



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
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SUN CITY INSURANCE AGENT CENSURED IN FRAUD CASE

PHOENIX – The Arizona Corporation Commission ordered Jerome Zanoski, a Sun City based insurance agent, to cease and desist from violations of the Securities Act. Zanoski was ordered to pay a \$10,000 penalty and restitution of \$23,361.25 representing the commissions he earned in selling fraudulent promissory notes and other securities.

According to the Order, Zanoski sold promissory notes, pay telephone contracts, investment contracts and viatical policies to seven investors for \$285,875. Although some of the investments were repaid, investors have lost a total of \$110,000 from the fraudulent products.

The Order states that Zanoski did not inform investors that the investments were registered as securities in Arizona, failed to disclose his financial incentives -- including commissions of up to 14 percent -- and failed to provide full disclosure on the investments and their associated risks. He failed to provide investors with prospectuses, financial statements or statements of risk. Additionally, the Order states that Zanoski failed to discover and inform investors that some of the companies issuing the investments had cease and desist orders against them from other states, including one company that had been indicted by the state of Florida for grand theft and organized fraud.

Mark Sendrow, director of the Arizona Corporation Commission's Securities Division, tells investors:

“Be cautious. Do your own due diligence. Remember that your money is at stake in any investment you make so you must exercise extreme caution to be sure that the investments are sound and appropriate for your circumstances. You should expect full and fair disclosure from anyone offering an investment. If you aren't getting the information you need to evaluate the investment, don't turn over your money.” Investors can find out if someone is properly registered to sell securities and check out a particular investment by contacting the Commission's Securities Division at (602) 542-4242, toll free at 1-877-811-3878, or visit the Division's web site at www.ccsd.cc.state.az.us.

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