similarly, Count 20 against Peters for corruptly endeavoring to influence a federal agency also related to his conduct for deliberately and purposefully providing false, misleading and later created documentation to the Commission's exam staff. From his conviction on these counts, it is a reasonable for this Court to conclude that Peters is a defiant individual who has no respect for regulatory or other legal authority. The Commission should never allow Respondent to be involved in the financial industry in any capacity ever again.

The Commission, in applying the *Steadman v. SEC*, 603 F.2d 1126, 1140 (5<sup>th</sup> Cir. 1979) standards to determine whether a bar is in the public interest, considers: (1) the egregious nature of the respondent's actions; (2) degree of scienter; (3) the isolated or recurrent nature of the infraction; (4) the respondent's recognition of the wrongful nature of his conduct; and (5) the likelihood that his occupation will present opportunities for future violations. *See: In the Matter of Joseph P. Galluzi*, Exchange Act Release No. 46405, 2002 SEC Lexis 2202 (August 23, 2002), *aff'g* Initial Decisions Release No. 187, 2001 SEC Lexis 1582 (August 7, 2001) (Commission Op. at 17 and n. 32) (appropriate under *Steadman* to impose a bar against respondent on basis of criminal conviction for mail and wire fraud and injunction); *In the Matter of Brownson*, 77 SEC Docket 3636, Exchange Act Rel. No. 46116, 2002 SEC Lexis 1715 (July 3, 2002), *aff'g*, Initial Decision Rel. No. 182, 2001 SEC Lexis 537 (March 23, 2001) (ALJ Foelak (same on basis of criminal conviction for securities fraud); *see also In the Matter of Wade*, (ALJ Mahony) Initial Decision Rel. No. 207, 2002 SEC Lexis 1604 (June 24, 2002) (citing *Steadman* and finding a bar in the public interest, where registered representative was enjoined from violations of the federal securities law anti-fraud provisions, due to the egregious nature of his actions, degree of scienter, extensive nature of conduct and failure to admit wrongful nature of conduct); *In the Matter of Harrington*, (ALJ McEwen) Exchange Act Rel. No. 38518, 1997 SEC Lexis 893 (April 17, 1997) (finding a bar in the public interest against respondent who had been enjoined from anti-fraud violations in underlying injunctive action). Applying this framework to Respondent Peters' activities, as delineated by the criminal prosecution, it is apparent that a bar is both appropriate and necessary in this case.



Peters has filed an appeal to his conviction. As a result of his pending appeal, this matter was instituted as a litigated matter rather than as a settled one. These factors reasonably suggest that there exists a strong disposition on the part of Respondent Peters that, even in light of his conviction, he maintains the position that has done nothing wrong. In the very least, he has not acknowledged responsibility for the actions that led to his conviction on 20 counts. This man should never again be allowed to manage, give advice on or touch the investment funds of other persons.

For all of these reasons, it is appropriate that the Commission impose a bar in this matter which operates to prohibit and bar Respondent Peters, under Section 203(f) of the Advisers Act, from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization. *See e.g. In the Matter of Feeley & Willcox Asset Management Corp.*, Securities Act Release No. 8249, 2003 WL 22680907 (2003) (imposing bar as to both registered and unregistered investment advisers); *In the Matter of Batterman*, (ALJ Kelly) Initial Decision Release No. 246, 2004 WL 2387487 (February 12, 2004) (same). Furthermore, the fact that Peters received a lengthy prison sentence of 40 years is not a factor which weighs against imposing a comprehensive bar. *See e.g. SEC v. Payne*, No 1:00-cv-1265-JMS-TAB, 2011 WL 693630, at \*4 (S.D. Ind. Feb. 18, 2011) (rejecting defendant's argument that a permanent injunction was unnecessary because he would be 70 years old upon release from federal prison); *SEC v. Ferrone*, 188 F. Supp. 2d 583, 591 (M.C.N.C. 2006)("[A]lthough Mr. Marker will be in his sixties when he is released from prison, this factor standing alone is not sufficient to show a reasonable likelihood that he will not commit future violations of the securities laws.") If federal courts do not find

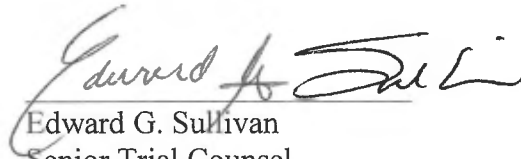
long prison sentences a barrier to the imposition of a permanent injunction, the Commission should likewise not restrain from imposing a full collateral bar just because Peters has a lengthy prison sentence to serve.

V. **CONCLUSION**

Accordingly, for the foregoing reasons, the Division respectfully requests that its motion for summary disposition of this action be granted against Respondent pursuant to Rule 250 of the Commission's Rules of Practice and that the respondent be permanently barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

February 12, 2020

Respectfully submitted,



Edward G. Sullivan  
Senior Trial Counsel  
Atlanta Regional Office  
Securities and Exchange Commission  
950 E. Paces Ferry Road, NE, Suite 900  
Atlanta, GA 30326  
Telephone: 404.842.7612  
Email: [sullivan@sec.gov](mailto:sullivan@sec.gov)

## Certificate of Service

On February 12, 2020, I served the foregoing by causing to be sent true and correct copies as shown below in sealed envelopes, postage prepaid, addressed to:


Original and three copies sent to:  
Office of the Secretary (Via UPS, for overnight delivery)  
Securities and Exchange Commission  
100 F. Street, N.E.  
Washington, D.C. 20549

And one copy each to:  
Chief Judge Brenda Murray (Via UPS, for overnight delivery)  
Office of the ALJs  
100 F Street, N.E., Room 2557  
Washington, D.C. 20549-2557

Mr. Stephen Condon Peters

[REDACTED]  
[REDACTED]  
[REDACTED]

Hopewell, VA 23860

  
Edward G. Sullivan  
Senior Trial Counsel

Securities and Exchange Commission  
950 East Paces Ferry Road, NE, Suite 900  
Atlanta, GA 30326-1382  
Telephone: 404.842.7612  
Email: [sullivan@sec.gov](mailto:sullivan@sec.gov)

# EXHIBIT 1 OF 5

WMG

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA  
WESTERN DIVISION

NO. 5:17-CR-411-D

UNITED STATES OF AMERICA )

v. )

STEPHEN CONDON PETERS )

SUPERSEDING INDICTMENT

The Grand Jury charges that:

I. INTRODUCTION

1. VisionQuest Capital LLC (hereinafter "Capital LLC") was a North Carolina company that purported to provide "growth and expansion capital" to companies located primarily in the Southeast. Capital LLC solicited funds from investors under the auspices that the funds would be invested into businesses that generated recurring revenue or had a strong likelihood of being able to generate regular cash flow. Capital LLC funded its investment activities through debt financing from individual clients.

2. VisionQuest Wealth Management LLC (hereinafter "Management LLC") was a North Carolina company that purported to provide financial planning and management services to clients in exchange for a fee.



3. VQ Wealth LLC (hereafter "Wealth LLC") was a North Carolina corporation that operated as a parent or holding company for Management LLC and Capital LLC.

4. STEPHEN CONDON PETERS was an individual who resided and did business in Wake County within the Eastern District of North Carolina. Peters was a Registered Investment Advisor (RIA) with the United States Securities and Exchange Commission (SEC). Peters owned and operated the Wealth LLC, Management LLC, and Capital LLC entities (referred to collectively herein as "VisionQuest")

5. Although Wealth LLC, Management LLC, and Capital LLC were separate legal entities, PETERS operated the businesses collectively as "VisionQuest" from his business offices, most recently located at 112 East Hargett Street in Raleigh, North Carolina. With respect to Wealth LLC, Peters owned a 69% interest and his wife owned a 31% interest. Wealth LLC owned a 100% interest in Management, LLC. Wealth LLC owned a 99% interest in Capital LLC. An investor owned the remaining 1% interest in Capital LLC.

6. As a Registered Investment Advisor, by law, PETERS had a fiduciary duty to the clients of Management LLC. This means that PETERS:

(a) had a fundamental obligation to act in the best interests

of his clients and to provide investment advice in his clients' best interests;

- (b) owed his clients a duty of undivided loyalty and utmost good faith;
- (c) was prohibited from engaging in any activity in which PETERS had a conflict of interest;
- (d) was obligated to employ reasonable care to avoid misleading clients, and to provide full and fair disclosure of all material facts to clients and prospective clients; and
- (e) was prohibited from using his clients' assets to his own benefit and the benefit of other clients without their express consent.

## II. FRAUDULENT SALE OF VISIONQUEST CAPITAL LLC NOTES

7. Beginning in 2009, and continuing into 2017, Peters orchestrated the sale of VisionQuest Capital LLC promissory notes (the "Capital LLC Notes"). PETERS, both directly and through subordinate advisors at Management LLC, marketed and sold the Capital LLC Notes, primarily through advice and recommendations given to clients of Management LLC. In total, during this time period, PETERS sold not less than \$15 Million worth of Capital LLC Notes. Most of the individuals who purchased the Capital LLC

Notes were clients of Management LLC.

8. In exchange for an investment of funds, the Capital LLC Notes purported to promise investors an 8% annual return on principal. The Capital LLC Notes paid interest to investors on a monthly basis. The Capital LLC Notes generally provided a 5 year term of interest, after which the investors' principal funds were to be repaid. If an investor agreed to reinvest, rather than receive a disbursement of interest, the investor was promised a 9% rate of return.

9. In connection with the sale of the Capital LLC Notes, PETERS represented and caused to be represented to investors that the Capital LLC Note proceeds would be invested into revenue-generating or income-producing businesses.

10. In fact, PETERS stole large portions of the investor proceeds and carried out a "Ponzi" scheme on investors. The term "Ponzi scheme" generally refers to a fraud in which investor principal and interest payments are funded by new principal investments of others, rather than by a genuine return on principal investments. In Ponzi schemes, investment funds are frequently diverted to the personal use of the scheme manager, rendering those funds unavailable for genuine investment and revenue generation.

11. To carry out the scheme, PETERS, by and through Wealth



LLC, Management LLC, and Capital LLC, made numerous false and fraudulent representations and omissions to the Capital LLC Note investors. The representations and omissions are summarized as follows:

A. The Capital LLC Note proceeds would be invested into income-producing businesses. In fact, the Capital Note proceeds were not always placed into income producing businesses. By way of example, the Capital Note proceeds were spent on PETERS's own personal interests. In other instances, the funds were used to pay the business expenses of Capital LLC, Wealth LLC, and Management LLC. In still other instances, PETERS used the Capital LLC Note proceeds to pay off prior Capital LLC Note interest and principal payments owed. PETERS did not inform investors that their principal would be used to pay interest and principal obligations to other investors. PETERS also did not inform investors that their funds would be used to fund PETERS's personal interests, or to develop PETERS's private real estate holdings, including a farm and a luxury vacation home in Costa Rica.

B. The Capital LLC Notes were a "low-risk investment." PETERS, individually and by and through Management LLC, represented to investors that the Capital LLC Notes presented

little or no risk of loss, and that the income was guaranteed. In fact, the Capital LLC Notes presented an extremely high risk of loss, and income was not guaranteed. PETERS withheld financial statements for Capital LLC from investors and did not inform them that Capital LLC was not generating sufficient genuine revenue to fund future interest and principal obligations associated with the Capital LLC Notes. Likewise, PETERS withheld from investors that their interest payments would be paid out of the principal investments of others.

C. No fees or commissions were being drawn or paid in connection with the sale of the Capital LLC Notes. PETERS, individually and by and through Management LLC, represented to investors that neither he nor his advisors received any kind of fee or commission for the sale of the Capital LLC Notes. PETERS represented that he profited from the overall success of Capital LLC, and did not extract a portion of the Capital LLC Note principal as a fee. In fact, PETERS extracted large sums of investor principal "off the top," that is, prior to the investment of the funds into income producing businesses. Likewise, PETERS promised and paid his subordinates at Wealth LLC a commission for selling the investors the Capital LLC Notes.

### III. EXAMPLES OF FRAUDULENT USES AND TRANSFERS

12. Between 2009 and 2017, after acquiring Capital LLC investor funds via the fraudulent representations and omissions described above, PETERS spent the investor funds, among other things, the personal interests and pursuits of PETERS and his family, interest and principal obligations of other Capital LLC Note holders, and the operating expenses of the VisionQuest Entities. By way of example, and not by way of limitation, the following paragraphs contain particular instances of PETERS's improper uses of Capital LLC investor funds.

13. On or about October 5, 2012, investor D.D. delivered \$85,000 to Capital LLC pursuant to a Capital LLC Note. Following a series of account transfers, on December 21, 2012, December 28, 2012 and January 4, 2013, approximately \$65,000 of these funds were wired to PETERS.

14. On or about February 5, 2014, investor J.L. wired \$100,000 to Capital LLC pursuant to a Capital LLC Note. On February 10, 2014, the funds were transferred to Wealth LLC, where \$20,000 of said funds were immediately wired to PETERS. \$20,000 of said funds were immediately transferred to Management LLC to pay previously incurred credit card charges. \$17,000 of said funds were immediately used to pay the expenses of a prior, failed

investment known as "Fusion Fund." On February 18, 2014, the remaining \$40,000 was wired to PETERS.

15. On or about February 5, 2014, investor S.H. delivered \$1,000,000 to Capital LLC pursuant to a Capital LLC Note. On February 25, 2014, \$900,000 of said funds were transferred to Wealth LLC. Between February 25, 2014 and September 30, 2014, approximately \$441,000 of said funds were wired to PETERS. Additionally, on March 3, 2014, approximately \$40,000 of said funds were used towards an approximate payment of \$44,000 of interest obligations to other Capital LLC Note holders. On or about April 3, 2014, \$35,000 of said funds were transferred to another account to pay obligations to E.K. and R.K. relating to a prior, failed investment known as "Fusion Fund." On or about May 1, 2014, approximately \$50,000 of said funds were used to pay interest obligations to other Capital LLC Note holders, as well as VisionQuest payroll and credit card expenses. On or about May 29, 2014, approximately \$55,000 of said funds were used to pay interest obligations to other Capital LLC Note holders, as well as VisionQuest business and payroll expenses.

16. On or about March 13, 2014, investor A.P. delivered \$50,000 to Capital LLC pursuant to a Capital LLC Note. On April 1, 2014, approximately \$39,000 of these funds were used toward a

payment of \$44,333 of interest obligations to other Capital LLC Note holders.

17. On August 21, 2015, investor M.B. wired \$60,000 to Capital LLC pursuant to a Capital LLC Note. On September 1, 2015, approximately \$40,000 of these funds were used toward a \$52,448 payment of interest obligations to other Capital LLC Note holders.

18. On October 21, 2015, investor T.M. wired \$150,000 to Capital LLC pursuant to a Capital LLC Note. On November 18, 2015, investor J.J. wired \$200,000 to Capital LLC pursuant to a Capital LLC Note. On or about December 17, 2015, approximately \$250,000 of said funds were used towards a \$290,120 payment to pay off an existing Capital LLC Note held by investor J.Z. Approximately \$59,000 of said funds were used to pay interest obligations to other Capital LLC Note holders.

19. On or about September 21, 2016, investor C.R. wired \$100,000 to Capital LLC pursuant to a Capital LLC Note. On September 23, 2016, \$75,000 of the funds were transferred to Wealth LLC. On September 29, 2016, \$20,000 of the funds were wired to PETERS. On October 4, 2016, approximately \$25,000 of the funds were used towards a \$35,837 payment of interest obligations to other Capital LLC Note holders. By October 5, 2017, \$55,000 was spent on VisionQuest business, payroll, and credit card expenses.

20. On or about September 29, 2016, investor A.W. delivered \$150,000 to Capital LLC pursuant to a Capital LLC Note. On September 30, 2016, A.T. wired \$100,000 to Capital LLC pursuant to a Capital LLC Note. On or about October 3, 2016, the entire \$250,000 of said funds were transferred to Wealth LLC, where \$30,000 of said funds were paid to PETERS. Thereafter, approximately \$70,000 of said funds were transferred back to Capital LLC, of which \$60,000 was used to pay interest obligations to other Capital LLC Note holders, and approximately \$7,000 of said funds were used towards a \$35,000 payment of expenses associated with the construction of a luxury vacation villa in Costa Rica owned by PETERS.

21. Between December 9, 2016 and December 15, 2016, investors L.L., B.L., P.D., T.M., and L.T. collectively delivered approximately \$637,000 to Capital LLC pursuant to Capital LLC Notes. On or about December 14, 2016, approximately \$225,000 of said funds were used to repay an outstanding principal obligation to Capital LLC Note holder J.S. On December 16, 2016, approximately \$225,000 of said funds were used to repay an outstanding principal obligation to Capital LLC Note holder M.B. On December 16, 2016, approximately \$100,000 of said funds were used to pay expenses associated with the construction of a luxury

vacation villa in Costa Rica owned by PETERS. On January 3, 2017, approximately \$55,000 of said funds were used towards a \$60,920 payment of interest to other Capital LLC note holders.

22. On January 11, 2017, investor L.B. wired \$101,500 to Capital LLC pursuant to a Capital LLC Note. On or about January 17, 2017, approximately \$66,400 of these fund were used towards the \$225,000 payoff of an existing Capital LLC Note held by investor J.S. Shortly thereafter, approximately \$25,700 of the funds were used to pay expenses associated with the construction of a luxury vacation villa in Costa Rica owned by PETERS. Approximately \$4,200 of the funds were used to pay interest obligations to other Capital LLC Note holders.

23. On or about February 13, 2017, investor N.H. delivered \$250,000 to Capital LLC pursuant to a Capital LLC Note. On or about March 1, 2017, approximately \$25,000 of said funds were used toward a \$65,976 payment of interest obligations to other Capital LLC Note holders. On February 15, 2017, L.B. wired \$100,000 to Capital LLC pursuant to a Capital LLC Note. On or about February 27, 2017, \$325,000 of said funds were transferred to Wealth LLC, of which \$15,000 of said funds were wired to PETERS. On March 2, 2017, approximately \$300,000 of said funds were transferred back to Capital LLC, and approximately \$119,000 of

said funds were paid to investor D.D., and approximately \$181,000 of said funds were used toward a \$250,000 payment associated with the construction of a luxury vacation villa in Costa Rica owned by PETERS.

#### IV. FRAUD UPON THE U.S. SECURITIES AND EXCHANGE COMMISSION

##### A. The SEC Examination

24. Between September 2016 and March of 2017, the United States Securities and Exchange Commission (SEC) conducted an examination of Management LLC to assess its compliance with the Investment Advisers Act of 1940. This inquiry by the SEC shall hereinafter be referred to as the "SEC Examination." The SEC Examination included a series of information and document requests, as well as on-site visits to Visionquest offices.

25. Peters coordinated Management LLC's responses to all document requests and requests for information from the SEC examiners. Specifically, Peters reviewed the SEC's document requests, participated in correspondence, conference calls, and meetings with SEC examiners; drafted responses to SEC inquiries; and coordinated the collection and production of Visionquest documents in response to examiner requests.

26. As owner and operator of Management LLC, Peters was required at all times to provide truthful information and genuine



documentation to the SEC examiners. In fact, however, Peters provided and caused to be provided materially false information and fabricated documents to the SEC examiners in response to their inquiries. Peters also withheld and directed others to withhold material information and documents from the SEC examiners.

27. In September of 2017 the SEC examiners directed Management LLC to produce information relating to Management LLC's compliance with SEC rules concerning conflicts of interest. These included documents relating to "Outside Business Activities" of Management LLC's employees, as well as internal findings concerning compliance. In response to this request, on or about October 13, 2016, Peters fabricated a letter and backdated the same to February 13, 2009. This letter purported to place Management LLC's compliance officer, N.K., on notice of "a pretty big conflict of interest" between Management LLC and Capital LLC, that "requires disclosure" to investors. The letter further purported to assign to N.K. the obligation to make proper disclosures of the conflict of interest. The letter purported to contain the acknowledgement and approval of the conflict of interest by N.K., as operations and compliance manager for Management LLC. Finally, the letter bore a marking purporting to be the signature of N.K. In fact, however, the letter was

fabricated in response to the SEC Examination in 2016, and N.K.'s signature on the letter was forged. Nevertheless, Peters caused this fabricated letter to be transmitted to the SEC examiners along with other requested compliance documents.

28. In addition to the foregoing, Peters also fabricated "Outside Business Activities" disclosures for numerous Management LLC employees, including himself. Outside Business Activity disclosures are designed to inform a compliance officer of potential conflicts of interest between investors and advisors to ensure full and complete disclosure of these conflicts to clients. In response to the SEC document request, Peters directed a coconspirator employee to have Management LLC employees fill out outside business activity disclosures covering various years. Peters then directed the conspiring employee to backdate the forms to a period preceding the SEC Examination. Peters further instructed the conspiring employee on how to cut and paste the signature of former compliance officer, N.K., onto the documents, and to photocopy the same to make the documents appear genuine. The conspiring employee carried out Peters's instructions, and the forged and fabricated Outside Business Activity Disclosures were transmitted to SEC examiners along with other compliance records.

29. Peters also fabricated and caused to be transmitted to

the SEC examiners various internal findings letters concerning compliance at Management LLC. Specifically, on or about September 19, 2016, four days after the SEC's first written document request, Peters drafted two letters directed to Management LLC's recently appointed compliance officer, R.G., and backdated the same to July 18 and August 9, 2016 -- dates prior to the SEC Examination. In the midst of the SEC Examination, R.G. then drafted two letters which purported to be responses to Peters's two backdated letters, both of which were also backdated. In sum, these letters purport to show a written correspondence between Peters and R.G. predating the SEC Examination when, in fact, the letters were fabricated and backdated in response to the Examination. Peters caused each of these letters to be transmitted to the SEC examiners.

30. In or about November of 2016, in response to a request from the SEC examiners, Peters also caused to be fabricated certain investment policy statements and wealth management contracts. The investment policy statements purported to document, among other things, Management LLC clients' risk tolerance and investment objectives. Peters caused an employee to forge certain of these documents as though they had been previously signed by Management LLC clients when, in fact, they were created in response to the SEC Examination. Peters caused these documents to be transmitted

to the SEC examiners.

31. On or about November 10, 2016, SEC examiners directed Peters to disclose documents reflecting that Management LLC clients who had invested in Capital LLC Notes, were in fact "accredited investors." In response to this request, Peters caused to be fabricated certain Management LLC client balance sheets. Specifically, Peters directed a conspiring employee to inflate the balances of certain clients to reflect a net worth in excess of \$1 Million. In fact, the client balance sheets referenced in this paragraph were false, and the assets used to inflate the clients' net worth were fabricated. Peters caused these documents to be transmitted to the SEC examiners.

32. On or about October 6, 2016, SEC examiners also directed Management LLC to disclose copies of all email correspondence by certain Management LLC employees within the period of the examination. Instead of producing all responsive email, Peters extracted various emails from the disclosures. Among other things, Peters removed emails relating to investor M.B. This was significant because M.B. was a Capital LLC investor who had previously sued Peters. Peters also removed emails directed to Management LLC employees M.G. and S.K. These emails contained attachments reflecting that M.G. and S.K. would be paid incentive

compensation for causing investments into Capital LLC. After removing these emails, Peters caused the incomplete set of emails to be transmitted to the SEC examiners.

33. Peters also drafted written responses to the SEC document requests. These written responses contained numerous false and fraudulent statements. In written responses in September of 2016, Peters falsely represented to the SEC that "neither [Management LLC], Mr. Peters, [Capital LLC], nor any of their affiliates, provided any investment advice to any of [Management LLC's] clients with respect to [investments into Capital LLC]." In fact, Peters and various employees of Management LLC recommended and advised Management LLC clients to invest in Capital LLC Notes.

#### B. The SEC Enforcement Proceeding

34. On or about March 6, 2017, the Securities and Exchange Commission (SEC) entered an order authorizing an investigation into the investment activities of PETERS, Wealth LLC, Capital LLC, and Management LLC. This investigation is referred to herein as the "Enforcement Proceeding." Among other things, the purpose of the Enforcement Proceeding was to investigate possible conflicts of interest relating to PETERS's sale of Capital LLC Notes to his investment advisory clients at Management LLC. Likewise, the

Enforcement Proceeding concerned whether PETERS used the Capital LLC Note proceeds in a manner consistent with representations to investors.

35. PETERS corruptly endeavored to influence and obstruct the Enforcement Proceeding by attempting to withhold and conceal records, by fabricating records, and by providing false testimony.

36. In or about April of 2017, the SEC issued document subpoenas to Capital LLC. Later, in or about May of 2017, the SEC issued subpoenas to Management LLC and Wealth LLC. These subpoenas are referred to collectively herein as the "VisionQuest Subpoenas." The VisionQuest Subpoenas were addressed to the attention of PETERS and his counsel.

37. Among other things, the VisionQuest Subpoenas directed PETERS to produce all documents concerning the sale of the Capital LLC Notes, including records of Wealth LLC, Capital LLC, and Management LLC employee calendars and communications with investors. The subpoenas further directed PETERS to produce documents concerning lawsuits and settlements. In response to the VisionQuest Subpoenas, Peters both fabricated, and omitted relevant documents.

38. Among other things, Peters caused to be created and backdated certain subscription agreements and accredited investor

questionnaires relating to the sale of the Capital LLC Notes. The subscription agreements were backdated by a conspiring employee to appear as though they had been generated at the time that certain investors purchased the Capital LLC Notes when, in fact, the subscription agreements were only created following the SEC Enforcement Proceeding. These backdated documents were produced to the SEC in response to the Visionquest Subpoenas.

39. Additionally, PETERS attempted to have his information technology company delete various emails falling within the scope of the subpoenas. In particular, PETERS directed an information technology representative to delete emails that included the following terms: (1) the word "Capital", (2) the name of investors M.B. and A.W., and (3) the name of employees J.V. and J.G. Peters further directed the information technology representative to "wipe" the computers that originally held these emails, and to send the computers "back to the factory."

40. The VisionQuest Subpoenas also directed PETERS to produce documents reflecting each of the assets of Capital LLC. The SEC was investigating, among other things, how PETERS had spent the Capital LLC Note proceeds, and why large sums of money flowed from a Capital LLC bank account to a Wealth LLC bank account. PETERS fabricated and caused to be fabricated a \$10 Million

Revolving Promissory Note between Wealth LLC and Capital LLC, and backdated the same to June 2, 2010. This note is referred to herein as the "Revolving Note."

41. On or about July 10, 2017, Peters provided false testimony to the SEC concerning various matters under investigation in the Enforcement Proceeding, including false testimony concerning the Revolving Note, the promise or payment of incentives in connection with the sale of the Capital LLC Notes, and the extent of Peters's involvement in drafting responses during the course of the SEC Examination.

42. Specifically, after being asked to identify all of the places where the Capital LLC Note funds were invested, PETERS stated that one of the largest investments by Capital LLC was a \$10 million Revolving Note between Capital LLC and Wealth LLC. PETERS testified that this note was "in writing" and started somewhere between 2010 and 2012, and that the balance on the note was between \$8 million and \$9 million. In fact, the Revolving Note did not exist in 2010, and the Revolving Note was fabricated in or about May of 2017.

43. PETERS also gave false testimony concerning whether Management LLC employees were incentivized to sell the Capital LLC Notes to investors. Peters falsely represented that Management



LLC employees did not recommend that Management LLC clients purchase the Capital LLC Notes. Likewise, Peters falsely testified that "none of our staff gets direct compensation for selling Visionquest Capital, but they do receive incentive compensation at the end of the year and on a quarterly basis about - by the firm achieving its goals." In fact, Management LLC employees were promised and paid directly in return for the sale of Capital LLC notes, and Peters engaged in a scheme to make it appear that the employees were compensated only when Management LLC achieved company goals.

44. Lastly, Peters was questioned under oath regarding whether he had read and approved Management LLC's September 2016 written response that was transmitted to the SEC during the SEC Examination. Peters stated, "I don't know, in this particular case. I mean, approval wise, I'm sure I looked at this at some point. I don't know how much time I spent on it. I kind of relied on my compliance officer to respond to SEC." In truth and in fact, Peters personally drafted Management LLC's written responses to the SEC examiners, and personally coordinated the collection and production of the fabricated documents transmitted to the SEC examiners, as detailed in the preceding subsection of this Superseding Indictment.

COUNT ONE

45. Introductory Paragraphs 1 through 44 are realleged and incorporated by reference into this Count.

46. At all times relevant to this Indictment, PETERS was an "investment adviser" within the meaning of Title 15, United States Code, Section 80b-2(a)(11).

47. Beginning at a time unknown, but no later than January of 2009, and continuing to in or about July of 2017, in the Eastern District of North Carolina and elsewhere, the Defendant, STEPHEN CONDON PETERS, doing business as VisionQuest Wealth Management LLC and VisionQuest Capital LLC, unlawfully, willfully, and knowingly, by the use of the mails and means and instrumentalities of interstate commerce, directly and indirectly, did: (a) employ devices, schemes and artifices to defraud clients and prospective clients; (b) engage in transactions, practices, and courses of business which operated as a fraud and deceit upon clients and prospective clients; and, (c) engage in acts, practices, and courses of business that were fraudulent, deceptive and manipulative; all in violation of Title 15, United States Code, Sections 80b-6 and 80b-17; and Title 18, United States Code, Section 2.

COUNT TWO

48. Introductory Paragraphs 1 through 44 are realleged and incorporated by reference into this Count.

49. Beginning at a time unknown, but no later than January of 2009, and continuing to in or about July of 2017 in the Eastern District of North Carolina and elsewhere, the Defendant, STEPHEN CONDON PETERS willfully and knowingly, directly and indirectly, by the use of means and instrumentalities of interstate commerce, in connection with the purchase and sale of securities, did use and employ manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons, to wit, STEPHEN CONDON PETERS, both directly and through the employees and agents of Capital LLC and Management LLC, engaged in a scheme to defraud in connection with the sale of the Capital LLC Notes; all in violation of Title 15, United States Code, Sections 78j(b) and 78ff and Title 17, Code of

Federal Regulations, Section 240.10-b-5.

COUNTS THREE THROUGH ELEVEN

THE SCHEME

50. Beginning at a time unknown, but no later than January of 2009, and continuing to in or about July of 2017 in the Eastern District of North Carolina and elsewhere, the Defendant, STEPHEN CONDON PETERS devised and intended to devise a scheme to defraud purchasers of the Capital LLC Notes, as defined in this Indictment, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

51. Introductory Paragraphs 1 through 44 are realleged and incorporated by reference into this Count.

52. It was further part of the scheme that PETERS caused some Capital LLC Note purchasers to convert their Individual Retirement Account investment holdings into Capital LLC Notes. To facilitate the acquisition of these investment funds, PETERS caused the Capital LLC Notes to be held by a custodian currently known as IRA Innovations LLC, located in the state of Alabama.

53. It was further part of the scheme that PETERS caused to be transmitted correspondence, copies of Capital LLC Notes, subscription agreements, and other investment account

documentation to Capital LLC Note purchasers, and to IRA Innovations LLC.

USE OF THE WIRES

54. On or about each of the dates set forth below, in the Eastern District of North Carolina and elsewhere, the defendant, STEPHEN CONDON PETERS, for the purpose of executing the scheme described above, and attempting to do so, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, each transmission constituting a separate count:

COUNT	DATE	WIRE
3	8/13/2013	Email transmission of Capital LLC Note for victim V.N. from Capital LLC in North Carolina to IRA Innovations in Alabama.
4	4/7/2015	Email transmission of Buy Direction Letter for Capital LLC Note for victim R.E. from Capital LLC in North Carolina to IRA Innovations in Alabama.
5	9/19/2016	Email transmission of Buy Direction Letter and Capital LLC Note for victim A.T. from Capital LLC in North Carolina to IRA Innovations in Alabama.
6	11/2/2016	Email transmission of Buy Direction Letter and Capital LLC Note for victim B.L. from Capital LLC in North Carolina to IRA Innovations in Alabama.
7	11/8/2016	Email transmission of Buy Direction Letter and Capital LLC Note for victim M.D. from Capital LLC in North Carolina to IRA Innovations in Alabama.
8	12/2/2016	Email transmission of Capital LLC Note and account opening paperwork for victim K.C. from Capital LLC in North Carolina to IRA Innovations in Alabama.

9	1/4/2017	Email transmission of a copy of the driver license for victim L.B. from Capital LLC in North Carolina to IRA Innovations in Alabama.
10	3/2/2017	Email transmission of Buy Direction Letter and Capital LLC Note for victim M.M. from Capital LLC in North Carolina to IRA Innovations in Alabama.
11	5/24/2017	Email transmission of Capital LLC Note subscription agreements for victims C.N. and L.N. from Capital LLC in North Carolina to IRA Innovations in Alabama.

Each entry in the foregoing table constituting a separate violation of Title 18, United States Code, Sections 1343 and 2.

COUNTS TWELVE THROUGH FIFTEEN

55. Introductory paragraphs 1 through 44 are realleged and incorporated by reference into this count.

56. Beginning at a time unknown, but no later than January of 2009, and continuing to in or about July of 2017, in the Eastern District of North Carolina and elsewhere, the Defendant, STEPHEN CONDON PETERS, knowingly engaged and willfully caused others to engage in each of the following monetary transactions involving criminally derived property described below, where the value of the property exceeded \$10,000, and said property was derived from the Specified Unlawful Activity (SUA) identified in the table on the following page:

COUNT	DATE	PROCEEDS	MONETARY TRANSACTION	SUA
12	12/21/2012	\$85,000 Capital LLC Note purchased by D.D.	\$35,000 wire transfer from Wealth LLC bank account at BB&T ending in *2596 to Wells Fargo account ending in *1732	Investment Advisor Fraud, 15 U.S.C. §§ 80b-6 and 80b-17
13	2/18/2014	\$50,000 Capital LLC Note purchased by J.L.	\$40,000 wire transfer from Wealth LLC bank account at BB&T ending in *2618 to Wells Fargo account ending in *1732	Investment Advisor Fraud, 15 U.S.C. §§ 80b-6 and 80b-17
14	2/28/2014	\$1,000,000 Capital LLC Note purchased by C.G. LLC	\$260,000 wire transfer from Wealth LLC bank account at BB&T ending in *2618 to Wells Fargo account ending in *1732	Investment Advisor Fraud, 15 U.S.C. §§ 80b-6 and 80b-17
15	9/29/2016	\$100,000 Capital LLC Note purchased by C.R.	\$20,000 wire transfer from Wealth LLC bank account at BB&T ending in *2618 to Wells Fargo account ending in *1732	Investment Advisor Fraud, 15 U.S.C. §§ 80b-6 and 80b-17

Each entry constituting a separate violation of Title 18, United States Code, Sections 1957 and 2.

COUNT SIXTEEN

57. Introductory Paragraphs 1 through 33 are realleged and incorporated by reference into this Count.

THE CONSPIRACY

58. Beginning no later than in or around September of 2016, and continuing to in or around November of 2016, within the Eastern District of North Carolina and elsewhere, STEPHEN CONDON PETERS and others known to the Grand Jury did knowingly and intentionally conspire, confederate, and agree to commit an offense against the United States, to wit:

- (a) to knowingly and willfully, make and use false writings and documents, knowing the same to contain materially false, fictitious, and fraudulent statements and entries, in a matter within the jurisdiction of the Executive Branch of the Government of the United States, in violation of Title 18, United States Code, Section 1001(a)(3); and
- (b) to knowingly falsify and conceal records and documents with the intent to influence the proper administration of a matter within the jurisdiction of an agency of the United States, in violation of Title 18, United States



Code, Section 1519.

MANNER AND MEANS OF THE CONSPIRACY

59. It was part of the conspiracy that PETERS, in the midst of the SEC Examination, directed employees to create and backdate documents that did not exist in the files of Management LLC prior to the SEC Examination.

60. It was further part of the conspiracy that PETERS instructed conspiring employees concerning how to cut and paste signatures onto fabricated documents to make them appear genuine.

61. It was further part of the conspiracy that PETERS directed conspiring employees to place backdated letters onto Visionquest letterhead, and to scan the same, to make them appear as though the letters existed prior to the SEC Examination.

62. It was further part of the conspiracy that Peters directed that the foregoing false and fraudulent documents be transmitted to SEC examiners in response to prior requests for documents.

OVERT ACTS

63. During the course of the conspiracy, a member of the conspiracy created at least one Outside Business Activity disclosure that contained a forged or fabricated signature of compliance officer N.K.

64. During the course of the conspiracy, a member of the conspiracy created at least one backdated internal compliance memorandum, as described herein.

65. During the course of the conspiracy, a member of the conspiracy created at least one inflated client balance sheet, as described herein.

66. During the course of the conspiracy, a member of the conspiracy created at least one backdated investment policy statement and wealth management contract, as described herein.

67. During the course of the conspiracy, a member of the conspiracy transmitted to SEC examiners at least one fabricated document, as described herein.

All in violation of Title 18, United States Code, Section 371.

COUNT SEVENTEEN

68. Introductory Paragraphs 1 through 33 are realleged and incorporated by reference into this Count.

69. Between September of 2016 and November of 2016, in the Eastern District of North Carolina the defendant, STEPHEN CONDON PETERS, aiding and abetting others, did willfully and knowingly:

- (a) falsify, conceal, and cover up by trick, scheme, and device material facts, to wit, the receipt and

transmission of Management LLC employee emails as described herein;

(b) make materially false, fictitious, and fraudulent statements and representations, to wit, that Management LLC representatives did not provide investment advice to Management LLC clients with respect to the Capital LLC Notes;

(c) make and use false writings and documents, to wit, forged and backdated outside business activity letters and forms, backdated internal compliance findings memoranda, forged investment policy statements and wealth management contracts, and inflated client balance sheets; knowing the same to contain materially false, fictitious, and fraudulent statements and entries;

in a matter within the jurisdiction of the Executive Branch of the Government of the United States, to wit, the SEC Examination.

All in violation of Title 18, United States Code, Sections 1001(a)(1) through (a)(3), and 2.

COUNT EIGHTEEN

68. Introductory Paragraphs 1 through 33 are realleged and incorporated by reference into this Count.

69. Between September of 2016 and November of 2016, in the

Eastern District of North Carolina the defendant, STEPHEN CONDON PETERS, aiding and abetting others, did knowingly:

(a) falsify outside business activity letters and forms, internal compliance findings memoranda, investment policy statements, wealth management contracts, and client balance sheets, and

(b) conceal Management LLC employee emails as described herein;

all records and documents, with the intent to influence the proper administration of the SEC Examination, a matter that the defendant knew was within the jurisdiction of the United States Securities and Exchange Commission, an agency of the United States, in violation of Title 18, United States Code, Sections 1519 and 2.

#### COUNT NINETEEN

70. Introductory Paragraphs 1 through 44 are realleged and incorporated by reference into this Count.

71. Between in or about March 6, 2017, and continuing to in or about July of 2017, in the Eastern District of North Carolina and elsewhere, the defendant, STEPHEN CONDON PETERS, did corruptly endeavor to influence the due and proper administration of the law under which a pending proceeding to investigate the sale of the Capital LLC Notes by Capital LLC and Management LLC was being had

before the United States Securities and Exchange Commission, by concealing records, fabricating records, and giving false testimony as described herein, all in violation of Title 18, United States Code, Section 1505.

COUNT TWENTY

72. Introductory Paragraphs 1 through 33 are realleged and incorporated by reference into this Count.

73. On or about October 13, 2016, in the Eastern District of North Carolina, the defendant, STEPHEN CONDON PETERS, aiding and abetting others, did knowingly use, without lawful authority, a means of identification of another person, to wit, the name and signature of N.K., during and in relation to a felony violation enumerated in 18 U.S.C. § 1028A(c), to wit, making and using false writings and documents in a matter within the jurisdiction of the Executive Branch of the Government of the United States, in violation of Title 18, United States Code, Section 1001(a)(3), knowing that the means of identification belonged to another actual person, in violation of Title 18, United States Code, Sections 1028A(a)(1) and 2.

FORFEITURE NOTICE

The defendant is given notice of the provisions of Title 18, United States Code, Sections 982(a)(1) and 981(a)(1)(C) (the latter as made applicable by Title 18, United States Code, Section 2461(c)), that all the defendant's interest in the property specified herein is subject to forfeiture.

As a result of the foregoing offenses in Counts 1 through 11 and 16 of the indictment, the defendant shall forfeit to the United States any and all property, real or personal, constituting, or derived from, any proceeds the defendant obtained directly or indirectly as a result of the said offenses and, in respect to Counts 12-15, any property, real or personal, involved in such offenses, or any property traceable to such property.

The forfeitable property includes, but is not limited to:

- i. All funds, monies, and other things of value located in business account #5200822538 in the name of VisionQuest Capital, LLC at Branch Banking and Trust (BB&T), Raleigh, North Carolina;
- ii. All funds, monies, and other things of value located in the business accounts #5200802618 and 5200802596 in the name of VQ Wealth, LLC at Branch Banking and Trust (BB&T), Raleigh, North Carolina;
- iii. All funds, monies, and other things of value located in

the business account #5200822511 in the name of VisionQuest Wealth Management, LLC at Branch Banking and Trust (BB&T), Raleigh, North Carolina;

iv. All funds, monies, and other things of value located in personal account [REDACTED] in the name of STEPHEN PETERS and AMY PETERS at Wells Fargo Bank, N.A., Raleigh, North Carolina;

v. Real property, together with buildings and fixtures of STEPHEN PETERS and AMY PETERS located at [REDACTED], Raleigh, North Carolina 27606 and deeded in the name of Harris-Peters, LLC, 112 E. Hargett Street, Suite B, Raleigh, North Carolina 27601, STEPHEN PETERS, Manager, as more specifically described in a deed of trust recorded in Wake County, North Carolina on June 25, 2014, Book 015700, Page 01203-01213;

vi. Vacation home and rental property owned by and deeded in the names of STEPHEN CONDON PETERS and AMY MARIE PETERS, also identified as "AMY MARIE PATERS," the property also identified as "Casa de la Amada Princesa" or "The House of the Beloved Princess," located in Coco Bay, Costa Rica within the gated community of Coco Bay Estates (Lot 61), and further identified as Costa Rica Entity #3-102-657027 and Costa Rica Entity #3-102-493198;

vii. All funds, monies, and other things of value located in account [REDACTED] in the name of WHISPERING HOPE FARM, LLC at

Bank of America, Raleigh, North Carolina;

viii. All funds, monies, and other things of value located in account [REDACTED] in the name of HARRIS-PETERS, LLC at Bank of America, Raleigh, North Carolina;

ix. Farm equipment purchased new by Whispering Hope Farm, LLC, STEPHEN C. PETERS, 112 E. Hargett Street, Suite B, Raleigh, NC 27601 from Quality Equipment, LLC, Dealer #016964, 2214 N. Main Street, Fuquay-Varina, NC 27526, Account Number: 510000679370, including:

2012 John Deere 4520 Compact Utility Trailer,  
SR#1LV4520HCBH810564;

2012 John Deere 550 Gator, SR#1M0550FBJCM010995;

John Deere 400x Loader, SR#1P0400XXABX029447;

John Deere MX6 Rotary/Flail Cutter,

SR#1P00MX6XHBP051724;

Frontier D400 Post Hole Digger, SR#1XFPHDOXPCO296538;

and

Frontier 109 Auger, SR#1XFPHA0XJCC0297125;

x. A Horse named "Cartagena," also known as "Carty," described as a Welsh X mare, white in color, boarded at Whispering Hope Stables;

xi. A Horse named "Princess," brown in color;



xii. A Horse named "Hugo Boss," a 2008 Dutch Harness, chocolate colored liver chestnut with four high socks and a stripe, boarded at Whispering Hope Stables;

xiii. A 2014 Cadillac Escalade, VIN #1GYS4DEF8ER244302, titled to Stephen Condon Peters;

xiv. A 2012 Toyota Tundra Crew Max, VIN #5TFHW5F15CX2344757, titled to Whispering Hope Farm, LLC;

xv. A 2014 ADAM Horse Trailer, VIN #5CLHB1428ER025274, titled to Amy Marie Peters;

xvi. A 2016 Polaris ATV, Sportsman 450 HO, VIN #4XASEA457GA603142, motor #0120527215531, Azul (blue in color);

xvii. A 2016 Polaris ATV, Sportsman 450 HO, VIN #4XASEA450GA597751, motor #0120527213606, Verde (green in color);

xviii. Real property of STEPHEN PETERS and AMY PETERS located at Lot #1320 Ironwood Way, Ferguson, Wilkes County, North Carolina 28624 and deeded in the name of ABOVE THE QUEST, LLC, 112 E. Hargett Street, Suite B, Raleigh, North Carolina 27601, STEPHEN PETERS, Manager, as more specifically described in a deed of trust recorded in Wilkes County, North Carolina on June 06, 2016 at Book 1227, Page 450 of the Wilkes County Registry;

ix. Real property of STEPHEN PETERS and AMY PETERS located at 730 Court Street, Jacksonville, Onslow County, North Carolina

28540 and deeded in the name of VQ JACKSONVILLE, LLC, 112 E. Hargett Street, Suite B, Raleigh, North Carolina 27601, STEPHEN PETERS, Manager, as more specifically described in a deed of trust recorded in Onslow County, North Carolina on March 29, 2017, Book 4595, Page 354-359, Parcel Identification Number: 063267;

xx. Personal firearms owned in the name of STEPHEN C. PETERS, [REDACTED], Raleigh, NC 27606, including:

Weatherby Mark V 300 Mag;  
Remington 760 Pump Shotguns (2);  
Remington 572 Fieldmaster Pump Shotgun;  
Ithaca Ultra Featherweight;  
Browning Hi Power Pistol;  
Sig Sauer Pistol;  
FNH FNX-9;  
Mussel Loader-Ultimate;  
590 Field 12 Gauge, 30 inch barrel, SR #TRBKA9623;  
Colt LE6920 with two magazines;  
Benelli Super Vinci, 12 Gauge, 28 inch barrel; and  
Baretta 92FS, 9mm, with two 15 round magazines;

xxi. Jewelry owned in the name of STEPHEN C. PETERS, 5237 Theys Road, Raleigh, NC 27606, including:

Breitling Bentley B05 Unitime, SR #AB0521U0/A755-990A;

Breitling Bentley 6.75, SR#A4436412/Q569-CROCD;  
Gents Breitling Watch, Stainless Steel;  
Gents Breitling Watch, Super Ocean Heritage;  
Ladies Breitling Starliner;  
Ladies 18k White Gold Ring with 1.5 CT Round Diamond;  
Ladies Platinum Gemstone Mother's Ring;  
Ladies Diamond Engagement Style Ring;  
Ladies Center Mounted Old European Cut Diamond  
Ring; Ladies Diamond and Gemstone Sterling Silver Pendant  
by David Yurman (2);  
Ladies Diamond Wedding Band, .51CTS TW; and  
Ladies Diamond Wedding Bang, .46CTS TW;

xxii. Additional farm/personal property owned by STEPHEN C.  
PETERS, [REDACTED], Raleigh, NC 27606, including:

Well Pumps (2);  
Saddles, Tack and equipment;  
Irrigation Equipment;  
TR3 Arena Drag Rake;  
John Deere X534 Lawn Tractor;  
Leaf Vacuum, Model 795007, SR#87919;  
Frontier MC 1108 Manure Spreader; and  
Kawasaki FX850V Lawnmower, SR#160609;

xxiii. Art/Paintings owned in the name of STEPHEN C. PETERS,

[REDACTED], Raleigh, NC 27606, including:

Painting, "Spring" by Guido Borelli;

Painting, "Dress Rehearsal" by Delano Holland; and

Painting of AMY PETERS and her horse; and

xxiv. 2014 All Terrain Vehicle.

xxv. Gross proceeds of the offenses in the amount of \$15,317,501.46.

xxvi. All funds, monies, and other things located in the business account #1873001265 in the name of VisionQuest Capital, LLC at WoodForest National Bank, Raleigh, North Carolina;

xxvii. All funds, monies, and other things located in Account [REDACTED] in the name of Amy Peters at WoodForest National Bank, Raleigh, North Carolina;

xxviii. All funds, monies, and other things located in the business account #7908756245 in the name of Stephen Peters at VisionQuest Capital LLC, at 5th3rd Bank formerly First Charter Bank, Raleigh, North Carolina;

xxvix. All funds, monies, and other things located in Account ending in 2421 in the name of VisionQuest Capital LLC/House of Beloved Princess at North State Bank, Raleigh, North Carolina;

xxx. Ownership Interest of 65% in Harris-Peters, LLC, held by MEA COR ET SPERO Trust with Amy Peters as the grantor.

If any of the above-described forfeitable property, as a result of any act or omission of the defendants --

(1) cannot be located upon the exercise of due diligence;

(2) has been transferred or sold to, or deposited with, a third person;

(3) has been placed beyond the jurisdiction of the court;

(4) has been substantially diminished in value; or

(5) has been commingled with other property which cannot be subdivided without difficulty --

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) (made applicable by Title 18, United States Code, Sections 982(b)(1) or Title 28, United States Code,

(Continued on the next page)

Section 2461(c)), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

A TRUE BILL

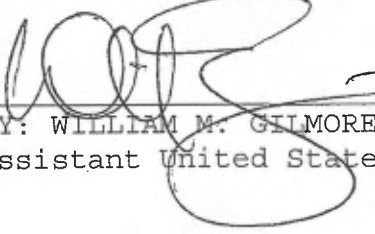
REDACTED VERSION

Pursuant to the E-Government Act and the federal rules, the unredacted version of this document has been filed under seal.

FOREPERSON

DATE: 10/18/18

ROBERT J. HIGDON, JR.  
United States Attorney

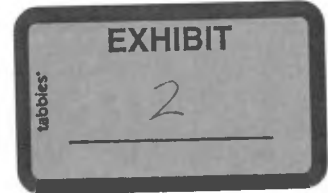
  
BY: WILLIAM M. GILMORE  
Assistant United States Attorney

# EXHIBIT 2 OF 5

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA  
WESTERN DIVISION  
No. 5:17-CR-411-D

UNITED STATES OF AMERICA )  
 )  
 v. )  
 )  
 STEPHEN CONDON PETERS, )  
 )  
 Defendant. )

**VERDICT FORM**



**COUNT ONE**  
(Investment Advisor Fraud)

As to count one of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

**COUNT TWO**  
(Fraud in Sale of Securities)

As to count two of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

**COUNT THREE**  
(Wire Fraud on or about August 13, 2013)

As to count three of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty



COUNT FOUR  
(Wire Fraud on or about April 7, 2015)

As to count four of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT FIVE  
(Wire Fraud on or about September 19, 2016)

As to count five of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT SIX  
(Wire Fraud on or about November 2, 2016)

As to count six of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT SEVEN  
(Wire Fraud on or about November 8, 2016)

As to count seven of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT EIGHT  
(Wire Fraud on or about December 2, 2016)

As to count eight of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT NINE  
(Wire Fraud on or about January 4, 2017)

As to count nine of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT TEN  
(Wire Fraud on or about March 2, 2017)

As to count ten of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT ELEVEN  
(Wire Fraud on or about May 24, 2017)

As to count eleven of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT TWELVE

(Engaging in Monetary Transactions in Criminally Derived Property on or about December 21, 2012)

As to count twelve of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT THIRTEEN

(Engaging in Monetary Transactions in Criminally Derived Property on or about February 18, 2014)

As to count thirteen of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT FOURTEEN

(Engaging in Monetary Transactions in Criminally Derived Property on or about February 28, 2014)

As to count fourteen of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT FIFTEEN

(Engaging in Monetary Transactions in Criminally Derived Property on or about September 29, 2016)

As to count fifteen of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT SIXTEEN

(Conspiracy to Make and Use False Documents and to Falsify and Conceal Records)

As to count sixteen of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT SEVENTEEN

(Making and Using False Documents)

As to count seventeen of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

COUNT EIGHTEEN

(Falsifying or Concealing Records)

As to count eighteen of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

**COUNT NINETEEN**  
**(Corrupt Endeavor to Influence Federal Agency)**

As to count nineteen of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

**COUNT TWENTY**  
**(Aggravated Identity Theft)**

As to count twenty of the superseding indictment, WE, THE JURY, UNANIMOUSLY FIND the defendant Stephen Condon Peters:

Not Guilty

Guilty

So say we all, this 6 day of June 2019.

\_\_\_\_\_  
Signature of Foreperson

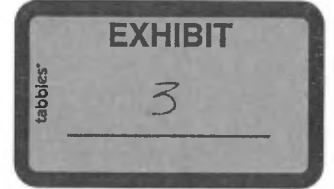
**REDACTED VERSION**  
Pursuant to the E-Government Act and the federal rules, the unredacted version of this document has been filed under seal.

# EXHIBIT 3 OF 5

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NORTH CAROLINA  
WESTERN DIVISION  
No. 5:17-CR-411-D

UNITED STATES OF AMERICA )  
 )  
 v. )  
 )  
STEPHEN CONDON PETERS, )  
 )  
 Defendant. )

**SPECIAL VERDICT FORM**



We, the Jury, unanimously return the following Special Verdict by a preponderance of the evidence as to the following property:

1. Did the defendant Stephen Condon Peters personally obtain proceeds from the fraud offenses charged in counts one through eleven of the superseding indictment?

No

Yes

If you answered Question 1 "Yes," then what amount (if any) did the defendant Stephen Condon Peters personally obtain in proceeds from the fraud offenses charged in counts one through eleven of the superseding indictment?

\$ 15,317,501.15

If you answered Question 1 "Yes," also place an "X" or check mark in the space next to any specific property described below that constitutes, or is derived from, proceeds traceable to the fraud offenses charged in counts one through eleven of the indictment:

All funds, monies, and other things of value located in business account #5200822538 in the name of VisionQuest Capital, LLC at Branch Banking and Trust (BB&T), Raleigh, North Carolina.

All funds, monies, and other things of value located in business account #5200802618 in the name of VQ Wealth, LLC at Branch Banking and Trust (BB&T), Raleigh, North Carolina.

✓  
All funds, monies, and other things of value located in business account #5200802596 in the name of VQ Wealth, LLC at Branch Banking and Trust (BB&T), Raleigh, North Carolina.

✓  
All funds, monies, and other things of value located in business account #5200822511 in the name of VisionQuest Wealth Management, LLC at Branch Banking and Trust (BB&T), Raleigh, North Carolina.

J  
All funds, monies, and other things of value located in personal account [REDACTED] in the name of Stephen Peters and Amy Peters at Wells Fargo Bank, N.A., Raleigh, North Carolina.

✓  
Real property, together with buildings and fixtures of Stephen Peters and Amy Peters located at [REDACTED], Raleigh, North Carolina 27606 and deeded in the name of Harris-Peters, LLC, 112 E. Hargett Street, Suite B, Raleigh 1 North Carolina 27601, Stephen Peters Manager, as more specifically described in a deed of trust recorded in Wake County, North Carolina, on June 25, 2014, Book 015700, Page 01203-01213.

✓  
Vacation home and rental property (including contents) owned by and deeded in the names of Stephen Condon Peters and Amy Marie Peters, also identified as "Amy Marie Paters," the property also identified as "Casa de la Amada Princesa" or "The House of the Beloved Princess" located in Coco Bay, Costa Rica within the gated community of Coco Bay Estates (Lot 61), and further identified as Costa Rica Entity #3-102-657027 and Costa Rica Entity #3-102-493198.

✓  
All funds, monies, and other things of value located in account [REDACTED] in the name of Whispering Hope Farm, LLC at Bank of America, Raleigh, North Carolina.

✓  
All funds, monies, and other things of value located in account [REDACTED] in the name of Harris-Peters, LLC at Bank of America, Raleigh, North Carolina.

Farm equipment purchased new by Whispering Hope Farm, LLC, Stephen C. Peters, 112 E. Hargett Street, Suite B, Raleigh, NC 27601 from Quality Equipment, LLC, Dealer #016964, 2214 N. Main Street, Fuquay-Varina, NC 27526, Account Number: 510000679370, including:

✓  
2012 John Deere 4520 Compact Utility Trailer, SR#1LV4520HCBH810564

✓  
2012 John Deere 550 Gator, SR#1M0550FBJCM010995

✓  
John Deere 400x Loader, SR#1P0400XXABX029447

✓  
John Deere MX6 Rotary/Flail Cutter, SR#1POOMX6XHBP051724

✓  
Frontier D400 Post Hole Digger, SR#1XFPHDOXPC0296538

J  
Frontier 109 Auger, SR#1XFPHAOXJCC0297125



✓ A horse named "Cartagena" also known as "Carty," described as a Welsh X mare, white in color, boarded at Whispering Hope Stables.

✓ A horse named "Princess," brown in color.

✓ A horse named "Hugo Boss," a 2008 Dutch Harness, chocolate colored liver chestnut with four high socks and a stripe, boarded at Whispering Hope Stables.

✓ A 2014 Cadillac Escalade, VIN #1GYS4DEF8ER244302, titled to Stephen Condon Peters.

✓ A 2012 Toyota Tundra Crew Max, VIN #5TFHW5F15CX2344757, titled to Whispering Hope Farm, LLC.

✓ A 2014 ADAM Horse Trailer, VIN #5CLHB1428ER025274, titled to Amy Marie Peters.

✓ A 2016 Polaris ATV, Sportsman 450 HO, VIN #4XASEA457GA603142, motor #0120527215531, Azul (blue in color).

✓ A 2016 Polaris ATV, Sportsman 450 HO, VIN #4XASEA450GA597751, motor #0120527213606, Verde (green in color).

✓ Real property of Stephen Peters and Amy Peters located at Lot #1320 Ironwood Way, Ferguson, Wilkes County, North Carolina 28624 and deeded in the name of Above the Quest, LLC, 112 E. Hargett Street, Suite B, Raleigh, North Carolina 27601, Stephen Peters, Manager, as more specifically described in a deed of trust recorded in Wilkes County, North Carolina, on June 6, 2016 at Book 1227, Page 450 of the Wilkes County Registry.

✓ Real property of Stephen Peters and Amy Peters located at 730 Court Street, Jacksonville, Onslow County, North Carolina 28540 and deeded in the name of VQ JACKSONVILLE, LLC, 112 E. Hargett Street, Suite B, Raleigh, North Carolina 27601, Stephen Peters, Manager, as more specifically described in a deed of trust recorded in Onslow County, North Carolina on March 29, 2017, Book 4595, Page 354-59, Parcel Identification Number: 063267.

Personal firearms owned in the name of Stephen C. Peters, [REDACTED], Raleigh, NC 27606, including:

✓ Colt LE6920 with two magazines

✓ Benelli Super Vinci, 12 Gauge, 28 inch barrel.

Jewelry owned in the name of Stephen C. Peters, [REDACTED], Raleigh, NC 27606, including:

- Breitling Bentley 6.75, SR#A4436412/Q569-CROCD
- Breitling Bentley B05 Unitime, SR#AB0521U0/A755-990A

Additional farm/personal property owned by Stephen C. Peters, [REDACTED] Raleigh, NC 27606, including:

- TR3 Arena Drag Rake
- John Deere X534 Lawn Tractor

Art/Paintings owned in the name of Stephen C. Peters, [REDACTED] Raleigh, NC 27606, including:

- Painting of Amy Peters and her horse by Linda Reynolds
- Painting, "Heavenly" by Linda Reynolds
- 2014 All Terrain Vehicles
  - 2014 Polaris Serial # A14MH46AH
  - 2014 Polaris Serial # A14KA09AF
- All funds, monies, and other things located in the business account #7908756245 in the name of Stephen Peters at VisionQuest Capital LLC, at 5th 3rd Bank formerly First Charter Bank, Raleigh, North Carolina.
- All funds, monies, and other things located in Account ending in 2421 in the name of VisionQuest Capital LLC/House of Beloved Princess at North State Bank, Raleigh, North Carolina.
- Ownership Interest of 65% in Harris-Peters, LLC, held by MEA COR ET SPERO Trust with Amy Peters as the grantor.

2. Place an "X" or a check mark next to any amounts or specific property described below that was involved in the money laundering offenses charged in counts twelve through fifteen of the superseding indictment, or is traceable to such property:

✓ \$35,000, an amount representing the amount involved in the money laundering transaction charged in count twelve.

✓ \$40,000, an amount representing the amount involved in the money laundering transaction charged in count thirteen.

✓ \$260,000, an amount representing the amount involved in the money laundering transaction charged in count fourteen.

✓ \$20,000, an amount representing the amount involved in the money laundering transaction charged in count fifteen.

✓ All funds, monies, and other things of value located in account [REDACTED] in the name of Stephen Peters and Amy Peters at Wells Fargo Bank, N.A., Raleigh, North Carolina.

So say we all, this 6 day of June 2019.

\_\_\_\_\_  
Signature of Foreperson

REDACTED VERSION  
Pursuant to the E-Government Act and the federal rules, the unredacted version of this document has been filed under seal.

# EXHIBIT 4 OF 5

# UNITED STATES DISTRICT COURT

Eastern District of North Carolina

UNITED STATES OF AMERICA

v.

STEPHEN CONDON PETERS

JUDGMENT IN A CRIMINAL CASE

Case Number: 5:17-CR-411-1-D

USM Number: 64439-056

Wes J. Camden / Caitlin M. Poe

Defendant's Attorney

### THE DEFENDANT:

- pleaded guilty to count(s) \_\_\_\_\_
- pleaded nolo contendere to count(s) \_\_\_\_\_  
which was accepted by the court.
- was found guilty on count(s) 1s, 2s, 3s - 11s, 12s - 15s, 16s, 17s, 18s, 19s and 20s of the Superseding Indictment  
after a plea of not guilty.

The defendant is adjudicated guilty of these offenses:

Title & Section	Nature of Offense	Offense Ended	Count
15 U.S.C. § 80b-6, 15 U.S.C. § 80b-17 and 18 U.S.C. § 2	Investment Advisor Fraud and Aiding and Abetting	7/31/2017	1s

The defendant is sentenced as provided in pages 2 through 9 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

- The defendant has been found not guilty on count(s) \_\_\_\_\_
- Count(s) Original indictment  is  are dismissed on the motion of the United States.

It is ordered that the defendant must notify the United States attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States attorney of material changes in economic circumstances.

9/13/2019  
Date of Imposition of Judgment



James C. Dever III  
Signature of Judge

James C. Dever III, United States District Judge  
Name and Title of Judge

9/13/2019  
Date

DEFENDANT: STEPHEN CONDON PETERS  
CASE NUMBER: 5:17-CR-411-1-D

**ADDITIONAL COUNTS OF CONVICTION**

<u>Title &amp; Section</u>	<u>Nature of Offense</u>	<u>Offense Ended</u>	<u>Count</u>
15 U.S.C. § 78j(b), 15 U.S.C. § 78ff, 17 C.F.R. § 240.10b-5	Fraud in Sale of Unregistered Securities	7/31/2017	2s
18 U.S.C. § 1343 and 18 U.S.C. § 2	Wire Fraud and Aiding and Abetting	7/31/2017	3s - 11s
18 U.S.C. § 1957, 18 U.S.C. § 1957(b)(1) and 18 U.S.C. § 2	Money Laundering and Aiding and Abetting	7/31/2017	12s - 15s
18 U.S.C. § 371	Conspiracy to Make and Use False Documents and to Falsify and Conceal Records	11/30/2016	16s
18 U.S.C. § 1001(a)(1), 18 U.S.C. § 1001(a)(2), 18 U.S.C. § 1001 (a)(3), and 18 U.S.C. § 2	Make and Use False Documents and Aiding and Abetting	11/30/2016	17s
18 U.S.C. § 1519 and 18 U.S.C. § 2	Falsifying and Concealing Records and Aiding and Abetting	11/30/2016	18s
18 U.S.C. § 1505	Corrupt Endeavor to Influence Federal Agency	7/31/2017	19s
18 U.S.C. § 1028A(a)(1) and 18 U.S.C. § 2	Aggravated Identity Theft and Aiding and Abetting	7/31/2017	20s

DEFENDANT: STEPHEN CONDON PETERS  
CASE NUMBER: 5:17-CR-411-1-D

### IMPRISONMENT

The defendant is hereby committed to the custody of the Federal Bureau of Prisons to be imprisoned for a total term of:

\*\*See page 4\*\*

The court makes the following recommendations to the Bureau of Prisons:

The court recommends that the defendant receive vocational and educational training opportunities. The court recommends that he serve his term in FCI Butner, North Carolina.

The defendant is remanded to the custody of the United States Marshal.

The defendant shall surrender to the United States Marshal for this district:

at \_\_\_\_\_  a.m.  p.m. on \_\_\_\_\_

as notified by the United States Marshal.

The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

before 2 p.m. on \_\_\_\_\_

as notified by the United States Marshal.

as notified by the Probation or Pretrial Services Office.

### RETURN

I have executed this judgment as follows:

Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_  
at \_\_\_\_\_, with a certified copy of this judgment.

\_\_\_\_\_  
UNITED STATES MARSHAL

By \_\_\_\_\_  
DEPUTY UNITED STATES MARSHAL

DEFENDANT: STEPHEN CONDON PETERS

CASE NUMBER: 5:17-CR-411-1-D

### ADDITIONAL IMPRISONMENT TERMS

Count 1s: 60 months

Counts 2s, 16s, 17s, and 19s: 60 months per count, to be served concurrently with each other and consecutively to count 1s

Counts 3s, 4s, 5s, 6s, 7s, 8s, 9s, 10s, 11s and 18s: 216 months per count, to be served concurrently with each other and consecutively to counts 2s, 16s, 17s, and 19s

Counts 12s, 13s, 14s and 15s: 120 months per count, to be served concurrently with each other and consecutively to counts 3s, 4s, 5s, 6s, 7s, 8s, 9s, 10s, 11s and 18s

Counts 20s: 24 months, to be served consecutively to all other counts

Total term: 480 months



DEFENDANT: STEPHEN CONDON PETERS  
CASE NUMBER: 5:17-CR-411-I-D

### SUPERVISED RELEASE

Upon release from imprisonment, you will be on supervised release for a term of :

Counts 1s through 19s: 3 years and a term of 1 year on count 20s, all such terms shall run concurrently - (Total term: 3 years)

### MANDATORY CONDITIONS

1. You must not commit another federal, state or local crime.
2. You must not unlawfully possess a controlled substance.
3. You must refrain from any unlawful use of a controlled substance. You must submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.
  - The above drug testing condition is suspended, based on the court's determination that you pose a low risk of future substance abuse. *(check if applicable)*
4.  You must make restitution in accordance with 18 U.S.C. §§ 3663 and 3663A or any other statute authorizing a sentence of restitution. *(check if applicable)*
5.  You must cooperate in the collection of DNA as directed by the probation officer. *(check if applicable)*
6.  You must comply with the requirements of the Sex Offender Registration and Notification Act (42 U.S.C. § 16901, *et seq.*) as directed by the probation officer, the Bureau of Prisons, or any state sex offender registration agency in the location where you reside, work, are a student, or were convicted of a qualifying offense. *(check if applicable)*
7.  You must participate in an approved program for domestic violence. *(check if applicable)*

You must comply with the standard conditions that have been adopted by this court as well as with any other conditions on the attached page.

DEFENDANT: STEPHEN CONDON PETERS  
CASE NUMBER: 5:17-CR-411-1-D

### STANDARD CONDITIONS OF SUPERVISION

As part of your supervised release, you must comply with the following standard conditions of supervision. These conditions are imposed because they establish the basic expectations for your behavior while on supervision and identify the minimum tools needed by probation officers to keep informed, report to the court about, and bring about improvements in your conduct and condition.

1. You must report to the probation office in the federal judicial district where you are authorized to reside within 72 hours of your release from imprisonment, unless the probation officer instructs you to report to a different probation office or within a different time frame.
2. After initially reporting to the probation office, you will receive instructions from the court or the probation officer about how and when you must report to the probation officer, and you must report to the probation officer as instructed.
3. You must not knowingly leave the federal judicial district where you are authorized to reside without first getting permission from the court or the probation officer.
4. You must answer truthfully the questions asked by your probation officer.
5. You must live at a place approved by the probation officer. If you plan to change where you live or anything about your living arrangements (such as the people you live with), you must notify the probation officer at least 10 days before the change. If notifying the probation officer in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
6. You must allow the probation officer to visit you at any time at your home or elsewhere, and you must permit the probation officer to take any items prohibited by the conditions of your supervision that he or she observes in plain view.
7. You must work full time (at least 30 hours per week) at a lawful type of employment, unless the probation officer excuses you from doing so. If you do not have full-time employment you must try to find full-time employment, unless the probation officer excuses you from doing so. If you plan to change where you work or anything about your work (such as your position or your job responsibilities), you must notify the probation officer at least 10 days before the change. If notifying the probation officer at least 10 days in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
8. You must not communicate or interact with someone you know is engaged in criminal activity. If you know someone has been convicted of a felony, you must not knowingly communicate or interact with that person without first getting the permission of the probation officer.
9. If you are arrested or questioned by a law enforcement officer, you must notify the probation officer within 72 hours.
10. You must not own, possess, or have access to a firearm, ammunition, destructive device, or dangerous weapon (i.e., anything that was designed, or was modified for, the specific purpose of causing bodily injury or death to another person such as nunchakus or tasers).
11. You must not act or make any agreement with a law enforcement agency to act as a confidential human source or informant without first getting the permission of the court.
12. If the probation officer determines that you pose a risk to another person (including an organization), the probation officer may require you to notify the person about the risk and you must comply with that instruction. The probation officer may contact the person and confirm that you have notified the person about the risk.
13. You must follow the instructions of the probation officer related to the conditions of supervision.

### U.S. Probation Office Use Only

A U.S. probation officer has instructed me on the conditions specified by the court and has provided me with a written copy of this judgment containing these conditions. For further information regarding these conditions, see *Overview of Probation and Supervised Release Conditions*, available at: [www.uscourts.gov](http://www.uscourts.gov).

Defendant's Signature \_\_\_\_\_

Date \_\_\_\_\_

DEFENDANT: STEPHEN CONDON PETERS  
CASE NUMBER: 5:17-CR-411-1-D

### ADDITIONAL STANDARD CONDITIONS OF SUPERVISION

The defendant shall not incur new credit charges or open additional lines of credit without approval of the probation office.

The defendant shall provide the probation office with access to any requested financial information.

The defendant shall consent to a warrantless search by a United States probation officer or, at the request of the probation officer, any other law enforcement officer, of the defendant's person and premises, including any vehicle, to determine compliance with the conditions of this judgment.

The defendant shall cooperate in the collection of DNA as directed by the probation officer.

The defendant shall support his dependent(s).

The defendant must make restitution in accordance with 18 U.S.C. §§ 3663 and 3663A or any other statute authorizing a sentence of restitution.

DEFENDANT: STEPHEN CONDON PETERS  
CASE NUMBER: 5:17-CR-411-1-D

**CRIMINAL MONETARY PENALTIES**

The defendant must pay the total criminal monetary penalties under the schedule of payments on Sheet 6.

	<u>Assessment</u>	<u>JVTA Assessment*</u>	<u>Fine</u>	<u>Restitution</u>
TOTALS	\$ 2,000.00	\$	\$	\$

- The determination of restitution is deferred until \_\_\_\_\_. An *Amended Judgment in a Criminal Case (AO 245C)* will be entered after such determination.
- The defendant must make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

<u>Name of Payee</u>	<u>Total Loss**</u>	<u>Restitution Ordered</u>	<u>Priority or Percentage</u>
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Restitution shall be held open for 45 days.

TOTALS	\$ _____	0.00	\$ _____	0.00
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- Restitution amount ordered pursuant to plea agreement \$ \_\_\_\_\_
- The defendant must pay interest on restitution and a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 6 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).
- The court determined that the defendant does not have the ability to pay interest and it is ordered that:
  - the interest requirement is waived for the  fine  restitution.
  - the interest requirement for the  fine  restitution is modified as follows:

\* Justice for Victims of Trafficking Act of 2015, Pub. L. No. 114-22.  
\*\* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT: STEPHEN CONDON PETERS

CASE NUMBER: 5:17-CR-411-1-D

### SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties is due as follows:

- A  Lump sum payment of \$ \_\_\_\_\_ due immediately, balance due
- not later than \_\_\_\_\_, or
- in accordance with  C,  D,  E, or  F below; or
- B  Payment to begin immediately (may be combined with  C,  D, or  F below); or
- C  Payment in equal \_\_\_\_\_ (e.g., weekly, monthly, quarterly) installments of \$ \_\_\_\_\_ over a period of \_\_\_\_\_ (e.g., months or years), to commence \_\_\_\_\_ (e.g., 30 or 60 days) after the date of this judgment; or
- D  Payment in equal \_\_\_\_\_ (e.g., weekly, monthly, quarterly) installments of \$ \_\_\_\_\_ over a period of \_\_\_\_\_ (e.g., months or years), to commence \_\_\_\_\_ (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or
- E  Payment during the term of supervised release will commence within \_\_\_\_\_ (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or
- F  Special instructions regarding the payment of criminal monetary penalties:

The special assessment in the amount of \$2000.00 shall be due in full immediately. Payment of restitution shall be due in full immediately and shall not bear interest. However, if the defendant is unable to pay in full immediately, the special assessment and restitution may be paid through the Inmate Financial Responsibility Program (IFRP). The court orders that the defendant pay a minimum payment of \$25 per quarter through the IFRP, if available. The court, having considered the defendant's financial resources and ability to pay, orders that any balance still owed at the time of release shall be paid in installments of \$500 per month to begin 60 days after the defendant's release from prison. At the time of the defendant's release, the probation officer shall take into consideration the defendant's ability to pay the restitution ordered and shall notify the court of any needed modification of the payment schedule.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during the period of imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Joint and Several

Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

- The defendant shall pay the cost of prosecution.
- The defendant shall pay the following court cost(s):
- The defendant shall forfeit the defendant's interest in the following property to the United States:  
The defendant shall forfeit to the United States the defendant's interest in the property specified in the Jury Verdict on Forfeiture entered on June 6, 2019, Preliminary Order of Forfeiture entered on June 21, 2019, and Order Substituting Res entered on August 14, 2019.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) JVT A assessment, (8) penalties, and (9) costs, including cost of prosecution and court costs.

# EXHIBIT 5 OF 5

# UNITED STATES DISTRICT COURT

Eastern District of North Carolina

UNITED STATES OF AMERICA

v.

STEPHEN CONDON PETERS

**AMENDED JUDGMENT IN A CRIMINAL CASE**

Case Number: 5:17-CR-411-1-D

USM Number: 64439-056

Wes J. Camden / Caitlin M. Poe

Defendant's Attorney

Date of Original Judgment: 9/13/2019  
(Or Date of Last Amended Judgment)

**THE DEFENDANT:**

- pleaded guilty to count(s) \_\_\_\_\_
- pleaded nolo contendere to count(s) \_\_\_\_\_ which was accepted by the court.
- was found guilty on count(s) 1s, 2s, 3s - 11s, 12s - 15s, 16s, 17s, 18s, 19s and 20s of the Superseding Indictment after a plea of not guilty.

The defendant is adjudicated guilty of these offenses:

<u>Title &amp; Section</u>	<u>Nature of Offense</u>	<u>Offense Ended</u>	<u>Count</u>
15 U.S.C. § 80b-6,	Investment Advisor Fraud and Aiding and Abetting	7/31/2017	1s
15 U.S.C. § 80b-17			
and 18 U.S.C. § 2			

The defendant is sentenced as provided in pages 2 through 9 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

- The defendant has been found not guilty on count(s) \_\_\_\_\_
- Count(s) \_\_\_\_\_  is  are dismissed on the motion of the United States.

It is ordered that the defendant must notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States attorney of material changes in economic circumstances.

9/13/2019

Date of Imposition of Judgment

J. Dever  
Signature of Judge

James C. Dever III U.S. District Judge  
Name and Title of Judge

11/19/2019  
Date



DEFENDANT: STEPHEN CONDON PETERS  
 CASE NUMBER: 5:17-CR-411-1-D

**ADDITIONAL COUNTS OF CONVICTION**

<u>Title &amp; Section</u>	<u>Nature of Offense</u>	<u>Offense Ended</u>	<u>Count</u>
15 U.S.C. § 78j(b), 15 U.S.C. § 78ff, 17 C.F.R. § 240.10b-5	Fraud in Sale of Unregistered Securities	7/31/2017	2s
18 U.S.C. § 1343 and 18 U.S.C. § 2	Wire Fraud and Aiding and Abetting	7/31/2017	3s - 11s
18 U.S.C. § 1957, 18 U.S.C. § 1957(b)(1) and 18 U.S.C. § 2	Money Laundering and Aiding and Abetting	7/31/2017	12s - 15s
18 U.S.C. § 371	Conspiracy to Make and Use False Documents and to Falsify and Conceal Records	11/30/2016	16s
18 U.S.C. § 1001(a)(1), 18 U.S.C. § 1001(a)(2), 18 U.S.C. § 1001 (a)(3), and 18 U.S.C. § 2	Make and Use False Documents and Aiding and Abetting	11/30/2016	17s
18 U.S.C. § 1519 and 18 U.S.C. § 2	Falsifying and Concealing Records and Aiding and Abetting	11/30/2016	18s
18 U.S.C. § 1505	Corrupt Endeavor to Influence Federal Agency	7/31/2017	19s
18 U.S.C. § 1028A(a)(1) and 18 U.S.C. § 2	Aggravated Identity Theft and Aiding and Abetting	7/31/2017	20s



DEFENDANT: STEPHEN CONDON PETERS  
CASE NUMBER: 5:17-CR-411-1-D

**IMPRISONMENT**

The defendant is hereby committed to the custody of the Federal Bureau of Prisons to be imprisoned for a total term of :

See page 4

- The court makes the following recommendations to the Bureau of Prisons:  
The court recommends that the defendant receive vocational and educational training opportunities. The court recommends that he serve his term in FCI Butner, North Carolina.
- The defendant is remanded to the custody of the United States Marshal.
- The defendant shall surrender to the United States Marshal for this district:
  - at \_\_\_\_\_  a.m.  p.m. on \_\_\_\_\_
  - as notified by the United States Marshal.
- The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:
  - before 2 p.m. on \_\_\_\_\_
  - as notified by the United States Marshal.
  - as notified by the Probation or Pretrial Services Office.

**RETURN**

I have executed this judgment as follows:

Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_  
at \_\_\_\_\_ with a certified copy of this judgment.

\_\_\_\_\_  
UNITED STATES MARSHAL

By \_\_\_\_\_  
DEPUTY UNITED STATES MARSHAL

DEFENDANT: STEPHEN CONDON PETERS  
CASE NUMBER: 5:17-CR-411-1-D

### ADDITIONAL IMPRISONMENT TERMS

Count 1s: 60 months

Counts 2s, 16s, 17s, and 19s: 60 months per count, to be served concurrently with each other and consecutively to count 1s

Counts 3s, 4s, 5s, 6s, 7s, 8s, 9s, 10s, 11s and 18s: 216 months per count, to be served concurrently with each other and consecutively to counts 2s, 16s, 17s, and 19s

Counts 12s, 13s, 14s and 15s: 120 months per count, to be served concurrently with each other and consecutively to counts 3s, 4s, 5s, 6s, 7s, 8s, 9s, 10s, 11s and 18s

Counts 20s: 24 months, to be served consecutively to all other counts

Total term: 480 months

DEFENDANT: STEPHEN CONDON PETERS  
CASE NUMBER: 5:17-CR-411-1-D

### SUPERVISED RELEASE

Upon release from imprisonment, you will be on supervised release for a term of :

Counts 1s through 19s: 3 years and a term of 1 year on count 20s, all such terms shall run concurrently - (Total term: 3 years)

### MANDATORY CONDITIONS

1. You must not commit another federal, state or local crime.
2. You must not unlawfully possess a controlled substance.
3. You must refrain from any unlawful use of a controlled substance. You must submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.
  - The above drug testing condition is suspended, based on the court's determination that you pose a low risk of future substance abuse. *(check if applicable)*
4.  You must make restitution in accordance with 18 U.S.C. § 3663 and 3663A or any other statute authorizing a sentence of restitution. *(check if applicable)*
5.  You must cooperate in the collection of DNA as directed by the probation officer. *(check if applicable)*
6.  You must comply with the requirements of the Sex Offender Registration and Notification Act (34 U.S.C. § 20901, *et seq.*) as directed by the probation officer, the Bureau of Prisons, or any state sex offender registration agency in the location where you reside, work, are a student, or were convicted of a qualifying offense. *(check if applicable)*
7.  You must participate in an approved program for domestic violence. *(check if applicable)*

You must comply with the standard conditions that have been adopted by this court as well as with any other conditions on the attached page.

DEFENDANT: STEPHEN CONDON PETERS  
CASE NUMBER: 5:17-CR-411-1-D

### STANDARD CONDITIONS OF SUPERVISION

As part of your supervised release, you must comply with the following standard conditions of supervision. These conditions are imposed because they establish the basic expectations for your behavior while on supervision and identify the minimum tools needed by probation officers to keep informed, report to the court about, and bring about improvements in your conduct and condition.

1. You must report to the probation office in the federal judicial district where you are authorized to reside within 72 hours of your release from imprisonment, unless the probation officer instructs you to report to a different probation office or within a different time frame.
2. After initially reporting to the probation office, you will receive instructions from the court or the probation officer about how and when you must report to the probation officer, and you must report to the probation officer as instructed.
3. You must not knowingly leave the federal judicial district where you are authorized to reside without first getting permission from the court or the probation officer.
4. You must answer truthfully the questions asked by your probation officer.
5. You must live at a place approved by the probation officer. If you plan to change where you live or anything about your living arrangements (such as the people you live with), you must notify the probation officer at least 10 days before the change. If notifying the probation officer in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
6. You must allow the probation officer to visit you at any time at your home or elsewhere, and you must permit the probation officer to take any items prohibited by the conditions of your supervision that he or she observes in plain view.
7. You must work full time (at least 30 hours per week) at a lawful type of employment, unless the probation officer excuses you from doing so. If you do not have full-time employment you must try to find full-time employment, unless the probation officer excuses you from doing so. If you plan to change where you work or anything about your work (such as your position or your job responsibilities), you must notify the probation officer at least 10 days before the change. If notifying the probation officer at least 10 days in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
8. You must not communicate or interact with someone you know is engaged in criminal activity. If you know someone has been convicted of a felony, you must not knowingly communicate or interact with that person without first getting the permission of the probation officer.
9. If you are arrested or questioned by a law enforcement officer, you must notify the probation officer within 72 hours.
10. You must not own, possess, or have access to a firearm, ammunition, destructive device, or dangerous weapon (i.e., anything that was designed, or was modified for, the specific purpose of causing bodily injury or death to another person such as nunchakus or tasers).
11. You must not act or make any agreement with a law enforcement agency to act as a confidential human source or informant without first getting the permission of the court.
12. If the probation officer determines that you pose a risk to another person (including an organization), the probation officer may require you to notify the person about the risk and you must comply with that instruction. The probation officer may contact the person and confirm that you have notified the person about the risk.
13. You must follow the instructions of the probation officer related to the conditions of supervision.

### U.S. Probation Office Use Only

A U.S. probation officer has instructed me on the conditions specified by the court and has provided me with a written copy of this judgment containing these conditions. For further information regarding these conditions, see *Overview of Probation and Supervised Release Conditions*, available at: [www.uscourts.gov](http://www.uscourts.gov).

Defendant's Signature \_\_\_\_\_

Date \_\_\_\_\_

DEFENDANT: STEPHEN CONDON PETERS  
CASE NUMBER: 5:17-CR-411-1-D

### ADDITIONAL STANDARD CONDITIONS OF SUPERVISION

The defendant shall not incur new credit charges or open additional lines of credit without approval of the probation office.

The defendant shall provide the probation office with access to any requested financial information.

The defendant shall consent to a warrantless search by a United States probation officer or, at the request of the probation officer, any other law enforcement officer, of the defendant's person and premises, including any vehicle, to determine compliance with the conditions of this judgment.

The defendant shall cooperate in the collection of DNA as directed by the probation officer.

The defendant shall support his dependent(s).

The defendant must make restitution in accordance with 18 U.S.C. §§ 3663 and 3663A or any other statute authorizing a sentence of restitution.

DEFENDANT: STEPHEN CONDON PETERS  
CASE NUMBER: 5:17-CR-411-1-D

### CRIMINAL MONETARY PENALTIES

The defendant must pay the following total criminal monetary penalties under the schedule of payments on Sheet 6.

	<u>Assessment</u>	<u>Restitution</u>	<u>Fine</u>	<u>AVAA Assessment*</u>	<u>JVTA Assessment**</u>
TOTALS	\$ 2,000.00	\$ 15,161,624.00	\$	\$	\$

The determination of restitution is deferred until \_\_\_\_\_. An Amended Judgment in a Criminal Case (AO 245C) will be entered after such determination.

The defendant shall make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

<u>Name of Payee</u>	<u>Total Loss***</u>	<u>Restitution Ordered</u>	<u>Priority or Percentage</u>
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\*See Attachment A\*

TOTALS	\$ _____	0.00	\$ _____	0.00
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Restitution amount ordered pursuant to plea agreement \$ \_\_\_\_\_

The defendant must pay interest on restitution and a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 6 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).

The court determined that the defendant does not have the ability to pay interest, and it is ordered that:

the interest requirement is waived for  fine  restitution.

the interest requirement for the  fine  restitution is modified as follows:

\* Amy, Vicky, and Andy Child Pornography Victim Assistance Act of 2018, Pub. L. No. 115-299.

\*\* Justice for Victims of Trafficking Act of 2015, Pub. L. No. 114-22.

\*\*\* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT: STEPHEN CONDON PETERS  
CASE NUMBER: 5:17-CR-411-1-D

### SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties shall be due as follows:

- A  Lump sum payment of \$ \_\_\_\_\_ due immediately, balance due
  - not later than \_\_\_\_\_, or
  - in accordance with  C,  D,  E, or  F below; or
- B  Payment to begin immediately (may be combined with  C,  D, or  F below); or
- C  Payment in equal \_\_\_\_\_ (e.g., weekly, monthly, quarterly) installments of \$ \_\_\_\_\_ over a period of \_\_\_\_\_ (e.g., months or years), to commence \_\_\_\_\_ (e.g., 30 or 60 days) after the date of this judgment; or
- D  Payment in equal \_\_\_\_\_ (e.g., weekly, monthly, quarterly) installments of \$ \_\_\_\_\_ over a period of \_\_\_\_\_ (e.g., months or years), to commence \_\_\_\_\_ (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or
- E  Payment during the term of supervised release will commence within \_\_\_\_\_ (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or
- F  Special instructions regarding the payment of criminal monetary penalties:

The special assessment in the amount of \$2000.00 shall be due in full immediately. Payment of restitution shall be due in full immediately and shall not bear interest. However, if the defendant is unable to pay in full immediately, the special assessment and restitution may be paid through the Inmate Financial Responsibility Program (IFRP). The court orders that the defendant pay a minimum payment of \$25 per quarter through the IFRP, if available. The court, having considered the defendant's financial resources and ability to pay, orders that any balance still owed at the time of release shall be paid in installments of \$500 per month to begin 60 days after the defendant's release from prison. At the time of the defendant's release, the probation officer shall take into consideration the defendant's ability to pay the restitution ordered and shall notify the court of any needed modification of the payment schedule.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during the period of imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Joint and Several

Case Number Defendant and Co-Defendant Names (including defendant number)	Total Amount	Joint and Several Amount	Corresponding Payee, if appropriate.
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- The defendant shall pay the cost of prosecution.
- The defendant shall pay the following court cost(s):

The defendant shall forfeit the defendant's interest in the following property to the United States:  
The defendant shall forfeit to the United States the defendant's interest in the property specified in the Jury Verdict on Forfeiture entered on June 6, 2019, Preliminary Order of Forfeiture entered on June 21, 2019, and Order Substituting Res entered on August 14, 2019.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) AVAA assessment, (5) fine principal, (6) fine interest, (7) community restitution, (8) JVTA assessment, (9) penalties, and (10) costs, including cost of prosecution and court costs.

Investor	Restitution Owed
Adkins, Tony & Terry	100,000
Baker, Lisa	100,000
Bartsch, Eric & Lynda	36,453
Boose, David R. & Susan M.	150,000
Borghoff, Susan	75,000
Bot, Molli Z.	50,655
Boylston, James	99,333
Cotton, Victoria (Brooks)	291,667
Burton, Lynn	232,400
Cahoon, Karl G.	116,558
Carr, Kenneth	50,000
Crowley, Ellen	357,000
Davis, Patricia S.	67,200
Deckert, Kevin P. & Jacynthe	250,000
DePietro, Anthony J. and Marie	73,667
DeSarno, Michael & Katharine	125,000
Dunham, Thomas & Lisa	161,199
Easley, Joseph Andrew	240,000
Evans, Ricky A.	337,512
Fairfax, Paul F.	100,000
Fellenstein, David & Tammy	315,721
Gunter, Keith & Paige	68,833
Hapgood, William	124,669
Harris, Sharon (Cambrium Group, LLC)	3,166,667
Helms, Charles W. & Dale W.	313,116
Holland, Nancy N.	240,893
Janowski, Thaddeus	150,000
Tucker, Janice (Jennings)	98,000
Jennings, John & Estelle	200,000
Leary, Jill	100,000
Leary, Paul D.	27,300
Light, James & Susan	50,000
Lybrand, Benjamin R. & Linda H.	67,000
Malitas, Harry & Mary	147,333
Malon, Kathryn A.	127,262
Moore, Ellen A. & Terry L.	429,000
Murray, Eugene & Beverly	87,000
Nigh, Cynthia & Larry	200,000
Nottingham, Virginia & Jeffrey C.	701,167
Putterman, Andrew M.	50,000
Radford, Lee (Heinrich)	272,052
Robins, Cathy B.	183,733
Ross, Roberta M.	127,500



Slayton, Joe (Slayton Enterprises)	1,230,000
Smith, Leo C.	213,333
Terry, Linda	237,485
Toler, Ann P.	166,250
Torres, Michael L. & Cynthia	506,000
Vincent, Martha J.	88,667
Webster, Glenn R. & Kathleen A.	250,005
Whitehead, James & Jolie	200,000
Wilson, Ashley	250,000
Zimmerman, Jonathan S.	43,060
Paul and Clair Putterman	250,307
Stephen and Gail Dwyer	63,000
Dhiren & Shaila Pandya	48,500
Robert Mark & Rebecca Rowland Steffe	25,000
Lea Lilie & Jack Lilie	141,908
Evan & Rosemary Kovlsky	102,187
Dewayne and Jannine LeBlanc	171,777
Michael Harkins	232,361
Charles Daniel Gregory Jr.	20,798
Matthew R. and Kristi K. DiRocco	123,679
Gregory J. and Nancy M. Tavalisky	250,000
Mike and Connie Utecht	194,415
Daniel and Rachel Kendall	92,000
<b>Grand Total</b>	<b>15,161,624</b>