STATE OF ALASKA PARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION OF BANKING AND SECURITIES 550 WEST SEVENTH AVENUE, SUITE 1850 ANCHORAGE, ALASKA 99501 (907)269-8140

STATE OF ALASKA DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION OF BANKING AND SECURITIES

)	
IN THE MATTER OF:)	
)	ORDER NO. 11-364-S
JOSEPH TROIANO)	
)	FINAL CEASE AND DESIST ORDER
)	IMPOSING A CIVIL PENALTY
)	
)	
	Respondent.)	

The Director of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities ("Administrator"), has conducted an investigation into certain activities of Joseph Troiano ("Troiano"), and has determined that Respondent violated certain provisions of the Alaska Securities Act, Alaska Statute (AS) 45.55.

I. BACKGROUND

On May 9, 2014, the Administrator sent a Temporary Cease and Desist Order Effectively Immediately with Notice of Hearing Rights and Notice of Final Cease and Desist Order ("Temporary Cease and Desist") by certified mail, return receipt requested, to Troiano at his address at the Federal Correction Institution, Miami, P.O. Box 779800, Miami, Florida, 33177.

On May 14, 2014, the Federal Correction Institution, Miami, received and signed for the Temporary Cease and Desist.

Troiano made no request for a hearing within 15 days after the Temporary Cease and

COMMUNITY, AND ECONOMIC DEVELOPMENT BANKING AND SECURITIES VENTH AVENUE, SUITE 1850 DRAGE, ALASKA 99501

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Desist was received by the Federal Correction Institution, Miami.

II. **FACTS**

- 1. On February 4, 2011, the Administrator received a telephone phone call from State of Missouri resident DD. DD complained that she and her husband, JD, invested in some real estate projects that may have been fraudulent. Specifically, DD identified J'VR International, LLC ("J'VR") and Phase V Land Investors Group, LLC ("Phase V") as two of the real estate investments. DD explained that she contacted the Administrator because correspondence she received from J'VR showed a mailing address in Juneau, Alaska.
- 2. J'VR, entity number 110109, was formed as a limited liability company in Alaska on July 23, 2007 by Troiano. It had a mailing and physical address at 9360 Glacier Highway, Suite 202, Juneau, Alaska, 99801.
- 3. Phase V, entity number 105790, was formed as a limited liability company in Alaska on January 16, 2007 by Troiano. It had a mailing and physical address at 731 Oberlin Drive, Clearwater, Florida, 33765.
- 4. Troiano practiced law at Joseph Troiano, Esq. PA, located at 12800 University Drive, Suite 380, Fort Myers, Florida, 33907.
- 5. Troiano was hired by managers of J'VR and Phase V to provide legal services to the real estate projects.
- 6. In 2008, DD and JD paid approximately \$24,000 to attend financial real estate education classes in Missouri presented by a company named Wealth Intelligence Academy ("WIA").
- 7. WIA, entity number P04000070560, was incorporated in the State of Florida on April 28, 2004. On September 30, 2009, WIA changed its name to Tigrent Learning, Inc. On January 1, 2013, Tigrent Learning changed its name to Rich Dad Education.

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- 9. DD and JD were told that J'VR was formed in order to develop 100 acres of riverfront property in Costa Rica, and Phase V was formed in order to develop 1,650 acres of farmland in Costa Rica.
- 10. JD invested \$50,000 in J'VR and \$105,000 in Phase V by wiring the money, through Equity Trust Company, to an attorney trust account set up by Troiano. Shortly thereafter, Troiano issued stock certificates to JD evidencing his membership interests in J'VR and Phase V. JD then sent his stock certificates to Equity Trust Company that was acting as custodian of his individual retirement accounts.
- 11. In January 2010, JD was informed by representatives of J'VR that Troiano had taken \$27,000 of JD's investment for his personal use.
- 12. On March 2, 2011, Troiano was indicted on seven counts of wire fraud and one count of mail fraud in the United States District Court, Middle District of Florida, Ft. Myers Division, case no. 2S: 11-cr-24-FtM-29DNF.
- 13. On March 20, 2012, Troiano was sentenced to 72 months in prison after pleading guilty to six counts of wire fraud and one count of mail fraud. Troiano's conviction was based in part on fraudulent actions with J'VR and Phase V, and another limited liability company that he organized in Alaska, Casa Cielo Real Estate Venture, LLC ("Casa Cielo"). Casa Cielo, entity number 99240, was organized on February 21, 2006.
- 14. Troiano is incarcerated at the Federal Correction Institution, Miami, inmate registration no. 54386-018, that has a mailing address of P.O. Box 779800, Miami, Florida, 33177, and a physical address of 15801 S.W. 137th Ave, Miami, Florida, 33177.

Joseph Troiano Final Cease and Desist Order Imposing a Civil Penalty Order No. 11-364-S Page **3** of **5**

¹ See Plea Agreement dated October 27, 2011 attached as Exhibit "1" and Judgment dated March 27, 2012 attached as Exhibit "2."

III. CONCLUSIONS OF LAW

1. The Administrator has jurisdiction over this matter pursuant to AS 45.55.980(c)(5)
which states that an offer to sell or to buy is made in the State of Alaska, whether or not either
party is then present in the State of Alaska, when the offer is for an interest or participation in
domestic limited liability company. Troiano organized J'VR, Phase V, and Casa Cielo as
limited liability companies in Alaska. Troiano also acted as an agent, as defined in AS
45.55.990(5), for J'VR, Phase V, and Casa Cielo because he effected the purchase of
membership interests in J'VR, Phase V, and Casa Cielo. Moreover, Troiano effected the
purchase of JD's membership interests in J'VR and Phase V by collecting the money in
Troiano's attorney trust account and issuing stock certificates for membership interests. As
such, the Administrator has jurisdiction over Troiano's offers.

- 2. Troiano violated AS 45.55.010(a)(3) which states that a person may not, in connection with the offer, sale, or purchase of a security, directly or indirectly engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon a person. Troiano violated AS 45.55.010(a)(3) because he used J'VR, Phase V, and Casa Cielo to commit wire fraud and mail fraud.
- 3. Troiano is subject to a civil penalty pursuant to AS 45.55.920(b) because he knowingly and intentionally used J'VR, Phase V, and Casa Cielo to commit wire fraud and mail fraud.

IV. ORDER and NOTICE

The Administrator, pursuant to AS 45.55.920, hereby ORDERS Troiano to:

- 1. CEASE AND DESIST from organizing entities in Alaska to commit securities fraud, wire fraud, and mail fraud.
 - 2. Pay a civil penalty in the amount of seventy-five thousand dollars (\$75,000.00).

Pursuant to AS 45.55.940(a), Troiano may obtain a review of this Final Order in the superior court by filing, in accordance with the Rules of Appellate Procedure, a notice of appeal. Pursuant to Appellate Rule 602(a)(2), the notice of appeal must be filed within 30 days from the date this Final Order is mailed or otherwise distributed to Troiano.

This ORDER is a public document.

IT IS SO ORDERED.

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SUSAN BELL, Commissioner Department of Commerce, Community and **Economic Development**

DATED: June 17, 2014 /s/ Kevin Anselm

> BY: Kevin Anselm, Director Division of Banking and Securities