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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING) Order No.: S-10-442-12-FO02
Whether there has been a violation of the)
Securities Act of Washington by:) ENTRY OF FINDINGS OF FACT AND CONCLUSIONS
) OF LAW AND FINAL ORDER TO CEASE AND DESIST,
Lonepeak Capital, Inc.; Visions Investment Group,) TO IMPOSE FINES, AND TO CHARGE COSTS AS TO
LLC; Eric Foster; Jonathan Lowry; Byron) JONATHAN LOWRY
Workman)
)
)
Respondents.)

INTRODUCTION

On May 27, 2011, the Securities Administrator of the state of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Impose Fines, and to Charge Costs, order number S-10-442-11-SC01, hereinafter referred to as "Statement of Charges," against Respondents Lonepeak Capital, Inc., Visions Investments Group, LLC, Eric Foster, Jonathan Lowry, and Byron Workman, hereinafter referred to as "Statement of Charges." The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing, hereinafter referred to as "Notice of Opportunity for Hearing," and an Application for Adjudicative Hearing, hereinafter referred to as "Application for Hearing," was served on Respondent Jonathan Lowry by First Class U.S. Mail that was posted on October 24, 2012. The Notice of Opportunity for Hearing advised Respondent Jonathan Lowry that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the notice. Respondent Jonathan Lowry failed to request an administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided, or otherwise.

The Securities Administrator therefore will adopt as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enter a final order against Respondent Jonathan Lowry to cease and desist from violations of the Securities Act.

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL
ORDER TO CEASE AND DESIST, TO IMPOSE FINES,
AND TO CHARGE COSTS AS TO JONATHAN LOWRY

1 The Securities Administrator makes the following Findings of Fact and Conclusions of Law as to

2 Jonathan Lowry:

3 **FINDINGS OF FACT**

4 Respondents

5 1. Lonepeak Capital, Inc. ("LPC") is a Nevada corporation. During the period relevant to this
6 Final Order, LPC maintained a principal place of business at 814 East Bamberger Drive, Suite C, American
7 Fork, Utah 84003. LPC purports to be in the business of buying and selling distressed real estate.

8 2. Visions Investment Group, LLC ("VIG") is a Utah limited liability company. During the
9 period relevant to this Final Order, VIG maintained a principal place of business at 814 East Bamberger
10 Drive, Suite C, American Fork, Utah 84003 and shared office space and a number of key personnel with
11 LPC.

12 3. Eric Foster ("Foster") is a Utah resident. Foster is president, chief executive officer, and a
13 cofounder of LPC. Foster is also executive vice president of VIG.

14 4. Jonathan Lowry ("Lowry") is a Utah resident. Lowry is a cofounder and vice president of
15 LPC, and president of VIG.

16 5. Byron Workman ("Workman") is believed to be a Utah resident. Workman is an employee of
17 VIG.

18 Nature of the Offering

19 6. Between August 17, 2007 and December 31, 2007, LPC offered \$5,000,000 worth of
20 promissory notes valued at \$25,000 each. The minimum investment amount was \$25,000. LPC reserved the
21 right to offer and sell fractional notes.
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1 7. The notes paid an “annual rate of return of 26.4%.” Interest was due and payable quarterly.
2 The notes had twelve month terms. The offering’s proceeds were to be used to purchase distressed real
3 estate.

4 8. According to LPC’s offering materials, the offer and sale of notes were restricted to
5 “accredited investors” as that term is defined in Rule 501(a) of Regulation D. The offering materials further
6 state that LPC was relying upon “the exemption from...registration as set forth in §4(2) and rule 506 of
7 Regulation D of the Securities Act of 1933....”

8 9. Although the introduction of the offering materials say that LPC’s notes were unsecured, the
9 offering materials later state that “all borrowed monies are collateralized against equitable title of a
10 property.” The promissory note described the debt as “senior debt of [LPC].”

11 10. The offering materials advised investors of risks related to LPC’s limited operating history,
12 uncertainty in the market for notes backed by distressed property, risks related to the general economy, and
13 the potential investor’s lack of control of LPC.

14 11. According to LPC’s offering materials, investors purchased notes by delivering checks
15 payable to “Lonepeak Capital,” and returning a completed suitability questionnaire, subscription agreement,
16 and promissory note.

17 Offer and sale to Washington residents

18 12. LPC sold its notes to a Washington couple (“investors A and B”). At the time they purchased
19 an LPC note, investor A was a homemaker with a high school education with no investment experience other
20 than negligible real estate investment experience. Investor B’s investment experience was limited to
21 attending a commercial stock trading course approximately two years before purchasing an LPC note and
22 subsequent sporadic stock trading. Neither investor A or B had previously purchased debt securities such as
23 LPC’s notes.
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1 13. The Washington couple purchased training and access to purportedly proprietary resources to
2 enable them to start a real estate investment business from VIG. According to VIG's website, VIG is an
3 "affiliate" of LPC. VIG assigned Workman to work with the Washington couple as their "Personal Real
4 Estate Investor." In this capacity, Workman was to act as a mentor for the Washington couple as they
5 attempted to establish a real estate investment business. This transaction between VIG and the Washington
6 couple is the subject of Statement of Charges S-11-0577-11-SC01 and Final Order S-11-0577-11-FO01.

7 14. Workman, while working as the couple's mentor on behalf of VIG, offered a note made by
8 LPC as a real estate investment opportunity to the Washington couple. Workman told the Washington couple
9 that LPC had an excellent track record and that LPC had a proven "system" in place for real estate
10 investment. In addition, the Washington couple was promised an interest rate of approximately nineteen
11 percent. Foster and Lowry later called the Washington couple to solicit their investment, explaining that
12 VIG had shared their names and contact information with LPC.

13 15. Foster and Lowry explained that LPC would combine the couple's money with that of three
14 other investors and use the combined funds for one specific real estate investment.

15 16. Foster and Lowry told the Washington couple that they would be paid out of proceeds
16 resulting from the completion of the specific real estate investment to which VIG applied their money.

17 17. Prior to investing, the Washington couple received a confidential private placement
18 memorandum, a document entitled "Subscription Background Information," a subscription agreement, a
19 suitability questionnaire, and a sample promissory note.

20 18. The Washington couple paid \$25,000 by wire transfer to LPC.

21 19. Investor A inquired into LPC's condition after LPC had defaulted on the couple's note prior
22 to December 31, 2008. Investor A was told that VIG, not LPC, was pursuing a multitude of options to
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1 generate income with which to repay the couple, including a “lead generation” business and hosting
2 webinars.

3 Misrepresentations and Omissions

4 20. LPC did not provide the Washington couple information concerning LPC’s financial
5 condition at the time of its offering.

6 21. LPC did not disclose the conflicts of interest created by LPC’s status as an affiliate of VIG,
7 and by the substantial sharing of key personnel by the two businesses.

8 22. LPC did not provide the Washington couple material information concerning VIG including,
9 but not limited to, VIG’s key personnel and financial condition.

10 23. Workman did not provide information to substantiate his claim that LPC had an excellent
11 track record and a proven “system” in place for real estate development.

12 24. LPC’s offering materials do not disclose that it had not filed a Notice of Exempt Offering of
13 Securities with the Securities and Exchange Commission or with the Securities Division.

14 25. LPC’s offering materials failed to disclose material, specific information concerning Foster’s
15 and Lowry’s ability to lead LPC. The offering materials disclose only that Foster is “familiar with various
16 aspects of commercial and residential real estate investing” and that Lowry is “familiar with a broad range,
17 from experience, of commercial and residential real estate investing.”

18 26. LPC did not provide material information concerning the specific real estate investment to
19 which the Washington couple’s money was to be applied, including, but not limited to, title report, the
20 property’s tax assessed value, and anticipated renovations or construction and the costs thereof.
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22 Registration Status

23 27. Lonepeak Capital, Inc. is not currently and has not previously been registered to sell its
24 securities in the State of Washington and has not filed a claim of exemption from registration.
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1 28. Visions Investment Group, LLC is not currently registered as a broker-dealer in the State of
2 Washington and has not previously been so registered.

3 29. Eric Foster is not currently registered as a securities salesperson or broker-dealer in the State
4 of Washington and has not previously been so registered.

5 30. Jonathan Lowry is not currently registered as a securities salesperson or broker-dealer in the
6 State of Washington and has not previously been so registered.

7 31. Byron Workman is not currently registered as a securities salesperson or broker-dealer in the
8 State of Washington and has not previously been so registered.

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10 **CONCLUSIONS OF LAW**

11 Based upon the Findings of Fact, the following Conclusions of Law are made:

12 1. The offer or sale of promissory notes as described above constitute the offer or sale of a
13 security as defined at RCW 21.20.005(14) and (17), formerly RCW 21.20.005(10) and (12).

14 2. The offer or sale of said securities is in violation of RCW 21.20.140 because no registration
15 for such an offer or sale is on file with the Securities Administrator.

16 3. Visions Investment Group, LLC has violated RCW 21.20.040 by offering or selling said
17 securities while not registered as a securities broker-dealer in the State of Washington.

18 4. Eric Foster has violated RCW 21.20.040 by offering or selling said securities while not
19 registered as a securities salesperson or broker-dealer in the State of Washington.

20 5. Jonathan Lowry has violated RCW 21.20.040 by offering or selling said securities while not
21 registered as a securities salesperson or broker-dealer in the State of Washington.

22 6. Byron Workman has violated RCW 21.20.040 by offering or selling said securities while not
23 registered as a securities salesperson or broker-dealer in the State of Washington.
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1 7. The offers or sales of said securities were made in violation of RCW 21.20.010 because, as set
2 forth in paragraphs twenty through twenty six of the Findings of Fact, Respondents made misstatements of
3 material fact or omitted to state facts necessary to make the statements made, in light of the circumstances
4 under which they were made, not misleading.

5 **FINAL ORDER**

6 Based upon the foregoing and finding it in the public interest:

7 IT IS HEREBY ORDERED that the Respondent Jonathan Lowry and his agents and employees each
8 shall cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140,
9 the section of the Securities Act of Washington requiring registration.

10 IT IS FURTHER ORDERED that the Respondent Jonathan Lowry and his agents and employees
11 each shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of
12 Washington.

13 IT IS FURTHER ORDERED that the Respondent Jonathan Lowry and his agents and employees
14 each shall cease and desist from violating RCW 21.20.040, the broker-dealer and securities salesperson
15 registration section of the Securities Act of Washington.

16 IT IS FURTHER ORDERED that the Respondent Jonathan Lowry shall be liable for and pay a fine
17 in the amount of \$1,500.

18 IT IS FURTHER ORDERED that the Respondent Jonathan Lowry shall be liable for and pay costs in
19 the amount of \$500.

20 **AUTHORITY AND PROCEDURE**

21 This FINAL ORDER is entered pursuant to the provisions of RCW 21.20.390, and is subject to the
22 provisions of RCW 21.20.120 and Chapter 34.05 RCW. Respondents have the right to petition the superior
23 court for judicial review of this agency action under the provisions of Chapter 34.05 RCW. For the
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1 requirements for Judicial Review, see RCW 34.05.510 and sections following. Pursuant to RCW 21.20.395,
2 a certified copy of this Order may be filed in Superior Court. If so filed, the clerk shall treat the Order in the
3 same manner as a Superior Court judgment as to the fine, and the fine may be recorded, enforced, or
4 satisfied in like manner.

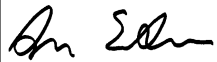
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6 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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8 SIGNED and ENTERED this 19th day of November 2012.

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12 William M. Beatty
13 Securities Administrator

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15 Approved by:

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18 Suzanne Sarason
19 Chief of Enforcement

20 Presented by:

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22 Edward R. Thunen
23 Enforcement Attorney

24 Reviewed by:

25 

26 Robert Kondrat
27 Financial Legal Examiner Supervisor