

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

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19796**

<p><b>In the Matter of</b></p> <p><b>TRAVIS LASKA,</b></p> <p><b>Respondent.</b></p>
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**DIVISION OF ENFORCEMENT’S MOTION AND MEMORANDUM  
OF LAW IN SUPPORT OF SUMMARY DISPOSITION  
AGAINST RESPONDENT TRAVIS LASKA**

**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 Travis Laska (“Laska”) should be initiated as a matter of law pursuant to Rule 250 of the Commission’s Rules of Practice. This case involves an intern, and “operations associate” and later an “M&A associate” who worked for VisionQuest Wealth Management, LLC (“VQ Management”) during the time that his investment advisor employer was operating an illegal Ponzi scheme by selling fraudulent notes to advisory firm clients. At the direction of Stephen C. Peters (“Peters”), who owned and operated VQ Management, Laska, who holds a Series 65 securities license, falsified multiple records of VQ Management to conceal the fraud or other

misconduct from Commission staff during an examination and a related ensuing enforcement investigation.

On May 1, 2020, Laska was permanently enjoined by the U.S. District Court in the Eastern District of North Carolina from aiding and abetting any violation of Section 204(a) of the Investment Advisers Act of 1940 [15 U.S.C. § 80b-4(a)] and Rule 204-2 thereunder [17 C.F.R. § 275.204-2] by knowingly and recklessly providing substantial assistance to an investment adviser registered with the Commission under Section 203 of the Advisers Act [15 U.S.C. § 80b-3] to fail to make and keep and preserve true, accurate and current books and records as prescribed by the Commission, furnish copies thereof, or to make any records of an investment adviser available to reasonable, periodic, special or other examinations by representatives of the Commission as the Commission deems necessary or appropriate in the public interest for the protection of investors. See Exhibit 3, Paragraph I, Order of Permanent Injunction And Other Relief As to Defendant Travis Laska, in *SEC v. Beane, et al.*, Civil Action File No. 5:20-cv-95-D, dated 5/1/2020.

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 court's imposition of an order of permanent injunction, in the U.S. District Court for the Eastern District of North Carolina. The public interest is served in instituting remedial measures against Laska because of his knowingly and recklessly assisting Peters to provide false and fraudulent investment adviser records to the Commission's staff. Since no genuine material issue regarding Laska's permanent injunction exists, summary disposition of this matter is appropriate.<sup>1</sup>

## **II. LASKA'S ANSWER TO THE OIP AND SWORN DECLARATION**

Laska, through counsel, filed his answer to the OIP on or about June 18, 2020 and attached to it a sworn declaration executed by the Respondent on 6/15/2020 (which he similarly

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<sup>1</sup> The Division submits in support of this motion for summary disposition the following attached undisputed documents from the public docket in his related civil case, and the transcript of Laska's trial testimony at Peters' criminal trial, including: (1) Exhibit 1 is the Commission's Complaint against Laska, a true and correct copy from the docket of his civil case dated 3/12/2020 charging him with one count of aiding and abetting books and records violations of Investment Advisers. *See SEC v. Beane et al., Case 5:20-cv-00095-D (E.D.N.C.), Docket #1[Complaint]*; (2) Exhibit 2 is the Consent of Defendant Travis Laska To Order of Permanent Injunction And Other Relief, a true and correct copy from the docket of Beane's civil case filed 5/1/2020. *See SEC v. Beane, et al., Case 5:20-cv-00095-D, (E.D.N.C.) Docket #6 [Signed Consent of Laska]*; (3) Exhibit 3 is the Order of Permanent Injunction And Other Relief As to Defendant Travis Laska signed by U.S. District Court Judge James C. Dever, III, a true and correct copy from the docket of Laska's civil case dated 5/1/2020. *See SEC v. Beane, et al., Case 5:20-cv-00095-D, (E.D.N.C.) Docket #10 [Order of Permanent Injunction/Laska]* indicating that Respondent was permanently enjoined from aiding and abetting books and records violations of an investment adviser; and (4) Exhibit 4 is the sworn testimony of Travis Laska at the criminal trial of Stephen C. Peters, in which he admitted many of his efforts to falsify books and records of the VQ Management investment advisory firm. *See United States v. Peters, Case 5:17-cr-411-1D, (E.D.N.C.) [Trial Testimony of Travis Laska]*. All of these filings, and their contents, are appropriate subjects of official notice pursuant to Commission Rule 323. *See, In re Joseph P. Galluzzi*, Initial Decisions Release No. 187, 1001 SEC Lexis 1582, \*8-9 (Aug. 7, 2001)(ALJ Kelly)(pursuant to Commission Rule 323, ALJ took official notice of the following filings and statements therein: Commission complaint; Indictment; Judgment of Conviction; Third Circuit Court of Appeal judgment affirming conviction, etc.); *see also, In re Brownson*, Initial Decisions Release No. 182, 2001 SEC Lexis 537, \*7-8 (Mar 23, 2001)(ALJ Foelak)(same); and *In re Brad Haddy*, Initial Decisions Release No. 164, 2002 SEC Lexis 907, \*7-8 (Jun 21, 2000)(ALJ Foelak)(same).

filed in the ongoing federal court litigation). In the sworn declaration attached to his answer, Laska admits that he worked for “VisionQuest.” Under Section 202(a)(17) of the Advisers Act, a “person associated with an investment adviser” includes anyone directly or indirectly controlled by an investment adviser, including any employee of the adviser. That statute further provides that, for purposes of Section 203(f) of the Advisers Act, persons “whose functions are clerical or ministerial” are included within the definition of a “person associated with an investment adviser.” Because Laska was employed by and/or under the control of VQ Management and Peters, he is without doubt within the definition of a “person associated with an investment adviser” for purposes of Section 203(f) of the Advisers Act.

In his Answer to the OIP, Laska in no way disputes that his employment and affiliation was with an investment adviser registered with the Commission. He fully admits that he forged and created false documents to hide Peters’ Ponzi scheme, and that he knew it was wrong to do so. (Laska Declaration, ¶ 2). Laska also acknowledges that he recognized that the falsification of documents was both “deceptive and fraudulent.” (Laska Dec. ¶ 3).

### **III. FACTS**

#### **A. The Allegations Of The Commission’s Complaint Against Laska**

On March 12, 2020, the Commission file the Injunctive Action against Laska and two co-defendants alleging that they engaged in conduct related to falsification and creation of investment advisory records that were in turn handed over to the Commission’s examination and/or enforcement staff. (Complaint “Compl.” ¶¶ 1-7). In paragraph 1 the Complaint alleges that Laska and others assisted Peters in his efforts to hide from the Commission a Ponzi scheme that Peters perpetrated through the three VisionQuest entities he controlled, including

VisionQuest Wealth Management, LLC an investment advisory firm. The Complaint further alleged that Peters through the VisionQuest entities offered and sold approximately \$10.1 million in promissory notes issued by VisionQuest Capital, LLC (“VQ Capital”) to at least 60 elderly and retired investment advisory clients of VQ Management. (Compl., ¶ 2) The Complaint further alleges that Peters told numerous investors that VQ Capital would invest the offering proceeds into revenue-producing businesses and that neither he nor VQ Management would receive any compensation for their investment in the VQ Capital notes. In truth, he diverted at least two-thirds of the money raised for his own benefit or to pay interest to, or redeem, earlier investors. (Compl., ¶ 3). The Complaint alleges that Laska falsified multiple records of VQ Management to conceal the fraud or other misconduct from the Commission staff during the examination and related ensuing enforcement proceeding. (Compl., ¶ 4). Specifically, Laska altered investor accreditation documents and client balance sheets to make several unaccredited investors appear to be accredited. (Compl., ¶ 5).

Laska further admitted in sworn testimony given during the criminal trial against Peters that, at Peters’ direction, he falsified a variety of VQ Management documents that were requested by, and provided to, Commission staff. (Ex. 4). He also admitted in testimony that he knew his conduct was wrong. (Compl., ¶ 35; Ex. 4 Laska Trial Testimony). The Complaint alleges that Laska forged advisory client signatures to investor policy statements that purported to document, among other things, the risk tolerance and investment objectives of certain VQ Management advisory clients that invested in the VQ Capital notes. (Compl., ¶ 41). Laska also fabricated investor accreditation questionnaires and altered client balance sheets to make several VQ Capital note investors appear to be accredited when they were not. (Compl., ¶ 42). The Complaint further alleges that Laska inflated the assets on the balance sheets of

certain investors to make it appear as if they had net worth in excess of \$1 million. These documents were also provided to Commission examination and/or enforcement staff. (Compl., ¶ 43).

The Complaint also outlines how Laska assisted Peters in hiding certain documents from the Commission staff. For example, in response to examination staff requests for all emails by Peters and other VQ Management employees during a particular date range, Laska assisted others and used certain key word searches to identify responsive emails and withhold them improperly from the production. (Compl., ¶ 47-48). Withheld emails included those relating to the marketing of VQ Capital notes, compensation paid in connection with the sale of those notes, and prior lawsuits against VQ Management by several clients. (Compl., ¶ 49). Further, Laska manipulated the firm's client relationship database to hide any entries reflecting the marketing and sale of VQ Capital notes to VQ Management clients. He then provided Commission examination staff, through Peters, with reports from that database that did not show the hidden entries. (Compl., ¶ 50). The Complaint also alleges that Laska hid from the Commission examination staff entries in that database showing that VQ Management had access to several clients' bank account numbers and login passwords, thereby obscuring the fact that the investment advisory firm actually had custody of those assets. (Compl., ¶ 51). Many of the documents that Laska falsified were records that VQ Management was required to keep and maintain pursuant to the Investment Advisers Act of 1940 and the rules promulgated thereunder. (Compl., ¶ 52).

**B. Laska Consented to the Entry of an Injunction.**

On April 16, 2020, a month prior to the Commission's filing of the Commission's Complaint, Laska while represented by counsel signed a "Consent of Defendant Travis Laska To Order of Permanent Injunction And Other Relief." It is attached hereto as Exhibit 2. When the Commission filed its federal court Complaint, it also filed Laska's Consent. In the Consent, Laska waived service of the Order of Permanent Injunction and agreed that its entry by the District Court would constitute notice to him of the terms and conditions. (Consent, ¶¶ 1, 8, 10).

Also in the Consent, Laska expressly stated that he understood that “in any disciplinary proceeding before the Commission based on the entry of the injunction” – such as the instant administrative proceeding – he would “not be permitted to contest the factual allegations of the complaint in this action.” (Consent, ¶ 10). He further acknowledged that the Consent “resolve[d] only the claims asserted” in the Injunctive Action and that “the Court’s entry of a permanent injunction may have collateral consequences under federal or state law.” (Consent, ¶ 10).

### **C. The District Court Enjoined Laska**

On May 1, 2020, the District Court in the Injunctive Action entered an Order of Permanent Injunction And Other Relief As To Defendant Travis Laska (“PI Order”). A true and correct copy of the PI Order is attached as Exhibit 3. The PI Order permanently enjoins Laska from aiding and abetting the books and records violations of an investment adviser.

### **D. The Commission Issued an Order Instituting Administrative Proceedings Against Laska**

On May 12, 2020, the Commission issued an Order Instituting Public Administrative Proceedings Pursuant To Section 203(f) of the Investment Advisers Act of 1940 And Notice of Hearing (the “AP OIP”) against Laska. Laska waived service of the AP OIP on him and filed his answer to the OIP on or about June 18, 2020. The AP OIP summarized some of the core allegations of the Commission’s Complaint in the Injunctive Action. (AP OIP at ¶¶ IIA(1) and IIB(3)). The AP OIP also alleged that, on May 1, 2020, an order of permanently enjoining Laska from aiding and abetting future violations of Section 204(a) of the Advisers Act and Rule 204-2 thereunder was issued by the U.S District Court for the Eastern District of North Carolina. (AP OIP at ¶ IIB (2)).

## **IV. ARGUMENT**

### **A. The Standard for Deciding this Motion.**

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 presentation of the Division's case in chief. Although the Rule provides that the Administrative Law Judge ("ALJ") 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," the parties have agreed to modify that standard for purposes of these proceedings. No evidentiary hearing is necessary and disposition by motion is appropriate irrespective of whether there are conflicts in the evidence that the parties submit. Any factual disputes may be resolved by the Commission, on the basis of the motion papers and supporting documentary evidence.

**B. Laska Should Be Barred from the Securities Industry**

Section 203(f) of the Advisers Act authorizes the Commission to sanction someone if (1) at the time of the alleged misconduct, she was associated with an investment adviser; (2) she has been enjoined from any action specified in Section 203(e)(5) of the Advisers Act; and (3) the sanction is in the public interest. 15 U.S.C. § 80v-3(f). "[T]he mere existence of an injunction may support . . . a bar from participation in the securities industry where the nature of the acts enjoined and the circumstances indicate that it is in the public interest." *In re Melton*, 2003 SEC LEXIS 1767, 8, 56 S.E.C. 695, 700 (July 25, 2003), citing *Cortlandt Investing Corp.*, 44 S.E.C. 45, 53 (1969). A consent injunction, "no less than one issued after trial upon a determination of the allegations, may furnish the sole basis for remedial action . . ." *Id.* The appropriate remedial measures in a proceeding under Section 203(f) is guided by the public interest factors set forth in *Steadman v. SEC*, namely: (1) the egregiousness of the respondent's actions; (2) the isolated or recurrent nature of the infraction; (3) the degree of scienter involved; (4) the sincerity of the



respondent's assurances against future violations; (5) the respondent's recognition of the wrongful nature of his conduct; and (6) the likelihood of future violations. 603 F.2d 1126, 1140 (5<sup>th</sup> Cir. 1979); see *In re Kornman*, Advisers Act Rel. No. 2840 (Feb. 13, 2009), 95 SEC Docket 14246, 14255.

In this case, Laska should be barred from the securities industry, as virtually all of the Steadman factors weigh in favor of a bar. Laska's misconduct was knowing and calculated. He knew that the falsification of investment adviser client and other records was wrong when he did it. Laska's conduct was egregious and extended over a period of several months in 2016 and 2017. Laska falsified documents at the behest of Peters when he knew those false documents were to be submitted to the Commission's examination and/or enforcement staff to purposefully mislead regulatory authority. Moreover, Laska went out of his way to conceal from the examination staff that the IA firm had bank account numbers and login information for IA clients—a blatant violation of the custody rule for IAs. Laska is a licensed industry professional who knew, without doubt, that concealing such a violation from regulators was wrongful conduct that was calculated and designed to allow his criminal employer escape even the most basic regulatory scrutiny. His misconduct involved a high degree of scienter. In short, Laska's behavior is precisely the sort that warrants an industry bar.<sup>2</sup> Notably Laska has continued to work in the securities industry since his employment with VQ Management and Peters ended.

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<sup>2</sup> The Commission sued two other individuals along with Laska in the District Court action, including Justin N. Deckert who settled to a final judgment including both a permanent injunction and a civil penalty of \$30,000. In a bifurcated settlement, Laska settled to only to a permanent injunction. The Commission's motion to impose a civil penalty against him is currently pending in the District Court action. However, in the subsequent *settled* AP against Mr. Deckert, the Commission still barred him from

V. **CONCLUSION**

Accordingly, for the foregoing reasons, the Division respectfully requests that its motion for summary disposition of this action be granted, and that an order be issued barring Beane from the securities industry.

Respectfully submitted,

DIVISION OF ENFORCEMENT

By its Attorney:

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Dated: August 6, 2020.

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association with a right to reapply for reentry after five years. *In the Matter of Justin N. Deckert*, File No. 3-19794, order dated May 12, 2020.

**CERTIFICATE OF SERVICE**

On August 6, 2020, I served the foregoing by causing to be sent true and correct copies as shown below by e-mail to:

Office of the Secretary  
Securities and Exchange Commission  
[apfilings@sec.gov](mailto:apfilings@sec.gov)

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# **EXHIBIT 1**

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

**NO. 3:20-CV-\_\_\_\_ - \_\_\_\_**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**v.**

**STACEY L. BEANE; JUSTIN N. DECKERT;  
AND TRAVIS LASKA.**

**Defendants.**

**COMPLAINT FOR  
INJUNCTIVE AND OTHER  
RELIEF**

The plaintiff, Securities and Exchange Commission (“Commission”), files this Complaint and alleges the following:

**SUMMARY**

1. Defendants Stacey L. Beane (“Beane”), Justin N. Deckert (“Deckert”) and Travis Laska (“Laska”) assisted Stephen C. Peters (“Peters”) in his efforts to hide from the Commission a Ponzi scheme that Peters perpetrated through three entities he controls: VisionQuest Wealth Management, LLC (“VQ Management”)—an investment adviser in Raleigh, North Carolina that was registered with the Commission; VisionQuest Capital, LLC (“VQ Capital”), and VQ Wealth, LLC (“VQ Wealth”)(collectively, the VQ Entities).

2. Between at least April 2012 and June 30, 2017, Peters, acting individually or through VQ Capital and/or VQ Management, fraudulently offered and sold approximately \$10.1

million in promissory notes issued by VQ Capital (the “VQ Capital notes” or “notes”) to at least 60 investors, the majority of which were elderly and retired advisory clients of VQ Management.

3. Peters told numerous investors that VQ Capital would invest the offering proceeds into revenue-producing businesses and that neither he nor VQ Management would receive any compensation for their investment in the VQ Capital notes. In truth, he diverted at least two-thirds of the money raised for his own benefit or to pay interest to, or redeem, earlier investors.

4. While Beane, Deckert and Laska had a role in the fraudulent note offering, each falsified multiple records of VQ Management to conceal the fraud or other misconduct from the Commission staff during an examination and a related ensuing enforcement investigation.

5. For example, in response to documents request by the Commission’s examination staff, Beane and Laska altered investor accreditation documents and client balance sheets to make several unaccredited investors appear to be accredited.

6. Also by example, Deckert cut and pasted signatures of VQ Management employees onto, and falsified the dates of, outside business forms that the examination staff had requested.

7. The alterations made it appear as if the employees had disclosed to VQ Management’s chief compliance officer the potential conflict of interest resulting from the sale of VQ Capital notes to VQ Management’s advisory clients.

## **VIOLATIONS**

8. Defendants Beane, Deckert and Laska, by virtue of their conduct, have aided and abetted VQ Management’s violations of the books and records requirements under Section 204 of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. § 80b-4] and Rule 204-2(a)

thereunder, [17 CFR 275.204-2(a)] which requires that advisers registered with the Commission must “make and keep true, accurate and current” books and records prescribed by the Commission relating to the advisers’ investment advisory business and “furnish such copies” of those records as the Commission requires.

9. Against each of the three Defendants, the Commission seeks permanent injunctive relief and civil penalties.

### **JURISDICTION AND VENUE**

10. The Commission brings this action pursuant to authority conferred upon it by Sections 209(d) and 209 (e) of the Advisers Act [15 U.S.C. §§ 80b-9(d)-(e)] to enjoin the Defendants from engaging in the transactions, acts, practices and courses of business alleged in this Complaint, and transactions, acts, practices and courses of business of similar purport and object and for civil money penalties.

11. This Court has jurisdiction over this action pursuant to Section 214 of the Advisers Act [15 U.S.C. §80b-14].

12. The Defendants, directly and indirectly, have made use of the mails, the means and instrumentalities of transportation and communication in interstate commerce, and the means and instrumentalities of interstate commerce, in connection with the transactions, acts, practices, and courses of business alleged in this Complaint.

13. Venue lies in this Court pursuant to Section 209 of the Advisers Act [15 U.S.C. § 80b-9], because certain of the transactions, acts, practices and courses of business constituting violations of the Advisers Act occurred within the Eastern District of North Carolina, namely at the offices of the VQ Entities then located in Raleigh, NC.

## THE DEFENDANTS AND RELATED PARTIES

14. **Stacey L. Beane**, age 35, resides in Winter Park, Florida. She worked as a bookkeeper/accountant for one or more of the VQ Entities from 2011 until May 2017. Beane holds no securities licenses, but is apparently working currently at Cetera Advisor Networks, LLC, a registered investment adviser.

15. **Justin Deckert**, age 30, resides in Midlothian, Virginia. He worked as an “operations specialist,” for VQ Management in 2016 and 2017, essentially performing administrative functions. Deckert received a BA in history from Old Dominion University in 2013 and a graduate degree from George Mason University in 2015. Deckert has no securities licenses, but he has twice taken the exam for the Series 65 license.

16. **Travis Laska**, age 26, resides in Raleigh North Carolina. He worked as an intern at VQ Management in the summer of 2015. After graduating from Johns Hopkins University with a political science degree, he worked for VQ Management in 2016 and 2017 as an “operations associate” and later as an “M&A associate.” He left the firm in May 2017 and is currently working as a financial advisor at DGS Capital Management, a registered investment adviser. He holds a Series 65 license.

17. **Stephen C. Peters**, age 46, controlled the VQ Entities. He was designated as an investment adviser representative of VQ Management. He has held Series 7, 63, and 65 licenses. Prior to forming VQ Management in 2005, Peters was associated with another registered broker-dealer from August 2000 through November 2004. He is currently incarcerated at a federal penal facility in Petersburg, Virginia, as a result of his conviction on twenty (20) counts in U.S. v. Stephen Condon Peters, 5:17-cr-411-1-D (E.D.N.C.). This case involves the same fraudulent note offering discussed herein.



18. **VisionQuest Wealth Management, LLC**, was a Raleigh-based, North Carolina limited liability company formed by Peters in 2005. Beginning in March 2016, it was registered with the Commission as an investment adviser. That registration was terminated in December 2017, by the filing of a Form ADV-W. Prior to March 2016, VQ Management was registered as an investment adviser with the State of North Carolina and several other states. VQ Management effectively ceased operations following a July 12, 2017 search and seizure of its business records and offices by the FBI.

19. **VisionQuest Capital, LLC**, was a Raleigh-based, North Carolina limited liability company formed by Peters in 2008 purportedly to (i) make investments in income-producing businesses and real estate, and (ii) provide financial consulting services to business owners. Although VQ Capital sold the promissory notes at issue in this matter since at least July 2010, it did not file a Form D in connection with its offering until October 5, 2016, when Commission examination staff noted the absence of such a filing. That Form D stated that VQ Capital had begun the offering on July 8, 2010, and had sold \$11,245,501 in notes through October 5, 2016. VQ Capital is not registered with the Commission in any capacity.

20. **VQ Wealth, LLC**, was a Raleigh-based, North Carolina limited liability company formed by Peters in 2008. According to filings made with the North Carolina Department of Secretary of State and Peters' investigative testimony, VQ Wealth was the sole member of VQ Management and VQ Capital. Peters and his spouse owned a majority interest in VQ Wealth. VQ Wealth is not registered with the Commission in any capacity.

## FACTS

### **A. The Fraudulent Offering of Notes by Peters and the VQ Entities**

21. Between at least April 2012 and June 30, 2017 (the “Relevant Period”), Peters, acting individually or through VQ Capital and/or VQ Management offered and sold approximately \$10.1 million in promissory notes to at least 60 investors, the majority of which were advisory clients of VQ Management. Many were also elderly and unsophisticated. The notes were issued by VQ Capital, typically had five-year terms, and purported to pay 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.

22. 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.

23. For instance, he represented to numerous investors that VQ Capital would invest the offering proceeds in revenue-producing businesses, 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.

24. Similarly, Peters represented to some of these prospective investors that neither he nor the VQ Entities would receive compensation from the note offering proceeds.

25. 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.”

26. Peters’ representations were blatant lies.

27. While Peters used a portion of investor proceeds on what could be construed generously as business activities, he diverted at least two-thirds of the money raised for his own benefit or to pay interest to, or redeem, earlier investors.

28. During the Relevant Period, Peters spent at least \$4.4 million to support his lifestyle, including remodeling a large farm in North Carolina, purchasing fine art for his personal residence, and building a vacation home in Costa Rica.

29. Most of these funds were routed from VQ Capital through VQ Wealth and then to their ultimate use. Peters spent at least another \$4.9 million making interest and principal payments to earlier investors.

30. 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.

31. Peters also failed to disclose that of the approximately one-third of the funds spent on business activities, much was used to pay the ongoing operating expenses of his existing businesses, rather than being invested in new businesses.

32. Finally, none of the notes was guaranteed and, given his scheme, investing in the notes presented substantial risk.

**B. Beane, Deckert and Laska Falsified VQ Management's Records to Conceal the Fraud from Commission Staff**

33. Commission staff began an examination of VQ Management in September 2016 and Commission enforcement staff began an investigation in or around February 2017.

34. As part of the examination and ensuing investigation, the Commission staff requested various documents relating to the offer and sale of VQ Capital notes to VQ Management advisory clients.

35. Beane, Deckert and Laska have admitted in sworn testimony given during the criminal trial against Peters that, at Peters' direction, they falsified a variety of VQ Management documents that were requested by, and provided to, Commission staff. They also admitted in testimony that he or she knew his or her conduct was wrong.

36. For example, the examination staff requested documents relating to the outside business activities of VQ Management employees, including Peters.

37. In response, Deckert and Beane created false outside business activity disclosures to make it appear as though Peters and other VQ Management personnel had disclosed to VQ Management's compliance officer the potential conflict of interest relating to the sale of VQ Capital notes to VQ Management's advisory clients.

38. Deckert and Beane then backdated these forms to a period preceding the examination and forged the compliance officer's signature to those documents.

39. Deckert also backdated documents reflecting certain VQ Management employees' receipt of the firm's code of ethics.

40. This made it appear as though the employees had signed the acknowledgments as of the date they were hired. These documents were eventually provided to the Commission examination staff.

41. In addition, Laska and Beane forged advisory client signatures to investor policy statements that purported to document, among other things, the risk tolerance and investment objectives of certain VQ Management advisory clients that invested in the VQ Capital notes.

42. Beane and Laska also fabricated investor accreditation questionnaires and altered client balance sheets to make several VQ Capital note investors appear to be accredited when they were not.

43. For example, Beane and Laska inflated the assets on the balance sheets of certain investors to make it appear as if they had net worth in excess of \$1 million. These documents were also provided to Commission examination and/or enforcement staff.

44. Further, Beane also backdated subscription agreements relating to the sale of VQ Capital notes to certain VQ Management advisory clients.

45. This made it appear as though the agreements had been executed when those investors had purchased the notes. In fact, these agreements were only created after the enforcement staff requested them.

46. Beane also falsified VQ Management's financial records to conceal prior client lawsuits by changing "settlements" after various amounts on the trial balance sheet and income statement to the more innocuous "professional fees attorneys." The altered financials were also provided to Commission examination staff.

47. Beane and Laska also assisted Peters in hiding certain documents from the Commission staff.

48. For example, in response to examination staff requests for all emails by Peters and other VQ Management employees during a particular date range, Beane and Laska used certain key word searches to identify responsive emails and withhold them improperly from the production.

49. Withheld emails included those relating to the marketing of VQ Capital notes, compensation paid in connection with the sale of those notes, and prior lawsuits against VQ Management by several clients.

50. Further, Laska also manipulated the firm's client relationship database to hide any entries reflecting the marketing and sale of VQ Capital notes to VQ Management clients. He

then provided the examination staff, through Peters, with reports from that database that did not show the hidden entries.

51. Laska also hid from the Commission examination staff entries in that database showing that VQ Management had access to several clients' bank account numbers and login passwords, thereby obscuring the fact that the firm had custody of those assets.

52. Many of the documents that Beane, Deckert and Laska falsified were records that VQ Management was required to keep and maintain pursuant to the Investment Advisers Act of 1940 and the rules promulgated thereunder.

### COUNT I

**AIDING AND ABETTING BOOKS AND RECORDS VIOLATIONS OF INVESTMENT  
ADVISERS, BY BEANE, DECKERT AND LASKA**  
**Violations of Section 204 of the Advisers Act [15 U.S.C. § 80b-4] and Rule 204-2(a)**  
**thereunder [17 CFR 275.204-2(a)]**

53. Paragraphs 1 through 52 are hereby realleged and are incorporated herein by reference.

54. VQ Management was at all relevant times an investment adviser within the meaning of Section 202(a)(11) of the Advisers Act [15 U.S.C. § 80b-2(a)(11)], and was registered as such with the Commission. Accordingly, VQ Management was legally obligated to “make and keep true, accurate and current” books and records prescribed by the Commission relating to the advisers’ investment advisory business and to “furnish such copies” of those records as the Commission requires, pursuant to Section 204(a) of the Advisers Act and Rule 204-2 thereunder. VQ Management was also required to make any of its records available for examination by Commission staff upon request.

55. VQ Management violated these requirements through the falsification and concealment of its records as previously alleged.

56. By reason of the transactions, acts, omissions, practices and courses of business set forth herein, Defendants Beane, Deckert and Laska aided and abetted books and records violations of VQ Management, and unless enjoined will continue to aid and abet violations of Section 204 of the Advisers Act [15 U.S.C. §§ 80b-4] and Rule 204-2(a) thereunder [17 CFR 275.204-2(a)].

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff Commission, respectfully prays that the Court:

**I.**

Make findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, finding that Defendants named herein committed the violations alleged herein.

**II.**

Issue a permanent injunction enjoining defendants Beane, Deckert and Laska, and their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise, and each of them from aiding and abetting books and records violations of investment advisers, or otherwise aiding and abetting violations of Section 204 of the Advisers Act [15 U.S.C. § 80b-4] and Rule 204-2(a) thereunder [17 CFR § 275.204-2(a)].

**III.**

Enter an Order requiring Defendants, pursuant to Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)] to pay civil monetary penalties.

**IV.**

Enter an Order that retains jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that may have been entered or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

V.

Grant such other and further relief as this Court may deem just, equitable, and appropriate in connection with the enforcement of the federal securities laws and for the protection of investors.

RESPECTFULLY SUBMITTED,

/s/M. Graham Loomis  
M. Graham Loomis  
Regional Trial Counsel  
Georgia Bar No. 457868

/s/Edward G. Sullivan  
Edward G. Sullivan  
Senior Trial Counsel  
Georgia Bar No. 691140

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(404) 842-7612 (Sullivan)



# **EXHIBIT 2**

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

Case No. 5:20-cv-00095-~~41~~ D

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

STACEY L. BEANE, JUSTIN DECKERT and  
TRAVIS LASKA,

Defendants.

CONSENT OF  
DEFENDANT TRAVIS  
LASKA TO ORDER OF  
PERMANENT  
INJUNCTION AND  
OTHER RELIEF

1. Defendant Travis Laska ("Defendant") waives service of a summons and the complaint in this action, enters a general appearance, and admits the Court's jurisdiction over Defendant and over the subject matter of this action.

2. Without admitting or denying the allegations of the complaint (except as provided herein in paragraph 11 and except as to personal and subject matter jurisdiction, which Defendant admits), Defendant hereby consents to the entry of an Order of Permanent Injunction And Other Relief in the form attached hereto (the "Order of Permanent Injunction") and incorporated by reference herein, which, among other things, permanently restrains and enjoins Defendant from aiding and abetting violations of Section 204(a) of the Investment Advisers Act of 1940 [15 U.S.C. § 80b-4(a)] ("Advisers Act") and Rule 204-2 thereunder [17 C.F.R. § 275.204-2].

3. Defendant agrees that the Court shall order a civil penalty pursuant to Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)]. Defendant further agrees that the amounts of the civil penalty shall be determined by the Court upon motion of the Commission. Defendant further agrees that in connection with the Commission's motion for civil penalties, and at any hearing held on such a motion: (a) Defendant will be precluded from arguing that he did not violate the federal securities laws as alleged in the Complaint; (b) Defendant may not challenge the validity of this Consent or the Order of Permanent Injunction; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for civil penalties, the parties may take discovery, including discovery from appropriate non-parties.

4. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

5. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Order of Permanent Injunction.

6. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

7. Defendant agrees that this Consent shall be incorporated into the Order of Permanent Injunction with the same force and effect as if fully set forth therein.

8. Defendant will not oppose the enforcement of the Order of Permanent Injunction on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

9. Defendant waives service of the Order of Permanent Injunction and agrees that entry of the Order of Permanent Injunction by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Order of Permanent Injunction is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Order of Permanent Injunction.

10. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this

action, Defendant understands that she shall not be permitted to contest the factual allegations of the complaint in this action.

11. Defendant understands and agrees to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies the allegations." As part of Defendant's agreement to comply with the terms of Section 202.5(e), Defendant: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Defendant does not admit the allegations of the complaint, or that this Consent contains no admission of the allegations, without also stating that Defendant does not deny the allegations; (iii) upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint; and (iv) stipulates solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, that the allegations in the complaint are true, and further, that any debt for civil penalty or other amounts due by Defendant under the Order of Permanent Injunction or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19). If Defendant breaches this agreement, the Commission may petition the Court to vacate the Order of Permanent Injunction and restore this action to its active

docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

12. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

13. Defendant agrees to waive all objections, including but not limited to, constitutional, timeliness, and procedural objections, to the administrative proceeding that will be instituted when the Order of Permanent Injunction is entered.


14. Defendant agrees that the Commission may present the Order of Permanent Injunction to the Court for signature and entry without further notice.

(Remainder of this page intentionally left blank)

15. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Order of Permanent Injunction.

Dated: 4/16/20   
Travis Laska

On 04-16, 2020, Travis Michael Laska, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.

  
Notary Public  
Commission expires 07-15-2023  

Herna Costanzo NOTARY PUBLIC WAKE COUNTY, N.C. My Commission Expires 07-15-2023
--

Approved as to form:  
  
Donald Samuel, Esq.  
Attorney for Defendant Laska

# **EXHIBIT 3**



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

**Case. No. 5:20-cv-00095-D**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**v.**

**STACEY L. BEANE, JUSTIN N. DECKERT,  
and TRAVIS LASKA,**

**Defendants.**

**ORDER OF PERMANENT  
INJUNCTION AND  
OTHER RELIEF AS TO  
DEFENDANT TRAVIS  
LASKA**

The Securities and Exchange Commission having filed a Complaint and Defendant Travis Laska (“Defendant”) having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Order of Permanent Injunction and Other Relief (“Order of Permanent Injunction”) without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph IV; waived findings of fact and conclusions of law; and waived any right to appeal from this Order of Permanent Injunction:

**I.**

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from aiding and abetting any violation of Section 204(a) of the Investment Advisers Act of 1940 [15 U.S.C. § 80b-4(a)] (“Advisers Act”) and Rule 204-2

thereunder [17 C.F.R. § 275.204-2] by knowingly or recklessly providing substantial assistance to an investment adviser registered with the Securities and Exchange Commission under Section 203 of the Advisers Act [15 U.S.C. § 80b-3] to fail to make and keep and preserve true, accurate and current books and records as prescribed by the Commission, furnish copies thereof, or to make any records of an investment adviser available to reasonable periodic, special or other examinations by representatives of the Commission as the Commission deems necessary or appropriate in the public interest of for the protection of investors.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order of Permanent Injunction by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

## II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a civil penalty pursuant to Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)]. The Court shall determine the amount of the civil penalty upon motion of the Commission. In connection with the Commission's motion for a civil penalty, and at any hearing held on such a motion: (a) Defendant will be precluded from arguing that he did not violate the federal securities laws as alleged in the Complaint; (b) Defendant may not challenge the validity of the Consent or this Order of Permanent Injunction; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without

regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for civil penalties, the parties may take discovery, including discovery from appropriate non-parties.

**III.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

**IV.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant, and further, any debt for civil penalty or other amounts due by Defendant under this Order of Permanent Injunction or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).


**V.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Order of Permanent Injunction.

VI.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Order of Permanent Injunction forthwith and without further notice.

SO ORDERED. This 1 day of May 2020.

  
\_\_\_\_\_  
JAMES C. DEVER III  
United States District Judge

# **EXHIBIT 4**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NORTH CAROLINA  
WESTERN DIVISION

_____	)	
UNITED STATES OF AMERICA	)	
	)	
	)	5:17-CR-411-1D
vs.	)	
	)	
STEPHEN CONDON PETERS,	)	
Defendant.	)	
_____	)	

MAY 31, 2019  
TRIAL TESTIMONY OF TRAVIS LASKA  
BEFORE THE HONORABLE JAMES C. DEVER III  
UNITED STATES DISTRICT JUDGE

APPEARANCES:

On Behalf of the Government:

WILLIAM GILMORE, ASSISTANT U.S. ATTORNEY  
U.S. Attorney's Office  
New Bern Avenue, Suite 800  
Raleigh, North Carolina 27601

On Behalf of the Defendant:

WES. J. CAMDEN, Esq.  
CAITLIN M. POE, Esq.  
WILLIAMS MULLEN  
301 Fayetteville Street, Suite 1700  
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AMY M. CONDON, CRR, RPR, CSR  
Official Court Reporter  
United States District Court  
Raleigh, North Carolina  
Stenotype with computer-aided transcription

## I N D E X

## GOVERNMENT'S WITNESSES

TRAVIS LASKA

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## GOVERNMENT'S EXHIBITS

NUMBER	RECEIVED
16G.2	36

## T. Laska - Direct Examination

1 (Friday, May 31, 2019, commencing at 9:52 a.m.)

2 P R O C E E D I N G S

3 THE COURT: The United States may call its next  
4 witness.

5 MR. GILMORE: Thank you, Your Honor.

6 The United States calls Travis Laska.

7 TRAVIS LASKA,

8 having been duly sworn, testified as follows:

9 THE COURT: Mr. Laska, after you get your water, Mr.  
10 Gilmore at this table is going to have some questions for you  
11 and then Mr. Camden or Ms. Poe at this table is going to have  
12 some questions for you.

13 THE WITNESS: Okay.

14 THE COURT: If the lawyer who is not asking the  
15 questions objects to the other lawyer's question, please don't  
16 say anything until I rule on the objection.

17 Please try to keep your voice up so the ladies and  
18 gentlemen of the jury can hear your testimony, sir.

19 You may examine the witness.

20 MR. GILMORE: Thank you, Your Honor.

21 DIRECT EXAMINATION

22 BY MR. GILMORE:

23 Q. Are you Travis Laska?

24 A. Yes.

25 Q. What city and state do you live in?



## T. Laska - Direct Examination

1 A. Chapel Hill, North Carolina.

2 Q. And where do you currently work and what do you do for a  
3 living?

4 A. I'm a financial advisor at DGS Capital Management.

5 Q. All right. Tell the jury about your family. Are you  
6 married, do you have any children?

7 A. I'm engaged, no children.

8 Q. Okay. Tell the jury about your educational background,  
9 please.

10 A. I graduated from Johns Hopkins University in 2017 with a  
11 degree in political science.

12 Q. Okay. So you graduated in 2017. Prior to graduation, did  
13 you begin to work at a company called VisionQuest Wealth  
14 Management?

15 A. Yes.

16 Q. And around when was it that you first started working  
17 there?

18 A. The summer of 2015.

19 Q. And so you were still in school at that time?

20 A. Yes.

21 Q. And how did you come to be working here in Raleigh when  
22 you were going to school at Johns Hopkins?

23 A. My dad worked at VisionQuest and I interned there one  
24 summer and then kept working there after that.

25 Q. Okay. So you said your dad was working there.

## T. Laska - Direct Examination

1 A. Yes.

2 Q. What was his title there at VisionQuest Wealth Management?

3 A. He was the President and Chief Investment Officer.

4 Q. Okay. And who owned or controlled VisionQuest Wealth  
5 Management?

6 A. Steve Peters.

7 Q. And do you see Steve Peters here in the courtroom?

8 A. Yes.

9 Q. If you can just identify him for the jury, please.

10 A. The defendant.

11 THE COURT: The record will reflect the witness  
12 identified the defendant, Stephen Peters.

13 BY MR. GILMORE:

14 Q. Now, as between your father and Mr. Peters, who had the  
15 ultimate say about what took place at VisionQuest?

16 A. Steve Peters did.

17 Q. And help the jury understand why you say that.

18 A. He was the founder, CEO and owner of the company.

19 Q. You mean -- day-to-day interactions, in terms of who was  
20 commanding who, help the jury understand that.

21 A. Steve had the final say on everything, Steve Peters did.

22 Q. And your role at VisionQuest Wealth Management -- you said  
23 you started as an intern?

24 A. Uhm-uhm.

25 Q. Did that change over time?

## T. Laska - Direct Examination

1 A. When I came on full-time, it was as a mergers and  
2 acquisitions associate.

3 Q. And what does that mean?

4 A. It was a lot of the operations and logistics of  
5 transferring in other advisory firms that VisionQuest bought.

6 Q. Okay. So that was something that was happening at that  
7 time?

8 A. Yes.

9 Q. And what was your understanding of where the money was  
10 coming from to buy up other firms?

11 A. It was from the VisionQuest Capital fund.

12 Q. Okay. And who were the investors in the VisionQuest  
13 Capital fund?

14 A. They were clients of VisionQuest Wealth Management.

15 Q. Now, as you sit here today, is there something wrong about  
16 that, that you know today?

17 A. Yes, there is.

18 Q. What is that?

19 A. You're not allowed to take loans from your Wealth  
20 Management clients and that's what that was.

21 Q. It's a conflict of interest?

22 A. It is, yes.

23 Q. And -- but at the time that you began working there, did  
24 you understand that conflict of interest?

25 A. No.

## T. Laska - Direct Examination

1 Q. To be clear, did you ever hear the defendant say that that  
2 was a conflict of interest, that inherent business relationship  
3 that was occurring between VisionQuest Capital and VisionQuest  
4 Wealth Management?

5 A. No.

6 Q. And how long did you serve in that role of dealing with  
7 mergers and acquisitions?

8 A. Until I left in May of 2017.

9 Q. Okay. During that time period, did you ever pick up any  
10 additional responsibilities?

11 A. Yes.

12 Q. What additional responsibilities or titles?

13 A. Operations associate.

14 Q. Around when was that?

15 A. The summer of 2016.

16 Q. Okay. And what did those additional responsibilities  
17 entail for you day-to-day?

18 A. It was more client-based responsibilities; client  
19 paperwork, scheduling client meetings, attending some client  
20 meetings.

21 Q. Okay. And so in this additional role, then, you had a  
22 little bit more client contact?

23 A. Yes.

24 Q. And were you ever responsible, though, during this time  
25 period for marketing or for selling VisionQuest Capital

## T. Laska - Direct Examination

1 yourself?

2 A. I was not.

3 Q. But were other people at VisionQuest Wealth Management  
4 responsible for doing that?

5 A. Yes.

6 Q. How is it that you know that other people that were  
7 working there at Wealth Management were responsible for selling  
8 VisionQuest Capital?

9 A. It was in the annual strategy plan. There were individual  
10 goals for how much capital.

11 Q. Had to be raised?

12 A. Yes. Yeah.

13 Q. And who ran those meetings?

14 A. Steve Peters.

15 Q. Who decided how much VisionQuest capital needed to be  
16 raised in a given year?

17 A. Steve did.

18 Q. And who were the folks, then, that were responsible for  
19 doing that, raising that capital during the time when you  
20 worked for Wealth Management?

21 A. There was a list of people. It was Steve Peters and  
22 then -- or Matt Gomoll, Randall Griggs, John Gauthier, Joe  
23 Baker. Any of the managing directors or advisors that we --  
24 purchased had a goal around that.

25 Q. Okay. And some of those folks are pretty experienced in

## T. Laska - Direct Examination

- 1 the business, are they not?
- 2 A. Yes, they were.
- 3 Q. But some of them weren't?
- 4 A. Yes, some were not.
- 5 Q. And how about your own father, what was your understanding  
6 of whether he was obligated to sell VisionQuest Capital to the  
7 Wealth Management clients?
- 8 A. From my understanding, he was not obligated to sell it.
- 9 Q. That was your understanding?
- 10 A. Yes.
- 11 Q. And did your father serve on something known as the  
12 Investment Committee?
- 13 A. Yes.
- 14 Q. In fact, he was the head of that committee?
- 15 A. He was.
- 16 Q. Tell the jury, to the extent you know, what that committee  
17 did.
- 18 A. The committee was responsible for designing the portfolios  
19 that clients would be invested in.
- 20 Q. All right. And when you say the "portfolios," you mean  
21 different ways of breaking up someone's investments?
- 22 A. Yes. Yeah.
- 23 Q. Diversifying risk, things of that nature?
- 24 A. Yes.
- 25 Q. So as a part of that committee's job, were they supposed

## T. Laska - Direct Examination

1 to be vetting the different investments that clients were going  
2 into?

3 A. Yes, they were.

4 Q. And did the investment committee, including your father --  
5 was VisionQuest Capital filling one of those pie slices?

6 A. For some of the portfolios, yes.

7 Q. For some portfolios?

8 A. Yes.

9 Q. What was your understanding of the level of due diligence  
10 that had been performed on VisionQuest Capital as an  
11 investment?

12 A. My understanding, there wasn't -- there wasn't as much  
13 done on any -- as there was on the other investments.

14 Q. What do you mean by that?

15 A. For other investments, they would send someone to go visit  
16 them for a day and look into the past history of the  
17 investments, but I don't believe that was done on VisionQuest  
18 Capital.

19 Q. So people would actually fly out and, say, meet with a  
20 mutual fund advisor or something like that?

21 A. Yes.

22 Q. Learn things about how that investment had performed over  
23 the years?

24 A. Yes.

25 Q. But not with VisionQuest Capital?

## T. Laska - Direct Examination

1 A. No.

2 Q. Did that ever strike you as odd, given that VisionQuest  
3 Capital operated out of the same building?

4 A. Yes, eventually, it did.

5 Q. "Eventually, it did"?

6 A. Yes.

7 Q. Did you ever personally see any financial statements for  
8 VisionQuest Capital?

9 A. I did not.

10 Q. Do you know of anyone seeing a financial statement for  
11 VisionQuest Capital?

12 A. I don't know.

13 Q. And who, out of the people that worked in that building on  
14 Hargett Street, had the most knowledge about the true financial  
15 condition of VisionQuest Capital?

16 A. Steve Peters.

17 Q. Do you know the full details of the financial condition of  
18 Capital?

19 Do you know if they were even shared with the Investment  
20 Committee?

21 A. No, I don't know.

22 Q. I'm going to direct your attention to Exhibit 1.8. Do you  
23 see where this states, "VisionQuest Strategic Plans 2011 to  
24 2017, Stated Capital Raise Goals"?

25 Do you see that there?



## T. Laska - Direct Examination

1 A. Yes.

2 Q. And do you see where this states the total capital will be  
3 raised for VisionQuest -- well, let's skip to page 2. You said  
4 you came there in -- we're looking at -- we're going to look at  
5 2016. Do you see where the total to be raised in 2016 at the  
6 beginning of the year was \$2.5 million?

7 A. Yes.

8 Q. How would you -- you said you went to these meetings where  
9 these types of things were discussed?

10 A. Yes. Everyone at the company was at these meetings.

11 Q. So around July of 2016 -- prior to July of 2016, do you  
12 recall an employee by the name of Nick Kolbensschlag working  
13 there at VisionQuest?

14 A. Yes.

15 Q. What, if anything, changed about the amount of VisionQuest  
16 capital to be raised after Mr. Kolbensschlag left?

17 A. It was increased.

18 Q. So more money was going to be raised?

19 A. Yes.

20 Q. How did you become aware of that?

21 A. Steve had asked -- Steve Peters had asked myself and Steve  
22 Kurvach to go through a list of clients and look at  
23 opportunities for VisionQuest capital.

24 Q. And when you say "Steve," you're talking about the  
25 defendant, Steve Peters?

## T. Laska - Direct Examination

1 A. Yes, Steve Peters.

2 Q. Now -- so the total increase was up to what amount?

3 A. Between four and four-and-a-half million.

4 Q. That was a goal expressed by the defendant?

5 A. Yes.

6 Q. And who was the one -- who were expected to raise that  
7 additional money?

8 A. Primarily, Steve Peters and then some of the other  
9 managing directors and people that I named earlier.

10 Q. Okay. Did the defendant say anything about why he wanted  
11 to increase the goal so much?

12 A. Because he felt like the reason we weren't hitting goals  
13 was people not working hard enough earlier in the year and he  
14 wanted to show that he could do it.

15 Q. Is that what he said?

16 A. Paraphrasing, but yes.

17 Q. Okay. After that time, were you asked to do anything  
18 to --

19 MR. GILMORE: We can take that exhibit down.

20 BY MR. GILMORE:

21 Q. So after that time and you're hearing about this kind of  
22 new increased capital raise goal, were you asked to do anything  
23 to help meet that goal?

24 A. Yes.

25 Q. Just tell the jurors what that was.

## T. Laska - Direct Examination

1 A. First, we were to put together a list of clients who could  
2 potentially invest in VisionQuest Capital, and then to begin  
3 scheduling meetings with them.

4 Q. Okay. Who were the first -- in terms of batches of  
5 potential targets for this investment, what's the first batch  
6 that you were looking to?

7 A. It was clients who had over a million dollars in  
8 investable assets at Charles Schwab with us or clients who were  
9 already in VisionQuest Capital.

10 Q. Okay. So people that had more than a million dollars in  
11 their Schwab portfolio or people that had already invested in  
12 VisionQuest Capital?

13 A. Yes.

14 Q. Who asked you to target those two groups?

15 A. Steve Peters.

16 Q. And around when was it that you were asked to start doing  
17 that?

18 A. Late summer/early fall of 2016.

19 Q. Okay. Now, this is with respect to VisionQuest Capital in  
20 particular?

21 A. Yes.

22 Q. Did the defendant ever direct you to target clients for  
23 any other investment beside VisionQuest Capital?

24 A. No, he did not.

25 Q. And I'm going to show you Exhibit 2B.12. Now, do you see

## T. Laska - Direct Examination

1 where this is an e-mail exchange between Mr. Peters and you, a  
2 copy to -- and Steve Kurvach, a copy to Steve Laska? Do you  
3 see this e-mail exchange reflected here on the screen?

4 A. Yes.

5 Q. Let's skip to the second page, to the bottom of this  
6 e-mail chain that is shown here. Do you see an e-mail from you  
7 to Mr. Peters and to others?

8 A. Yes.

9 Q. "Dated: September 1, 2016? Subject: VQ Capital  
10 Analysis"?

11 A. Yes.

12 Q. And looking to the content here where it states, "Attached  
13 to this e-mail is the VQ Capital Analysis Spreadsheet. Steve  
14 Laska, Steve Kurvach and I went through each client that was  
15 highlighted green and came up with a recommended amount for  
16 them. We also included in the notes next to their name whether  
17 it was qualified dollars and whether it -- and where it would  
18 come from. The total recommended amount was a range of  
19 \$4,375,000 or \$4,675,000."

20 Do you see that?

21 A. Yes.

22 Q. Why were you sending this e-mail here?

23 A. This was what Steve had asked for.

24 Q. That's what he asked you to do?

25 A. Yes, go through the clients and see where there was

## T. Laska - Direct Examination

1 opportunities.

2 Q. So there's a reference to an attachment here. Let's go to  
3 page 4. And zooming in on page 4, what is the jury seeing here  
4 as a whole?

5 A. This was the spreadsheet that we put together with the  
6 client, the expected amount and then some of the notes on where  
7 it could come from.

8 Q. Okay. So on the left-hand side of the chart it shows the  
9 client names; is that right?

10 A. Yes.

11 Q. And these are Wealth Management clients, aren't they?

12 A. Yes.

13 Q. And then, the middle column here says "expected amount."  
14 What is that?

15 A. That was the amount to try to get them to invest into  
16 VisionQuest Capital.

17 Q. Okay. And then over on the far right column there's a  
18 bunch of notes. What are those notes?

19 A. Maybe some notes about what sort of -- what sort of  
20 account they're in, which account would be a good opportunity  
21 for them to invest in VisionQuest Capital; things like that.

22 Q. Let's zoom in on this line for Paul Fairfax. All right.  
23 So for -- do you see where for Paul and Elizabeth Fairfax  
24 \$100,000 expected amount, it states, "could do more due to  
25 conservative nature. Have no desire to spend their IRA right

## T. Laska - Direct Examination

1 now."

2 A. Yes.

3 Q. Why would you put a note like that in there?

4 A. It was a potential opportunity and because they were just  
5 looking for a steady return there, they might potentially even  
6 be willing to put more into VisionQuest Capital.

7 Q. And was VisionQuest Capital in particular being pushed  
8 toward people who were conservative, as you've written there?

9 A. Yes.

10 Q. And at the time that you were there, did you think that  
11 VisionQuest Capital was a conservative investment?

12 A. Yes.

13 Q. But -- so the rest of these notes here -- we won't go  
14 through all of them, but the rest of these notes here show  
15 potential pools of money that could be accessed for a potential  
16 investment into Capital; is that right?

17 A. Yes, that's correct.

18 Q. And would you have had any of that information about these  
19 people if they weren't clients of Wealth Management?

20 A. No.

21 Q. All right. You testified that you e-mailed this to the  
22 defendant?

23 A. Yes.

24 Q. Let's go to page 1. So returning to this e-mail chain,  
25 looking to the bottom of the page, part of the chain in the

## T. Laska - Direct Examination

1 e-mail from the defendant to Steve Kurvach and to you, subject  
2 line Re: VQ Capital Analysis. Do you see where it states on  
3 September 5th, "Travis and Steve K., did I miss something? In  
4 our last week meeting last Monday we discussed that every  
5 Friday I will receive the most up-to-date version of this  
6 attached document. First, did I miss it? Did you send it and  
7 I just missed it in my e-mail or" -- and turning to page 2 --  
8 "did I confuse you with the expectation? If so, don't be. I  
9 expect this attached document updated and sent to me every  
10 Friday no later than noon. I hope this is clear going forward.  
11 If for some reason I just missed it, there was some technology  
12 issue or your dog ate your computer, make sure that I get it  
13 before 9:00 a.m. tomorrow morning."

14 Do you see that?

15 A. Yes.

16 Q. Do you hear the tone in that e-mail?

17 A. Yes.

18 Q. Is that typical of the way the defendant would treat you  
19 in the workplace?

20 A. Yes.

21 Q. Did he treat other employees like that, too?

22 A. He did, yes.

23 Q. Was it limited to writing that he would treat you that  
24 way?

25 A. No.

## T. Laska - Direct Examination

1 Q. So going back to this target client list, how, if at all,  
2 was the defendant using that list?

3 A. The clients on that list were the priorities on who to  
4 schedule a quarterly meeting with.

5 Q. To schedule a quarterly meeting with?

6 A. Yes.

7 Q. Now, there were lots of clients who needed these quarterly  
8 meetings, right?

9 A. Every client.

10 Q. How, if at all, were the people on this list that you were  
11 preparing prioritized?

12 A. We would try to meet with those clients first.

13 Q. And what was your understanding of what was going to  
14 happen at those quarterly meetings that were prioritized?

15 A. We would discuss a VisionQuest Capital opportunity with  
16 them.

17 Q. Okay. And were those meetings, in fact, scheduled?

18 A. Yes.

19 Q. Who, if anyone, was involved in drafting the quarterly  
20 updates for those meetings?

21 A. I was, as well as other operations associates on putting  
22 together PowerPoints or anything like that for the meeting.

23 Q. Were these also Wealth Management employees?

24 A. Yes.

25 Q. And did you participate in any of those quarterly updates?



## T. Laska - Direct Examination

1 A. Yes, some of them.

2 Q. Was there any plan for how those meetings would be  
3 scheduled in terms of geographics?

4 A. Spend a day in Charlotte, meet with a handful of clients;  
5 spend a day in Richmond, meet with a handful of clients.

6 Q. Okay. And did you, in fact, go to meetings in Richmond  
7 and Charlotte?

8 A. Yes.

9 Q. During the time when Mr. Peters was presenting VisionQuest  
10 Capital -- I'm sorry.

11 Did the defendant go to those meetings?

12 A. Yes.

13 Q. During the time when Mr. Peters was recommending  
14 VisionQuest Capital at those meetings, did you ever hear him  
15 tell a client that he had a conflict of interest with that  
16 investment?

17 A. No, I did not.

18 Q. Did you ever hear Mr. Peters say that, in fact, he could  
19 not be recommending that investment to them?

20 A. No.

21 Q. And when Mr. Peters was selling this investment, was it  
22 presented as part of a buffet of options for them to choose  
23 from or was this an actual recommendation filling the  
24 portfolio?

25 A. It was a recommendation.

## T. Laska - Direct Examination

1 Q. Did he ever call it a high-risk investment when you were  
2 around?

3 A. No.

4 Q. How did he characterize it?

5 A. That it was low risk, steady stream of income, similar to  
6 other -- like Franklin Square, other investments that invested  
7 in companies, but that he had control of it and it was backed  
8 by his assets.

9 Q. What did he say about how that money was being used?

10 A. To invest in other businesses.

11 Q. Did he ever tell anyone that he could take any part of  
12 that money for himself, the investment money?

13 A. No.

14 Q. Did he ever tell anyone, when you were around, that their  
15 money could be used to pay off a prior investor?

16 A. No.

17 Q. Do you recall any statements -- so you talked about these  
18 meetings were being scheduled and these people are being  
19 prioritized. In conjunction with actually going through with  
20 those meetings, do you recall any statements by the defendant  
21 about his ability to get people to invest into VisionQuest  
22 Capital?

23 A. Yes.

24 Q. Tell the jury what you recall him saying, please.

25 A. That if we set up the meetings, he could -- he could sell

## T. Laska - Direct Examination

1 it to anyone.

2 Q. And what was the context where you heard that statement?

3 A. He had just walked out of a meeting where someone agreed  
4 to invest in VisionQuest Capital.

5 Q. Moving forward to around October of 2015, was this  
6 targeting of Wealth Management clients still occurring?

7 A. Yes.

8 Q. Let's go to 2B.26 at page 3. What is this exhibit showing  
9 the jury?

10 A. This is the same spreadsheet of opportunities, but updated  
11 as meetings were scheduled and completed and worked through.

12 Q. Okay. And looking down here to the bottom line, there  
13 appears to be a total reference down here. Is this that  
14 \$4 million figure you were talking about?

15 A. Yes.

16 Q. And focusing your attention on a green line here for a  
17 Catherine Malon -- do you see that there?

18 A. I do.

19 Q. What does the -- or any of the green indicators, what does  
20 the green indicator mean?

21 A. That they had agreed to invest.

22 Q. And what are the dates that are being filled in here in  
23 the date column?

24 A. That would be the date of the -- on the note, I believe.

25 Q. Okay. Do you recall any statements by Mr. Peters

## T. Laska - Direct Examination

1 concerning his needs with respect to Catherine Malon's money?

2 A. Yes.

3 Q. Tell the jury what you recall about that, please.

4 A. The money for her investment was taking a while to come  
5 in, just some paperwork issues, and he talked about how there  
6 was a settlement for a lawsuit that needed to be paid and they  
7 needed the money to come in so they could do that.

8 Q. Do you remember the name of the person who had sued him?

9 A. Michelle Bennett.

10 Q. And he was needing Ms. Malon's money to pay that?

11 A. Yes.

12 Q. So paying a settlement for Ms. Bennett.

13 Did you ever hear the defendant tell an investor he was  
14 using their money to pay off prior settlements?

15 A. No.

16 Q. Let me show you Exhibit 2B.20. Do you see where this is  
17 an e-mail from Stacey Beane to you, with a copy to Steve  
18 Peters, "Subject: Lybrand and Malon"?

19 A. Yes.

20 Q. The date is October 19, 2016. Do you see that?

21 A. Yes.

22 Q. In looking to the content where it states, "Travis, per my  
23 conversation with Steve, the two notes for Lybrand and the one  
24 for Malon I need to have executed and the funds in the bank  
25 account ASAP. You will not receive your pay that is scheduled

## T. Laska - Direct Examination

1 on the 31st until this has been accomplished. Please confirm  
2 receipt and understanding of this."

3 Do you see that?

4 A. Yes.

5 Q. So how, if at all, does this discussion about Ms. Malon's  
6 investment relate to whether you get a paycheck?

7 A. If I didn't get the money in in time, I wasn't going to  
8 get paid either because -- Steve didn't get paid, I didn't get  
9 paid.

10 Q. Now, you've testified that -- about this targeting  
11 activity taking place in the fall of 2016. Do you recall any  
12 other significant priorities that Mr. -- for Mr. Peters in the  
13 fall of 2016?

14 A. That was the -- there was an SEC audit.

15 Q. And how did you first come to learn that VisionQuest  
16 Wealth Management was being audited?

17 A. We were told that there was an audit happening, but it was  
18 standard, just because we had reached a certain size as a  
19 company.

20 Q. Okay. And around when -- do you remember kind of where  
21 you were when you were finding out about this?

22 A. I was -- we were in Richmond, Virginia.

23 Q. Was that part of that -- those meetings that you were  
24 talking about?

25 A. Yes. Same day.

## T. Laska - Direct Examination

1 Q. And when -- what did that audit mean in terms of what  
2 VisionQuest was going to be required to do?

3 A. Show copies of client statements and client accounts, what  
4 paperwork we had on file, what information we kept; things like  
5 that.

6 Q. Okay. And, you know, when you're first hearing about  
7 this, did you think that was any cause for alarm of any kind?

8 A. No.

9 Q. And what happened that -- did that eventually become -- as  
10 that audit started to move forward, did you ever learn of a  
11 focus of that audit?

12 A. Yes.

13 Q. What was the focus?

14 A. They were focused on the VisionQuest Capital notes and  
15 clients who had invested in VisionQuest Capital.

16 Q. And in terms of coordinating the response to the SEC --  
17 you said they were requesting documents?

18 A. Uhm-uhm.

19 Q. -- who was primarily in charge of coordinating that  
20 response?

21 A. Steve Peters was in charge.

22 Q. I just want you to tell the jury why you say that Steve  
23 Peters was in charge of that response.

24 A. He led all the meetings about the response. He delegated  
25 out the responsibilities on who was to get which information.

## T. Laska - Direct Examination

1 He ran the whole thing.

2 Q. Okay. And there was an employee working there named  
3 Randall Griggs?

4 A. Yes.

5 Q. Do you recall that?

6 A. Yes.

7 Q. And by the time that this audit kicked in, what was Mr. --  
8 what was -- what had Mr. Griggs been appointed?

9 A. The Chief Compliance Officer.

10 Q. Okay. How long had Mr. Griggs been the Chief Compliance  
11 Officer by the time that this audit starts kicking in?

12 A. Maybe a month-and-a-half.

13 Q. Who was the compliance officer before that?

14 A. Nick Kolbenschlag.

15 Q. Okay. So what role did Mr. Griggs have in this -- in the  
16 response to the SEC versus Mr. Peters?

17 A. Steve was in charge and -- they would reach out through  
18 Randall, but Steve made the -- Peters made the final decisions.

19 Q. Were there also written responses to the SEC?

20 A. Yes.

21 Q. Who prepared the written responses?

22 A. Steve Peters did.

23 Q. And as a part of that examination, did the SEC folks  
24 actually come here to Raleigh?

25 A. They did.

## T. Laska - Direct Examination

1 Q. Did they go to the Hargett office?

2 A. They did.

3 Q. And I want you to focus on what took place at VisionQuest  
4 Wealth Management before the SEC came on-site, okay?

5 A. Okay.

6 Q. Were you asked to do anything that was wrong before the  
7 SEC showed up here in Raleigh?

8 A. Yes.

9 Q. Tell the jury what you were asked to do and who asked you  
10 to do it.

11 A. I was asked by Steve Peters to hide certain information  
12 that we kept in the client relationship management system.

13 Q. What is the client relationship management system?

14 A. It's where we would track activities, sales opportunities,  
15 kept client information, date of birth, contact information;  
16 things like that.

17 Q. Okay. So this is like a database of some kind?

18 A. Yes.

19 Q. Some kind of an interface where you can go and pull data,  
20 if you needed, about a client?

21 A. Yes.

22 Q. And I want you to focus on what it was that you were asked  
23 to hide or filter out. What are the types of things that you  
24 recall being asked to filter out?

25 A. I was asked to filter out any activities or opportunities



## T. Laska - Direct Examination

1 that related to VisionQuest Capital and to hide any bank  
2 account information or log-in information.

3 Q. Okay. So things related to VisionQuest Capital and then  
4 log-in information. You've said that Mr. Peters asked you to  
5 do that.

6 A. Yes.

7 Q. When he asked you to do those things, how did you feel  
8 about that?

9 A. It didn't feel right. I felt -- I felt like I was -- like  
10 I shouldn't be hiding something from the government.

11 Q. Okay. But did you tell him that, did you say --

12 A. No.

13 Q. No. Why not?

14 A. I didn't want to get yelled at or ridiculed again or --  
15 that wasn't kind of the way things operated there. If he told  
16 you to do something, we just -- you did it.

17 Q. I want to focus your attention, then, on this directive to  
18 filter out the references to Capital, things related to  
19 VisionQuest Capital. Where were these in particular, the  
20 references to -- the marketing or sales of VisionQuest Capital,  
21 where would they be?

22 A. In the -- in Salesforce, the CRM system.

23 Q. Okay. And did you, in fact, do that?

24 A. I did.

25 Q. How did you go about doing that?

## T. Laska - Direct Examination

1 A. When I ran a report for the SEC, I would filter out  
2 keywords or subject titles that had Capital in there.

3 Q. Okay. And so when you would do that, what would the  
4 result be when someone came and looked at it?

5 A. They wouldn't -- they wouldn't see any of them. They  
6 would just see activities or opportunities related to Wealth  
7 Management only.

8 Q. And when the examiners arrived on-site, did they actually  
9 ask to look at that software?

10 A. They did.

11 Q. And where was -- where was Steve Peters at that time?

12 A. Out of the office.

13 Q. When had he told you to hide this information in relation  
14 to when the SEC arrived there on-site?

15 A. When he knew they were coming in and he told me to hide  
16 it. And then when they were done looking at Salesforce, we  
17 could make it visible again.

18 Q. Did you know why it was that Steve Peters wasn't around  
19 when the SEC examiners were coming into town to learn about the  
20 business?

21 A. He said that Randall was the Chief Compliance Officer, so  
22 he'd talk to them more and he didn't need to be in the office  
23 for that. So he just wasn't there.

24 Q. So he didn't need to be in the office for that, that's  
25 what he said?

## T. Laska - Direct Examination

- 1 A. Yeah. Yes.
- 2 Q. Could he have been in the office?
- 3 A. He could have, yes.
- 4 Q. So did you, in fact, do what the defendant asked you to  
5 do?
- 6 A. I did.
- 7 Q. And did you show the examiners there on-site this  
8 information that had been filtered?
- 9 A. Yes.
- 10 Q. And so they didn't see it?
- 11 A. They did not.
- 12 Q. And did they ask you to run any reports when they were  
13 on-site?
- 14 A. They did.
- 15 Q. And what happened -- and did you print those reports out?
- 16 A. I would print them or put them on a thumb drive for them.
- 17 Q. And so when you were giving them this information that  
18 they asked for, did it include everything that they should have  
19 received?
- 20 A. No.
- 21 Q. Would that have included information about the sale of  
22 VisionQuest Capital?
- 23 A. It did not have that in there.
- 24 Q. And you've talked also about hiding passwords --
- 25 A. Yes.

## T. Laska - Direct Examination

1 Q. -- for clients.

2 A. Yes.

3 Q. What was wrong about having the client passwords?

4 A. We had information to log in to their bank accounts. So

5 we had full access to bank accounts. And you're not allowed to

6 have that. It's custody that you're not allowed to have.

7 Q. That gives you some kind of discretion over their money,

8 doesn't it?

9 A. Yes, it could.

10 Q. And were any of these clients supposed to be discretionary

11 accounts --

12 A. No.

13 Q. -- back at that time?

14 A. No.

15 Q. So that's a prohibited practice?

16 A. Yes.

17 Q. And the defendant had you hide the fact that you had --

18 you were retaining the client passwords?

19 A. Yes.

20 Q. Were the examiners ever informed that you had that

21 information?

22 A. No, they were not.

23 Q. So during the time when the SEC was here in Raleigh and

24 you're meeting with them -- well, I mean, let's focus on a time

25 after that.

## T. Laska - Direct Examination

1 So you had these meetings?

2 A. Yes.

3 Q. You give them information and then they go away at some  
4 point, right?

5 A. Yes.

6 Q. Did you meet with the defendant after that?

7 A. I did.

8 Q. And did you talk about what had happened when you were  
9 with the SEC examiners?

10 A. Yes.

11 Q. What did you tell him?

12 A. I told him that I hid the VisionQuest Capital information  
13 and the log-in information.

14 Q. And how did he respond to that?

15 A. I did a good job. They weren't supposed to see that  
16 stuff, so they didn't and that was good.

17 Q. Okay. Direct your attention forward to the November  
18 timeframe. Was the audit still going on even into November of  
19 2016?

20 A. Yes.

21 Q. Focusing on November 22nd, 2016. That's kind of near  
22 Thanksgiving?

23 A. A day or two before, yes.

24 Q. Do you recall a meeting out at the farm at around that  
25 time relating to the SEC audit?

## T. Laska - Direct Examination

1 A. Yes.

2 Q. Tell the jurors who was present and what was taking place  
3 out there at the farm.

4 A. I went over to the farm. Steve Peters was there, Stacey  
5 Beane was there, Steve Laska was there as well, my dad. And we  
6 were going over some of the additional requests that the SEC  
7 had asked for.

8 Q. Okay. And is this in the apartment above one of the  
9 barns?

10 A. Yes.

11 Q. So I'm going to place Exhibit 2A.11 on the screen. All  
12 right. What is the jury seeing in 2A.11?

13 A. The building on the right, the stairs lead up to an  
14 apartment, that's above one of the barns there, that Steve has  
15 an office in.

16 Q. Okay. And so that's where you were meeting that night?

17 A. Yes, that's where we went.

18 Q. Was it uncommon to have meetings there, business-type  
19 meetings there?

20 A. It got more common later into the year.

21 Q. So what took place at this meeting with respect to this  
22 audit? You said that items were being discussed.

23 A. Yes. The SEC asked for copies of additional documents or  
24 account statements for some clients that I was tasked with  
25 putting together and sending to them.

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1 Q. Okay. I'm going to show you Exhibit 16G.1. Do you see  
2 where this says, "United States Securities and Exchange  
3 Commission Request for Additional Information," dated  
4 November 10, 2016?

5 Do you see that?

6 A. Yes.

7 Q. And how, if at all, did you use this document in -- in  
8 that meeting?

9 A. There -- there was a list of clients for whom they were  
10 requesting information and based off of that list is what we  
11 were working on in the meeting.

12 Q. Okay. Let's go to page 2. Is this the list that you're  
13 referring to?

14 A. Yes.

15 Q. And looking down to the bottom part underneath the chart,  
16 there's a list of general information and Schwab information,  
17 IRA Innovations information that's been requested. Do you see  
18 that?

19 A. Yes.

20 Q. And looking up here to the top part, what, if any,  
21 document categories in this section or this part of the page  
22 were you focused upon?

23 A. All of those.

24 Q. All of those?

25 A. All three of them.

## T. Laska - Direct Examination

1 Q. All right. Now, it says, "Account opening contract and/or  
2 agreements." And then, it talks about sales force notes and  
3 then investment policy statements.

4 What are investment policy statements?

5 A. It's an internal document showing risk tolerance for the  
6 client.

7 Q. Okay. And the -- so the SEC is requesting those types of  
8 documents for the people shown on this page?

9 A. They were.

10 Q. And had you been tasked with locating the investment  
11 policy statements for several clients?

12 A. Yes.

13 Q. And what, if anything, did you discover when you went to  
14 the files to obtain that information?

15 A. We didn't have them in there for all the clients. They  
16 could have been not scanned in or the client didn't return them  
17 with their other paperwork, but they were missing for some of  
18 them.

19 Q. Okay. So, for one reason or another, there were some that  
20 were missing?

21 A. Yes.

22 Q. And did you, like, make a list of the ones that were  
23 missing?

24 A. I did.

25 Q. Up there with you should be an exhibit marked as 16G.2.



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1 A. Yes.

2 Q. Do you recognize that document?

3 A. I do.

4 Q. What is it?

5 A. It was a spreadsheet that I made keeping track of clients  
6 on that list for the different SEC requests and what was  
7 missing.

8 Q. And did you use this list in your meeting with Mr. Peters?

9 A. I did.

10 MR. GILMORE: The Government would move to admit  
11 Exhibit 16G.2 into evidence.

12 THE COURT: It'll be received. It may be published.

13 (Government's Exhibit No. 16G.2 was admitted into  
14 evidence.)

15 BY MR. GILMORE:

16 Q. On the screen is 16G.2. Now, is this the list that you  
17 prepared?

18 A. It is.

19 Q. Now, what are these references here to request six and  
20 request seven?

21 A. Those are the requests from the SEC document that was just  
22 up.

23 Q. Okay. And how did Mr. Peters respond to the fact that  
24 these documents were missing?

25 A. He told me that he didn't care what it took, if I had to

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1 trace the signatures myself, but I had to have them done and  
2 completed before I was allowed to go to Thanksgiving.

3 Q. And where were you going to Thanksgiving?

4 A. I was flying to Boston to be with my now-fiancee's family  
5 Thanksgiving and her birthday; same day that year, I think.

6 Q. Now, had you ever forged documents before?

7 A. I had not.

8 Q. And did the defendant give you any guidance about how to  
9 do that?

10 A. He said I could talk to Stacey Beane, that she had a paid  
11 version of Adobe where you can, on a PDF, copy and paste  
12 certain sections of a document.

13 Q. Okay. Did you know that was wrong?

14 A. Yes.

15 Q. But you agreed to do it?

16 A. Yes.

17 Q. Did you feel that was optional for you at that point?

18 A. Not if I wanted to keep my job.

19 Q. So where did you go -- what time is this meeting that  
20 you're out there at the farm?

21 A. Late morning into early afternoon.

22 Q. Okay. So where did you go after the meeting?

23 A. Back to the VisionQuest office.

24 Q. And what did you do when you got there?

25 A. I just started working through those request numbers and

## T. Laska - Direct Examination

1 finding what documents I could and then seeing which ones we  
2 didn't have any copy of at all.

3 Q. Okay. And so when you didn't have a copy of them, did you  
4 forge documents?

5 A. I did.

6 Q. And did you talk to anyone -- did you talk to Stacey about  
7 that?

8 A. I did.

9 Q. What were the -- what happened when you went to Stacey for  
10 help about how to do this?

11 A. I asked her about the ability to copy and paste from the  
12 PDFs. And she told me that wouldn't work as well because if  
13 any signatures went over a line on the document it would kind  
14 of copy the whole section and it wouldn't match up on the paper  
15 and it would look off.

16 Q. Okay. So how did you decide to do it then?

17 A. I took my cell phone and I turned the brightness up and  
18 just opened, like, a white screen and I laid it flat on the  
19 table and put the two pieces of paper on top of that so there  
20 was a light shining through and traced the signature.

21 Q. Let me show you Exhibit 16G.3-F. Outside of court, did  
22 you have a chance to go through all of these documents that you  
23 gathered, the IPS statements?

24 A. I did.

25 Q. And what is this collection of documents then that is in

## T. Laska - Direct Examination

1 16G.3-F?

2 A. These are copies of the investment policy statement for  
3 clients who I couldn't find any in our files.

4 Q. Are these the forgeries?

5 A. They are.

6 Q. And what, if anything, is fabricated about this collection  
7 of documents here?

8 A. The entire thing.

9 Q. Now, are these the only ones where you had to fabricate  
10 some part of it?

11 A. No.

12 Q. So these are just the ones where the entirety of them are  
13 fraudulent?

14 A. Yes. Some might be missing just a section or a date and  
15 filled that in, but this is the entire thing.

16 Q. So those aren't even in here, the ones where you had to  
17 just do a date or something?

18 A. Right.

19 Q. What did you do after you gathered up all those  
20 statements, the contracts, the investor policy statements?  
21 What did you do with all that information?

22 A. I uploaded it into a shared folder and on a thumb drive  
23 for Steve to give to the SEC.

24 Q. And did you talk to Mr. Peters about what you had had to  
25 do to get it done?

## T. Laska - Direct Examination

- 1 A. I did.
- 2 Q. Any objection of any kind to you doing that?
- 3 A. No. None.
- 4 Q. So you were tasked with doing something you said you felt  
5 was wrong?
- 6 A. Yes.
- 7 Q. Were other employees at VisionQuest tasked with doing  
8 things that were wrong?
- 9 A. Yes.
- 10 Q. Did there ever come a time when you were asked to sign  
11 documents on a date other than the date that those things had  
12 happened?
- 13 A. Yes.
- 14 Q. What type of documents do you recall having to do like  
15 that?
- 16 A. Annual corporate documents, articles of incorporation,  
17 things like that, that we needed to have signed every year.
- 18 Q. Do you recall any compliance documents that you had to  
19 sign like that?
- 20 A. Yes. Compliance documents, too.
- 21 Q. And do you recall statements by other employees about  
22 e-mails that had been requested by the SEC?
- 23 A. Yes.
- 24 Q. What other employees made references to the e-mails?
- 25 A. Steve Kurvach.

## T. Laska - Direct Examination

1 Q. Okay. What had Mr. Kurvach been tasked to do?

2 A. He had been tasked to filter out e-mails that referenced  
3 VisionQuest Capital notes or selling VisionQuest Capital to  
4 other clients.

5 Q. And why was it that you ended up talking to Mr. Kurvach  
6 about that?

7 A. It was a mixture of not feeling like we were doing  
8 something right and complaining about the pressure and getting  
9 yelled at, and stuff like that, right before going into the  
10 holidays and the audit.

11 Q. So I'm going to direct your attention specifically to an  
12 SEC request for accredited investor questionnaires. Do you  
13 recall those being requested by the SEC?

14 A. Yes.

15 Q. With respect to VisionQuest Capital?

16 A. Yes.

17 Q. And what, if anything, did you see or hear concerning the  
18 defendant's response to that particular request from the SEC?

19 A. The meeting on November 22nd at the farm, I was there  
20 printing out some documents to give to Steve. And while I was  
21 doing that, he was meeting with Stacey Beane and going over  
22 some of those, and instructed her on changing some of the  
23 balance sheets to make it appear as if some of the investors  
24 were accredited even though they weren't.

25 Q. Now, why was it important that VisionQuest Capital

## T. Laska - Direct Examination

1 investors be accredited?

2 A. It's the law that you have to be to invest in one of those  
3 investments.

4 Q. And what effect would it have to boost an investor's net  
5 worth?

6 A. If it gets above a certain threshold, you qualify as an  
7 accredited investor.

8 Q. So that was taking place at the farm?

9 A. Yes.

10 Q. And there were discussions about how to inflate these  
11 balance sheets?

12 A. Yes.

13 Q. Do you recall the names of any particular investors who  
14 came up in that conversation?

15 A. Two that I remember are Paul Fairfax and Mollie Bot.

16 Q. Mollie Bot?

17 A. Yes.

18 Q. And in connection with that request or that -- the  
19 accredited -- making investors appear accredited, did you  
20 receive some e-mails from Stacey Beane?

21 A. I did.

22 Q. I'm going to show you Exhibit 16B --

23 THE COURT: Mr. Gilmore, it's time for the jury to  
24 have their mid-morning break.

25 Don't talk about the case. Don't let anybody talk

## T. Laska - Direct Examination

1 about the case with you. Follow my other instructions. Enjoy  
2 your 15-minute recess.

3 Everyone, remain seated as the ladies and gentlemen  
4 of the jury leave the room.

5 (The jury exited the courtroom at 10:45 a.m.)

6 THE COURT: We'll be in recess until 11:00 o'clock.

7 (The proceedings were recessed at 10:45 a.m. and  
8 reconvened at 11:00 a.m.)

9 THE COURT: Let's bring the jury back.

10 (The jury entered the courtroom at 11:03 a.m.)

11 THE COURT: Welcome back, ladies and gentlemen. I  
12 hope you-all enjoyed your break.

13 I need to confirm, you didn't talk about the case, no  
14 one talked about the case with you and you followed my  
15 instructions?

16 You may continue the examination, Mr. Gilmore.

17 MR. GILMORE: Thank you, Your Honor.

18 BY MR. GILMORE

19 Q. Mr. Laska, before the break you talked about assisting Ms.  
20 Beane with the inflation of the client balance sheets. Do you  
21 recall that?

22 A. Yes.

23 Q. I'm going to place Exhibit 16E.2 on the screen. All  
24 right. Do you see here where this is an e-mail from Stacey  
25 Beane to you, "Subject: Fairfax assessment? "And it states,



## T. Laska - Direct Examination

1 "Here are the changes that need to be made for them under  
2 assets. I need the primary home title changed to real estate  
3 holdings, add VisionQuest Capital note in the amount of  
4 \$100,000, add savings account in the amount of 75,125, add  
5 personal property in the amount of 85,000."

6 Do you see that?

7 A. Yes.

8 Q. Is this the modifications to the balance sheet that you  
9 were previously testifying about?

10 A. Yes.

11 Q. And how did you assist Ms. Beane to inflate those amounts?

12 A. Something about the formatting on this balance sheet, she  
13 couldn't get it to work on her computer, so she sent those  
14 notes to me and I changed it instead.

15 Q. Okay. It's a program that you could use?

16 A. Yes.

17 Q. And I'm going to show you 16E.3. What's taking place in  
18 this e-mail?

19 A. The same thing. She couldn't work the balance sheet and  
20 asked me to edit it for her.

21 Q. 16E.4. Same conduct taking place here in this e-mail?

22 A. Yes, same thing.

23 Q. And you testified earlier about how Mr. Peters had  
24 coordinated these SEC responses?

25 A. Yes.

## T. Laska - Direct Examination

1 Q. I'm going to show you Exhibit 16A.7. Do you see where  
2 this is an e-mail from Steve Peters to VQ team? "All:  
3 Subject: Initial SEC exam response. Date: September 20,  
4 2016." With an attachment, "Initial response to SEC exam from  
5 VisionQuest."

6 Do you see that there?

7 A. Yes, I do.

8 Q. How, if at all, did Mr. Peters involve the staff before he  
9 would make the response to the SEC?

10 A. After he -- he wrote it and told us what we needed to --  
11 what documents we needed to gather to include with it, he read  
12 the response to us, but that was -- there wasn't really any --  
13 he didn't want feedback. He was just telling us what was going  
14 in the response.

15 Q. He was telling you what he was telling the SEC?

16 A. Yes.

17 Q. Okay. I'm going to go to page 4 of this exhibit, to the  
18 attachment. And looking down here to this section, VQ Answer,  
19 do you see where it states, "Certain clients of the registrant  
20 have also invested in VisionQuest Capital. VisionQuest Capital  
21 and Mr. Peters facilitated these investments, but did not do so  
22 through the registrant. And neither registrant, Mr. Peters,  
23 VisionQuest Capital, nor any of their affiliates provided any  
24 investment advice to any of the registrant's clients with  
25 respect to these investments or received any compensation in

## T. Laska - Direct Examination

1 connection with these investments."

2 Do you see that statement in the attachment?

3 A. Yes, I do.

4 Q. Now, who was the "registrant" that's being referred to  
5 here?

6 A. VisionQuest Wealth Management.

7 Q. And this statement that VisionQuest Capital and Mr. Peters  
8 facilitated these investments, but didn't do so through  
9 VisionQuest Wealth Management, is that a true statement?

10 A. It's not true.

11 Q. What's not true about that?

12 A. As VisionQuest employees, they would -- VisionQuest  
13 employees had goals around selling VisionQuest Capital and then  
14 other employees helped do the paperwork and everything to  
15 execute the investment.

16 Q. Would that include, like, the PowerPoints where it was  
17 discussed?

18 A. Yes.

19 Q. And do you see where it also talks about that no one  
20 received any compensation in connection with that? Is that  
21 true?

22 A. That is not true.

23 Q. Now, why didn't you object when Mr. Peters was reading out  
24 these kind of false statements in the meetings with the staff?

25 A. I was intimidated, I didn't want to risk my job and I

## T. Laska - Direct Examination

1 didn't want to volunteer to get berated in front of the rest of  
2 the staff.

3 Q. Did anyone else object either?

4 A. No.

5 Q. I'm going to direct your attention to the end of 2017.  
6 Was there another one of those strategic planning meetings at  
7 the end of that year?

8 A. Yes.

9 Q. I'm sorry --

10 THE COURT: 2016.

11 BY MR. GILMORE

12 Q. -- 2016. My apologies.

13 A. Yes, 2016.

14 Q. And I'm going to show you Exhibit 1.8. And looking to  
15 2017, do you see where in 2017 it has down here a list of  
16 specific goals with respect to that capital raise of  
17 \$3 million? Do you see that?

18 A. Yes.

19 Q. Who was Mr. Matt Gomoll employed by?

20 A. VisionQuest Wealth Management.

21 Q. What about Mr. Joe Baker?

22 A. VisionQuest Wealth Management.

23 Q. What about Mr. Gautheir?

24 A. VisionQuest Wealth Management.

25 Q. And at the time that this is going on, where these

## T. Laska - Cross-Examination

1 additional capital raise goals -- these direct goals are being  
2 set for these Wealth Management employees, had the SEC inquiry  
3 even concluded yet?

4 A. No. I think it concluded during the -- one of the days of  
5 the meeting.

6 Q. Okay. So it wasn't even fully finished yet, the findings  
7 were not out yet?

8 A. Correct.

9 Q. And yet, Capital is still being -- capital incentives are  
10 still being placed into the strategic plan?

11 A. Yes.

12 Q. And in this meeting, the end of 2016 -- or following this  
13 meeting, were these employees listed here, in fact, directly  
14 incentivized to sell or raise capital for VisionQuest Capital?

15 A. Yes.

16 MR. GILMORE: That's all I have, Your Honor.

17 THE COURT: Cross-examination.

18 MR. CAMDEN: Thank you, Your Honor.

19 **CROSS-EXAMINATION**

20 **BY MR. CAMDEN:**

21 Q. Mr. Laska, you described during your direct examination,  
22 the meeting you had in November of 2016, correct?

23 A. Correct.

24 Q. Shortly before Thanksgiving?

25 A. Correct.

## T. Laska - Cross-Examination

1 Q. And you were told to -- you had identified some client  
2 information that was missing there in the files of VisionQuest  
3 Wealth Management?

4 A. That's correct.

5 Q. And just to be clear, prior to that your role at  
6 VisionQuest Wealth Management was in operations, correct?

7 A. It was.

8 Q. And I believe you described you worked specifically with  
9 mergers and acquisitions?

10 A. Yes.

11 Q. And part of your role would have been to actually collect  
12 documents and ensure that documents related to clients were  
13 properly in the files at VisionQuest Wealth Management?

14 A. Yes, part of it.

15 Q. And that would have been true specifically for clients  
16 that had come in through a merger, correct?

17 A. Yes.

18 Q. And then other clients as well?

19 A. Yes.

20 Q. And you indicated that you needed to get that job done in  
21 order to go on your Thanksgiving holiday at that time, correct?

22 A. Yes.

23 Q. And you indicated that you left and you went back to the  
24 VisionQuest Wealth Management office, correct?

25 A. Correct.

## T. Laska - Cross-Examination

1 Q. And at that point in time you were forging signatures,  
2 correct?

3 A. Not yet. I looked for the documents as much as I could  
4 first.

5 Q. And once you had identified the documents, at that point  
6 did you begin forging the documents then?

7 A. Some of them.

8 Q. And, in fact, isn't it true that there were other people  
9 there who were helping you with that? Correct?

10 A. Not the forgery.

11 Q. Were they helping you with finding the documents?

12 A. Yes.

13 Q. And is it true that your now-fiancee was there?

14 A. She came by at one point.

15 Q. And was your mom there?

16 A. She came by, too.

17 Q. And was your dad there?

18 A. He was.

19 Q. And your dad had also been present, I believe you  
20 testified, in that November meeting where they were talking  
21 about the necessity potentially to forge documents?

22 A. He was there.

23 Q. Okay. So they were all aware of what you were doing?

24 A. Yes.

25 Q. Taking a step back now, the SEC investigation, I believe

## T. Laska - Cross-Examination

1 you testified that VisionQuest Wealth Management was the  
2 registrant?

3 A. Yes.

4 Q. And so, to your understanding, the initial portion of the  
5 SEC examination was focused on VisionQuest Wealth Management as  
6 an entity, correct?

7 A. Yes.

8 Q. And VisionQuest Capital was a separate business from  
9 VisionQuest Wealth Management, correct?

10 A. That's how it was explained to me.

11 Q. Okay. And so you mentioned filtering information with  
12 regard to VisionQuest Capital, correct?

13 A. Yes.

14 Q. And when you say the word "filtering," is filtering  
15 different from deleting?

16 A. Yes.

17 Q. Okay. So the information isn't gone, it's just filtered  
18 away?

19 A. Yes.

20 Q. Okay. And that information was related to VisionQuest  
21 Capital?

22 A. Yes.

23 Q. And VisionQuest Capital, again, was not VisionQuest Wealth  
24 Management, correct?

25 A. No.



## T. Laska - Cross-Examination

1 Q. Okay. And you mentioned at the time that you had some  
2 concerns with some of the things you had done and things you  
3 were asked to do, correct?

4 A. Yes.

5 Q. And the SEC did an on-site investigation, correct?

6 A. They did.

7 Q. And Mr. Peters wasn't present?

8 A. Not for most of it.

9 Q. And during that time you never expressed any concerns that  
10 you had to anyone from the Securities and Exchange Commission,  
11 correct?

12 A. No, I didn't.

13 Q. I believe you mentioned during your direct examination  
14 information related to client passwords.

15 A. Yes.

16 Q. You were familiar with the work of a number of the  
17 advisors who worked there at VisionQuest Wealth Management,  
18 correct?

19 A. Yes.

20 Q. Were you ever aware of a VisionQuest Wealth Management  
21 advisor doing something with a client's money without that  
22 client's permission?

23 A. No.

24 Q. You mentioned that you worked with Ms. Beane on -- with  
25 regard to a lot of these documents that you and Ms. Beane

## T. Laska - Cross-Examination

1 altered, correct?

2 A. Yes.

3 Q. And there were some e-mails that were shown to you with  
4 regard to that, correct?

5 A. Yes.

6 Q. Mr. Peters was not on those e-mails, correct?

7 A. No, he wasn't.

8 Q. Those e-mails were between you and Ms. Beane?

9 A. Yes.

10 Q. You also mentioned during your direct testimony -- I think  
11 you were asked a question about the idea of a conflict of  
12 interest.

13 A. Uhm-uhm.

14 Q. And are you familiar with a form ADV?

15 A. Yes.

16 Q. And on a form ADV -- that's a document that's ultimately  
17 submitted to the Securities and Exchange Commission, correct?

18 A. Yes.

19 Q. And that form ADV actually contains a section in it in  
20 which the registrant can disclose conflicts of interest?

21 A. It does.

22 Q. And so you stated when you were asked if conflicts of  
23 interests were prohibited, isn't it, in fact, true that  
24 conflicts of interest can exist as long as they are disclosed?

25 A. They can.

## T. Laska - Cross-Examination

1 Q. Okay. And you also mentioned something about an  
2 accredited investor. And what is your understanding of what  
3 constitutes an accredited investor?

4 A. It's -- you have to have a net worth above a certain  
5 number or an income that's above a certain number or -- yeah,  
6 those are -- those are two of the main ones.

7 Q. Okay. And a person who is a non-accredited investor can  
8 still invest in something like a private placement so long as  
9 certain disclosures are made, correct?

10 A. Yes, some can.

11 Q. And so it's not illegal, per se, for someone who is a  
12 non-accredited investor to invest in a private placement?

13 A. No, it's not.

14 Q. Okay. Taking a step back, you indicated that there was a  
15 period of time where you and your father and Mr. Kurvach were  
16 tasked with reviewing existing VisionQuest Wealth Management  
17 clients for potential additional investment in VisionQuest  
18 Capital, correct?

19 A. Yes, that's correct.

20 Q. And that was all done over e-mail, correct?

21 A. The -- what was done over e-mail?

22 Q. The correspondence and the spreadsheets that you-all were  
23 exchanging related to that, those were all e-mails back and  
24 forth between all of you?

25 A. We met in person to go through the spreadsheet.

## T. Laska - Cross-Examination

1 Q. Okay. But those meetings were just happening; they  
2 weren't secret meetings being held in some secret location,  
3 correct?

4 A. No.

5 Q. Just in the office, correct?

6 A. Correct.

7 Q. And the idea was to identify people who were looking for a  
8 steady return? I believe that's what you testified to,  
9 correct?

10 A. For many of them, yes.

11 Q. And one of the persons who was identified and was a part  
12 of that project was your father, correct?

13 A. He was part of it, yes.

14 Q. And at that time, he was the Chief Investment Officer?

15 A. Yes.

16 Q. And he worked on the committee that determined  
17 appropriateness of various investment vehicles for particular  
18 clients, correct?

19 A. He was on that, yes.

20 Q. And I believe you were shown a couple of documents related  
21 to the evolution of that spreadsheet, correct?

22 A. Correct.

23 Q. And over time there were instances where it was determined  
24 that a -- that VisionQuest Capital would not be an appropriate  
25 investment for a particular person, correct?

## T. Laska - Cross-Examination

1 A. There were some, yes.

2 Q. And then there were some people who just didn't invest in  
3 VisionQuest Capital, correct?

4 A. That is correct.

5 Q. Okay. And the Investment Advisory Committee, you  
6 testified that they were responsible for doing due diligence  
7 with regards to the businesses and investment vehicles that  
8 would be used at VisionQuest Wealth Management, correct?

9 A. They were.

10 Q. And that would have included VisionQuest Capital, correct?

11 A. Yes.

12 Q. And so in order for it to be offered to the clients, it  
13 would have had to have been determined to be suitable, correct?

14 A. Yes, it should have been.

15 Q. And that was the work that your father and his committee  
16 were tasked with doing, correct?

17 A. Yes.

18 MR. CAMDEN: May I have a moment, Your Honor?

19 THE COURT: Yes.

20 (Pause in the proceeding.)

21 BY MR. CAMDEN:

22 Q. Mr. Laska, do you recall ever working with a company named  
23 CII?

24 A. Yes.

25 Q. And did they provide technology services to VisionQuest

## Redirect Examination

1 Wealth Management?

2 A. They were the IT provider, yes.

3 Q. And from time to time would you correspond with them about  
4 various IT issues?

5 A. Yes.

6 Q. And would you periodically actually have to get on to Mr.  
7 Peters' computer to do things related to the work that was  
8 going on with CII?

9 A. Probably once or twice.

10 Q. Okay.

11 MR. CAMDEN: I have no further questions at this  
12 time, Your Honor.

13 THE COURT: Mr. Gilmore.

14 MR. GILMORE: Thank you, Your Honor.

15 **REDIRECT EXAMINATION**

16 **BY MR. GILMORE:**

17 Q. You were asked about the Investment Committee --

18 A. Yes.

19 Q. -- and that they were tasked with determining the  
20 suitability of investments for Wealth Management clients. Do  
21 you recall that?

22 A. Yes.

23 Q. Who at VisionQuest would know better than the defendant  
24 whether VisionQuest Capital was a suitable for investment -- a  
25 suitable investment for these clients?

## Redirect Examination

1 A. Nobody would have.

2 Q. Do you know of anyone inside of the four walls of that  
3 company who had as much knowledge about VisionQuest Capital as  
4 Steve Peters?

5 A. No. There was no one who did.

6 Q. And you've said you don't know how much information Mr.  
7 Peters actually gave your father about VisionQuest Capital, do  
8 you?

9 A. No, I don't know.

10 Q. You were asked about this disclosure document called the  
11 ADV. Do you recall that?

12 A. Yes.

13 Q. Where people can disclose information that would alert a  
14 client or should alert a client as to severe conflicts of  
15 interest?

16 A. Yes.

17 Q. Now, let me show you Exhibit 1.2. Do you see where this  
18 says, "Investment advisors are fiduciaries"?

19 A. Yes.

20 Q. And it lays out the standard of fiduciary. Do you see  
21 that?

22 A. Yes.

23 Q. Do you see where it says in here, among other things, "You  
24 must employ reasonable care to avoid misleading clients," and  
25 then it states, "You must provide full and fair disclosure of

## Redirect Examination

1 all material facts to your clients and prospective clients"?

2 Do you see that?

3 A. Yes. Yes, I do.

4 Q. Then it states, "Generally, facts are material if a  
5 reasonable investor would consider them to be important."

6 Do you see that?

7 A. Yes.

8 Q. Now, I'm going to place exhibit Bot D on the screen. Do  
9 you see where this shows a flow of funds from investor Bot to  
10 pay other investors' interest payments? Do you see that shown  
11 there?

12 A. Yes, I do.

13 Q. Is that something that you would want to know --

14 A. Yes.

15 Q. -- if you were investing your money into VisionQuest  
16 Capital?

17 A. Yes.

18 Q. Do you think any reasonable person would want to know that  
19 that's what's happening to their money?

20 MR. CAMDEN: Objection.

21 THE COURT: Overruled.

22 THE WITNESS: Yes, I think they'd want to know.

23 BY MR. GILMORE:

24 Q. What about tens of thousands of dollars going to the  
25 defendant's own credit card, is that something that you'd want



## T. Laska - Recross-Examination

1 to know?

2 A. Yeah, I'd want to know that.

3 Q. What about payments going into his house or his car,  
4 wouldn't all those things be important to know?

5 A. I'd want to know all of that.

6 Q. Do you know any of those types of things being disclosed  
7 in a full and frank manner in the defendant's ADV documents?

8 A. No, I don't know of that.

9 MR. GILMORE: That's all I have, Your Honor.

10 THE COURT: Anything else, Mr. Camden?

11 MR. CAMDEN: Very briefly, Your Honor.

12 **RECROSS-EXAMINATION**

13 **BY MR. CAMDEN:**

14 Q. Mr. Laska, are you presently employed at DGS Capital?

15 A. I am.

16 Q. And is your father employed there, as well?

17 A. He does some -- like, a contractor work, yes.

18 Q. Are there other former VisionQuest Wealth Management  
19 advisors who are employed there at DGS, as well?

20 A. Matt Gomoll works there.

21 Q. Any others?

22 A. Can you repeat the question?

23 Q. Are there any others that you're aware of?

24 A. Stacey Beane helps with our payroll.

25 Q. And are you aware of any VisionQuest -- former VisionQuest

## T. Laska - Recross-Examination

1 Wealth Management clients who are now working with DGS Capital?

2 A. Yes.

3 Q. Are there a number of them?

4 A. Yes.

5 MR. CAMDEN: No further questions, Your Honor.

6 THE COURT: Thank you, sir. Watch your step stepping  
7 down. There's a step up as you come off the witness stand and  
8 a step down through the gate.

9 \* \* \*

10 (The proceedings concluded at 11:26 a.m.)

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## T. Laska - Recross-Examination

1 UNITED STATE DISTRICT COURT  
2 EASTERN DISTRICT OF NORTH CAROLINA  
3  
4

5 CERTIFICATE OF OFFICIAL REPORTER  
6

7 I, Amy M. Condon, CRR, RPR, CSR, Federal Official  
8 Court Reporter, in and for the United States District Court for  
9 the Eastern District of North Carolina, do hereby certify that  
10 pursuant to Section 753, Title 28, United States Code, that the  
11 foregoing is a true and correct transcript of the  
12 stenographically reported proceedings held in the  
13 above-entitled matter and that the transcript page format is in  
14 conformance with the regulations of the Judicial Conference of  
15 the United States.  
16  
17

18 Dated this 9th day of September, 2019.  
19  
20

21 /s/ Amy M. Condon  
22 Amy M. Condon, CRR, CSR, RPR  
23 U.S. Official Court Reporter  
24  
25