



# COMMISSION NEWS

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

TO: EDITORS, NEWS DIRECTORS  
FOR: IMMEDIATE RELEASE

DATE: August 10, 2007  
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## **COMMISSION PENALIZES SALES ARM OF YUCATAN RESORTS, HALTS MINING AND ESTATE PLANNING INVESTMENTS**

PHOENIX – Calling all of the cases they heard on Thursday “disturbing,” the Commissioners approved multiple consent orders with individuals and companies that agreed to return over \$12.2 million to investors and to pay \$350,000 in penalties for offering and selling unregistered securities. Two matters involved the sales of an international investment program by Yucatan Resorts, Inc., a company that last year settled a multimillion dollar lawsuit filed by the Commission. Another case involved the fraudulent promotion of investments in a mining operation. The final case involved a licensed insurance agent and his estate-planning business.

### **John Edward Tencza and American Elder Group**

A Scottsdale-based company and its owner, 44-year-old John Edward Tencza of Idaho, agreed to pay \$1,120,403 in restitution and \$125,000 in penalties for offering and promoting unregistered investments. Tencza and his salesmen also failed to inform investors that multiple states were investigating the Yucatan investment offering.

Tencza and his company, American Elder Group, were responsible for soliciting the vast majority of Arizona investors who bought into the Yucatan “Universal Lease” program. This was a timeshare investment involving hotel units in Cancun, Mexico and other Central American locations. The program was designed, promoted and operated by Yucatan Resorts, Inc. and later promoted in Arizona by Resort Holdings International, Inc.

As managing member of American Elder Group, Tencza was responsible for his own sales activities and

those of at least two other salesmen. Although licensed to sell real estate and insurance products in Arizona, Tencza was not registered as an Arizona securities salesman. As a result, the Commission ordered Tencza to repay the commissions he received on all sales made of the Universal Lease through American Elder Group.

The Commission found that for about two years, Tencza and American Elder Group offered and sold annuities and investments in the Yucatan investment program to many clients of Phoenix attorney Gregory Groh, another respondent in this matter.

The Commission found that during his presentations to prospective investors, Tencza emphasized the safety and security of the Universal Lease program, but failed to disclose to investors what he knew about the legal actions taken by multiple state securities regulators against the promoters of the program.

Tencza and American Elder Group agreed not to apply for registration as an Arizona securities salesman or dealer and licensure as an investment adviser or investment adviser representative at any time in the future.

### **Gregory Grant Groh**

A 56-year-old attorney, Gregory Grant Groh, agreed to return \$300,998 in commissions and to pay \$75,000 in penalties for aiding and abetting the sale of the Yucatan “Universal Lease” timeshare investment program to his clients. Groh, of Phoenix, was not registered to offer or sell securities in Arizona.

The Commission found that Groh had entered into an agreement with John Tencza and American Elder Group to allow American Elder Group salesmen to offer the Yucatan investment program and annuities to Groh’s clients.

As part of the agreement between Groh and Tencza, a letter—printed on Groh’s letterhead with his signature—was mailed to approximately 1,400 of Groh’s clients. In the letter, Groh expressed concern for the security of his clients and urged them to have their trusts reviewed. Nearly 600 of Groh’s clients requested an appointment to have their trusts reviewed.

The Commission found, however, that the letter failed to inform Groh’s clients that the “paralegals” sent

to conduct the review were actually salespeople who were attempting to sell the Universal Lease investment for a commission. Groh did not attend any of the appointments set up with his clients and American Elder Group salesmen. Groh received a three- to four-percent commission on each sale of the Universal Lease to his clients.

Groh has already made a restitution payment of \$50,000 to the State of Arizona. The State Bar of Arizona is investigating Groh's involvement in the sale of the Universal Lease program.

### **Richard Allen Campbell**

Richard Allen Campbell, a 66-year-old Glendale resident, agreed to pay over \$10.8 million in restitution, and \$100,000 in administrative penalties in connection with a platinum mining investment scheme in Flagstaff.

For nearly three years, Campbell served as the executive vice-president, board member and second largest shareholder of Nevada-based Agra-Technologies, Inc. In these capacities, Campbell controlled and promoted the business, financial and investor solicitation activities of Agra-Technologies.

The Commission found that more than 200 different investors across the U.S. and abroad purchased investments called "Ore Rights and Mining Agreements" or "Units" from Agra-Technologies, Inc. Each Unit investment supposedly represented the right to the precious metals contained in 50 tons of Sheep Hill volcanic cinders in Flagstaff.

Campbell consistently represented that Agra-Technologies, Inc. could recover five ounces of platinum per ton of volcanic cinders, or 250 ounces of platinum per Unit. Using this unprecedented projected recovery, Campbell repeatedly represented to offerees and investors that they could receive extraordinary returns of over 700 percent, or \$70,250, on each Unit investment.

Campbell also offered and sold Agra-Technologies stock, projecting substantial dividends and an increase in stock value of up to 4,900 to 9,900 percent. He also participated in the sale of \$354,000 worth of so-called "Platinum Rental Agreement" investments that allegedly provided investors with a promised profit of over 21 percent per year.

Campbell told investors that Agra-Technologies, Inc. had acquired special technologies to extract extremely rare and valuable platinum group metals from volcanic cinders. Campbell represented that the investments involved virtually no risk. The Commission found these and other claims to be false and misleading and in violation of the Arizona Securities Act.

To date, Agra-Technologies investors have yet to receive any monetary returns.

### **Ray C. Villa and Estate Protection Consultants, LLC**

A 54-year-old insurance salesman and his Coolidge-based company agreed to a Commission order requiring the payment of \$135,000 to investors and \$50,000 in penalties. Ray C. Villa, of Mesa, is not registered as an Arizona securities salesman, but sold unregistered promissory notes to investors through his estate planning business.

Operating out of Coolidge and Mesa, Villa traveled to various locations in Arizona, conducting seminars and meeting with retirees to prepare legal documents and sell his insurance products.

The Commission found that Villa solicited at least ten individuals through his estate planning company, Estate Protection Consultants, LLC. Villa asked for investments ranging from \$5,000 to \$50,000, funds that would expand his estate planning operations. In return, Villa issued “loan agreements” guaranteed by him and his company. The notes were unsecured obligations offering a 12 to 50 percent annual return.

Most of the investors were retirees who were not experienced with investments. The Commission found that some investors liquidated their low-risk certificates of deposits and bank saving accounts based upon Villa’s assurances of repayment and high returns.

After about two to six months, payments to the investors stopped. The Commission found that Villa used most of the investors’ money for his own personal benefit, including paying legal fees to defend charges of carrying a concealed weapon without a permit. Among other omissions, Villa failed to inform investors regarding the risks of losing their money and of his two prior bankruptcies.

### **For More Information**

To access the full text of the orders, click on the following link:

<http://www.azcc.gov/divisions/securities/enforcement/enforce-orders.asp>. All public documents related to the cases can be viewed and/or printed through the Commission's e-Docket system. The case or docket number assigned to Tencza, American Elder Group and Groh is S-20483A-06-0661. Regarding Campbell, the case or docket number is S-20484A-06-0669; for Villa, S-20530A-07-0245.

### **Caution for Investors**

Before investing, people should verify the registration of sellers and investment opportunities and investigate disciplinary histories by contacting the Arizona Corporation Commission's Securities Division at 602-542-4242 or toll free outside the Phoenix metropolitan area and Arizona at 1-866-VERIFY-9. The Division's investor education website also has helpful information at [www.azinvestor.gov](http://www.azinvestor.gov).

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