

**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,

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