

SECOND JUDICIAL DISTRICT COURT
COUNTY OF BERNALILLO
STATE OF NEW MEXICO

STATE OF NEW MEXICO,

No: D-0202-CR-2020-01984

Plaintiff.

Judge: DIVISION XXVI

vs.

GABRIEL TOSCANI,
A.K.A. CLARK RAE ENGELSEN,
A.K.A. CLARK RAE ENGELSON,
A.K.A. CLARK RAE ENGELSEN, JR.,
DOB: [REDACTED] 1972
SSN: XXX-XX [REDACTED]

Defendant.

AMENDED CRIMINAL INFORMATION

CHARGES: COUNT 1: FRAUD (EXCEEDS \$20,000)(0556); OR IN THE ALTERNATIVE TO COUNT 1: COUNT 1: EMBEZZLEMENT (OVER \$20,000)(0605); COUNT 2: SECURITIES FRAUD (5797); COUNT 3: SALE OF AN UNREGISTERED SECURITY (6681); COUNT 4: FRAUD (OVER \$2,500)(0558); OR IN THE ALTERNATIVE TO COUNT 4: COUNT 4: EMBEZZLEMENT (OVER \$2,500)(0607); COUNT 5: SECURITIES FRAUD (5797); COUNT 6: SALE OF AN UNREGISTERED SECURITY (6681); COUNT 7: FRAUD (EXCEEDS \$20,000)(0556); COUNT 8: SECURITIES FRAUD (5797); COUNT 9: SALE OF AN UNREGISTERED SECURITY (6681); COUNT 10: FRAUD (OVER \$2,500)(0558); OR IN THE ALTERNATIVE TO COUNT 10: COUNT 10: EMBEZZLEMENT (OVER \$2,500)(0607); COUNT 11: SECURITIES FRAUD (5797); COUNT 12: SALE OF AN UNREGISTERED SECURITY (6681).

COUNT 1: FRAUD (EXCEEDS \$20,000)(0556), in that on, or about or between the 17th day of December, 2015 and the 22nd day of January, 2016, in Bernalillo County, New Mexico, the above-named defendant did by words or conduct make a promise he had no intention of keeping and/or misrepresented a fact intending to deceive or cheat William Ferguson and because of William Ferguson's reliance on the promise and/or misrepresentation, the defendant obtained over twenty thousand dollars (\$20,000), contrary to § 30-16-06 (A)(F), NMSA 1978.

The said promises and/or misrepresentations include, but are not limited to the following:

- 1) Several large-scale police agencies had committed to pay to use Global Training Initiatives, Inc. ("GTI") as a law-enforcement training facility;
- 2) Monies received from these investments would be used to fund GTI only.

OR IN THE ALTERNATIVE TO COUNT 1:

COUNT 1: EMBEZZLEMENT (OVER \$20,000)(0605), in that on, or about or between the 17th day of December, 2015 and the 29th day of January, 2016, in Bernalillo County, New Mexico, the above-named defendant did convert to his own use money exceeding twenty thousand dollars (\$20,000), in which the defendant had been entrusted, with intent at the time of the said conversion to fraudulently deprive the owner of his property, contrary to § 30-16-08 (A)(F), NMSA 1978.

The defendant did convert to his own use money exceeding \$20,000, that the defendant had been entrusted by William Ferguson intended for GTI purposes with intent at the time of the said conversion to fraudulently deprive William Ferguson of this money.

COUNT 2: SECURITIES FRAUD (5797), in that on, or about or between the 16th day of December, 2015 and the 8th day of January, 2016, in Bernalillo County, New Mexico, the above-named defendant did sell and/or offer to sell a security and/or securities, and in connection with the sale and/or offer to sell the security and/or securities the defendant purposely and directly or indirectly made an untrue statement of fact that under the circumstances would have been important or significant to the investment decision of a reasonable person and/or omitted a fact necessary to make a statement made, in light of the circumstances pursuant to which it was made, not misleading to the investment decision of a reasonable person, contrary to § 58-13C-501, NMSA 1978.

The defendant did sell and/or offer to sell a security and/or securities to William Ferguson. In connection with the sale and/or offer to sell the said security and/or securities, the defendant purposely made an untrue statement and/or statements of fact that under the circumstances would have been misleading to the investment decision of a reasonable person. The untrue statement and/or statements include, but are not limited to the following:

- 1) Several large-scale police agencies had committed to pay to use GTI as a law-enforcement training facility;
- 2) Monies received from these investments would be used to fund GTI only;
- 3) The Promissory Note sold by the defendant to William Ferguson promised the entire unpaid balance would be paid on January 20, 2018;
- 4) The defendant agreed to pay 12% interest if the Promissory Note went into default.

In connection with the offer and/or sale of the said security and/or securities, the defendant omitted a fact necessary to make a statement made, in light of the circumstances pursuant to which it was made, not misleading to the investment decision of a reasonable person. The misleading omissions include, but are not limited to the following:

- 1) On October 18, 2000, under the defendant's original name, Clark Engelsen, the defendant pled guilty to felony child abuse in El Paso, Texas. The defendant was fined

- \$1,000 and received five years of supervised probation from the 409th District Court in El Paso, Texas;
- 2) On August 28, 2005, under the defendant's original name, Clark Engelsen, the defendant was arrested for Driving While Under the Influence of Intoxicating Liquor ("DWI") in Bernalillo County, New Mexico;
 - 3) On July 8, 2005, under the defendant's original name, Clark Engelsen, the defendant was found to be delinquent in his child support payments exceeding \$20,000;
 - 4) On April 20, 2006, the defendant legally changed his name from Clark Engelsen to Gabriel Toscani;
 - 5) On September 27, 2010, the defendant received a Default Judgment against him totaling \$9,768 plus interest and damages for failure to repay a loan with Sandia Laboratory Credit Union;
 - 6) On January 3, 2011, GTI Board Member Gilbert Baca was sentenced to three years in prison for Embezzlement (\$2,500-\$20,000), Embezzlement (\$500-\$2,500), Attempt to Evade and Defeat Tax and Fraud (\$2,500-\$20,000);
 - 7) On August 8, 2012, the defendant had his New Mexico Driver's License suspended for failure to pay child support;
 - 8) On January 9, 2016, the defendant was arrested by the Bernalillo County Sheriff's Department and charged with Aggravated Assault Against a Household Member;
 - 9) Monies invested by William Ferguson would be used to pay for the defendant's personal expenses including but not limited to paying a bail bondsman, attorneys' fees, and for dining expenses;
 - 10) GTI had little or no capital at the time of the investments.

COUNT 3: SALE OF AN UNREGISTERED SECURITY (6681), in that on, or about or between the 16th day of December, 2015 and the 8th day of January, 2016, in Bernalillo County, New Mexico, the above-named defendant did sell and/ or offer to sell a security to William Ferguson that was required by state securities law to be registered and that was not registered pursuant to the New Mexico Uniform Securities Act, contrary to § 58-13C-301 (C), NMSA 1978.

COUNT 4: FRAUD (OVER \$2,500)(0558), in that on or about the 17th day of December, 2015, in Bernalillo County, New Mexico, the above-named defendant did by words or conduct make a promise he had no intention of keeping and/or misrepresented a fact intending to deceive or cheat Steven Dropinski and/or Silvia Dropinski and because of Steven Dropinski's and/or Silvia Dropinski's reliance on the promise and/or misrepresentation, the defendant obtained over two thousand five hundred dollars (\$2,500), contrary to § 30-16-06 (A)(E), NMSA 1978.

The said promises and/or misrepresentations include, but are not limited to the following:

- 1) Several large-scale police agencies had committed to pay to use GTI as a law-enforcement training facility;
- 2) All money obtained from Steven Dropinski and/or Silvia Dropinski would be used to fund GTI's costs and payroll.

OR IN THE ALTERNATIVE TO COUNT 4:

COUNT 4: EMBEZZLEMENT (OVER \$2,500)(0607), in that on, or about or between the 17th day of December, 2015 and the 31st day of December, 2015, in Bernalillo County, New Mexico, the above-named defendant did convert to his own use money over two thousand five hundred dollars (\$2,500), that the defendant had been entrusted, with intent at the time of the said conversion to fraudulently deprive the owner of his property, contrary to § 30-16-08 (A)(E), NMSA 1978.

The defendant did convert to his own use money over \$2,500, that the defendant had been entrusted by Steven Dropinski and/or Silvia Dropinski to fund GTI with the intent at the time of the said conversion to fraudulently deprive Steven Dropinski and/or Silvia Dropinski of their money.

COUNT 5: SECURITIES FRAUD (5797), in that on, or about or between the 1st day of November, 2015 and the 17th day of December, 2015, in Bernalillo County, New Mexico, the above-named defendant did sell and/or offer to sell a security, and in connection with the sale and/or offer to sell the security the defendant purposely and directly or indirectly made an untrue statement of fact that under the circumstances would have been important or significant to the investment decision of a reasonable person and/or omitted a fact necessary to make a statement made, in light of the circumstances pursuant to which it was made, not misleading to the investment decision of a reasonable person, contrary to § 58-13C-501, NMSA 1978.

The defendant did sell and/or offer to sell a security to Steven Dropinski and/or Silvia Dropinski. In connection with the sale and/or offer to sell the said security, the defendant purposely made an untrue statement and/or statements of fact that under the circumstances would have been misleading to the investment decision of a reasonable person. The untrue statement and/or statements include, but are not limited to the following:

- 1) Several large-scale police agencies had committed to pay to use GTI as a law-enforcement training facility;
- 2) All money obtained from Steven Dropinski and/or Silvia Dropinski would be used to fund GTI's costs and payroll.

In connection with the offer and/or sale of the said security, the defendant omitted a fact necessary to make a statement made, in light of the circumstances pursuant to which it was made, not misleading to the investment decision of a reasonable person. The misleading omissions include, but are not limited to the following:

- 1) On October 18, 2000, under the defendant's original name, Clark Engelsen, the defendant pled guilty to felony child abuse in El Paso, Texas. The defendant was fined \$1,000 and received five years of supervised probation from the 409th District Court in El Paso, Texas;
- 2) On August 28, 2005, under the defendant's original name, Clark Engelsen, the defendant was arrested for Driving While Under the Influence of Intoxicating Liquor ("DWI") in Bernalillo County, New Mexico;
- 3) On July 8, 2005, under the defendant's original name, Clark Engelsen, the defendant was found to be delinquent in his child support payments exceeding \$20,000;
- 4) On April 20, 2006, the defendant legally changed his name from Clark Engelsen to

Gabriel Toscani;

- 5) On September 27, 2010, the defendant received a Default Judgment against him totaling \$9,768 plus interest and damages for failure to repay a loan with Sandia Laboratory Credit Union;
- 6) On January 3, 2011, GTI Board Member Gilbert Baca was sentenced to three years in prison for Embezzlement (\$2,500-\$20,000), Embezzlement (\$500-\$2,500), Attempt to Evade and Defeat Tax and Fraud (\$2,500-\$20,000);
- 7) On August 8, 2012, the defendant had his New Mexico Driver's License suspended for failure to pay child support;
- 8) On January 9, 2016, the defendant was arrested by the Bernalillo County Sheriff's Department and charged with Aggravated Assault Against a Household Member;
- 9) Money invested by Steven Dropinski and/or Silvia Dropinski would be used for an unrelated granite installation that was previously bought by a GTI employee;
- 10) Money invested by Steven Dropinski and/or Silvia Dropinski would be used to pay for the GTI Christmas party;
- 11) Money invested by Steven Dropinski and/or Silvia Dropinski would be used to make cash withdrawals and to pay for the defendant's vehicle and dining expenses;
- 12) GTI had little, no or negative capital of the time of the investment;
- 13) Investment funds would be utilized to correct a negative balance in a bank account in the name of Manzano Mesa Development LLC.

COUNT 6: SALE OF AN UNREGISTERED SECURITY (6681), in that on or about the 17th day of December, 2015, in Bernalillo County, New Mexico, the above-named defendant did sell and/or offer to sell a security to Steven Dropinski and/or Silvia Dropinski that was required by state securities law to be registered and that was not registered pursuant to the New Mexico Uniform Securities Act, contrary to § 58-13C-301 (C), NMSA 1978.

COUNT 7: FRAUD (EXCEEDS \$20,000)(0556), in that on, or about or between the 1st day of December, 2015 and the 8th day of February, 2016, in Bernalillo County, New Mexico, the above-named defendant did by words or conduct make a promise he had no intention of keeping and/or misrepresented a fact intending to deceive or cheat Gregory Crowell and because of Gregory Crowell's reliance on the promise and/or misrepresentation, the defendant obtained over twenty thousand dollars (\$20,000), contrary to § 30-16-06 (A)(F), NMSA 1978.

The said promises and/or misrepresentations include, but are not limited to the following:

- 1) GTI had a number of large-scale police agencies that had already committed to pay to use GTI as a law-enforcement training facility;
- 2) Money that GTI received would be used to fund GTI only.

COUNT 8: SECURITIES FRAUD (5797), in that on, or about or between the 1st day of December, 2015 and the 8th day of February, 2016, in Bernalillo County, New Mexico, the above-named defendant did sell and/or offer to sell a security, and in connection with the sale and/or offer to sell the security the defendant purposely and directly or indirectly made an untrue statement of fact that under the circumstances would have been important or significant to the investment decision of a reasonable person and/or omitted a fact necessary to make a statement made, in light

of the circumstances pursuant to which it was made, not misleading to the investment decision of a reasonable person, contrary to § 58-13C-501, NMSA 1978.

The defendant did sell and/or offer to sell a security to Gregory Crowell. In connection with the sale and/or offer to sell the said security, the defendant purposely made an untrue statement and/or statements of fact that under the circumstances would have been misleading to the investment decision of a reasonable person. The untrue statement and/or statements include, but are not limited to the following:

- 1) GTI had a number of large-scale police departments that had already committed to pay to use GTI as a law-enforcement training facility;
- 2) GTI had signed Memorandum of Agreements representing existing agreements to pay to use GTI as a law enforcement training facility with: (1) Harris County Sheriff's Office in Houston, Texas; (2) San Jacinto County Sheriff's Office in Cold Spring, Texas and (3) Waller County Sheriff's Department in Hempstead, Texas;
- 3) The GTI Promissory Note dated February 8, 2016, sold by the defendant to Gregory Crowell representing a \$50,000 investment promised that GTI would use the proceeds to fund working capital requirements and/or for capital expenditures to expand or improve the existing facilities in New Mexico;
- 4) GTI would maintain liability insurance in the amount of \$2,000,000;
- 5) Money that GTI received would be used to fund GTI only;
- 6) Gregory Crowell's investment would be returned at an interest rate of 24%, with the entire unpaid principal due on December 14, 2016.

In connection with offer and/or sale of the said security, the defendant omitted a fact necessary to make a statement made, in light of the circumstances pursuant to which it was made, not misleading to the investment decision of a reasonable person. The misleading omissions include, but are not limited to the following:

- 1) On October 18, 2000, under the defendant's original name, Clark Engelsen, the defendant pled guilty to felony child abuse in El Paso, Texas. The defendant was fined \$1,000 and received five years of supervised probation from the 409th District Court in El Paso, Texas;
- 2) On August 28, 2005, under the defendant's original name, Clark Engelsen, the defendant was arrested for Driving While Under the Influence of Intoxicating Liquor ("DWI") in Bernalillo County, New Mexico;
- 3) On July 8, 2005, under the defendant's original name, Clark Engelsen, the defendant was found to be delinquent in his child support payments exceeding \$20,000;
- 4) On April 20, 2006, the defendant legally changed his name from Clark Engelsen to Gabriel Toscani;
- 5) On September 27, 2010, the defendant received a Default Judgment against him totaling \$9,768 plus interest and damages for failure to repay a loan with Sandia Laboratory Credit Union;
- 6) On January 3, 2011, GTI Board Member Gilbert Baca was sentenced to three years in prison for Embezzlement (\$2,500-\$20,000), Embezzlement (\$500-\$2,500), Attempt to Evade and Defeat Tax and Fraud (\$2,500-\$20,000);

- 7) On August 8, 2012, the defendant had his New Mexico Driver's License suspended for failure to pay child support;
- 8) On January 9, 2016, the defendant was arrested by the Bernalillo County Sheriff's Department and charged with Aggravated Assault Against a Household Member;
- 9) GTI had little or no capital at the time of the investment.

COUNT 9: SALE OF AN UNREGISTERED SECURITY (6681), in that on, or about or between the 1st day of December, 2015 and the 8th day of February, 2016, in Bernalillo County, New Mexico, the above-named defendant did sell and/or offer to sell a security to Gregory Crowell that was required by state securities law to be registered and that was not registered pursuant to the New Mexico Uniform Securities Act, contrary to § 58-13C-301 (C), NMSA 1978.

COUNT 10: FRAUD (OVER \$2,500)(0558), in that on, or about or between the 15th day of March, 2016 and the 4th day of May, 2016, in Bernalillo County, New Mexico, the above-named defendant did by words or conduct make a promise he had no intention of keeping and/or misrepresented a fact intending to deceive or cheat Leon Lang and because of Leon Lang's reliance on the promise and/or misrepresentation, the defendant obtained over two thousand five hundred dollars (\$2,500), contrary to § 30-16-06 (A)(E), NMSA 1978.

The said promises and/or misrepresentations include, but are not limited to the following:

- 1) Several large-scale police departments had committed to use GTI's services and would start training as soon as the physical facility was completed;
- 2) Monies that GTI received from the \$15,000 investment made by Leon Lang would be used to fund GTI only;
- 3) Money received from the \$1,000 investment made by Leon Lang would be used to finish construction of a shooting range within the GTI facility.

OR IN THE ALTERNATIVE TO COUNT 10:

COUNT 10: EMBEZZLEMENT (OVER \$2,500)(0607), in that on, or about or between 15th day of March, 2016 and the 1st day of June, 2016, in Bernalillo County, New Mexico, the above-named defendant did convert to his own use money over two thousand five hundred dollars (\$2,500), that the defendant had been entrusted, with intent at the time of the said conversion to fraudulently deprive the owner of his property, contrary to § 30-16-08 (A)(E), NMSA 1978.

The defendant did convert to his own use money over \$2,500 that the defendant had been entrusted to by Leon Lang to fund GTI with the intent at the time of the said conversion to fraudulently deprive Leon Lang of this money.

COUNT 11: SECURITIES FRAUD (5797), in that on, or about or between the 5th day of February, 2016 and 4th day of May, 2016, the above-named defendant did sell and/or offer to sell a security and/or securities, and in connection with the sale and/or offer to sell the security and/or securities the defendant purposely and directly or indirectly made an untrue statement of fact that under the circumstances would have been important or significant to the investment decision of a reasonable person and/or omitted a fact necessary to make a statement made, in light of the

circumstances pursuant to which it was made, not misleading to the investment decision of a reasonable person, contrary to § 58-13C-501, NMSA 1978.

The defendant did sell and/or offer to sell a security and/or securities to Leon Lang. In connection with the sale and/or offer to sell the said security and/or securities, the defendant purposely made an untrue statement and/or statements of fact that under the circumstances would have been misleading to the investment decision of a reasonable person. The untrue statement and/or statements include, but are not limited to the following:

- 1) Several large scale police departments had committed to use GTI's services and would start training as soon as the physical facility was completed;
- 2) The GTI Promissory Note dated February 8, 2016, sold by the defendant to Leon Lang representing a \$50,000 investment promised that GTI would use the proceeds to fund working capital requirements and/or for capital expenditures to expand or improve the existing facilities in New Mexico;
- 3) The GTI Promissory Note dated February 8, 2016, sold by the defendant to Leon Lang represented GTI would maintain liability insurance in the amount of \$2,000,000;
- 4) The GTI Promissory Note dated February 8, 2016, sold by the defendant to Leon Lang indicated the money would be returned at an interest rate of 24%, with the entire unpaid principal due on December 14, 2016;
- 5) The GTI Promissory Note dated April 1, 2016, sold by the defendant to Leon Lang representing a \$15,000 investment promised to mature within one week of being issued along with a \$1,500 additional return on Leon Lang's investment;
- 6) The defendant represented the money GTI received from the \$1,000 investment made by Leon Lang on May 4, 2016, would be utilized to complete construction of a shooting range.

In connection with the offer and/or sale of the said security and/or securities, the defendant omitted a fact necessary to make a statement made, in light of the circumstances pursuant to which it was made, not misleading to the investment decision of a reasonable person. The misleading omissions include, but are not limited to the following:

- 1) On October 18, 2000, under the defendant's original name, Clark Engelsen, the defendant pled guilty to felony child abuse in El Paso, Texas. The defendant was fined \$1,000 and received five years of supervised probation from the 409th District Court in El Paso, Texas;
- 2) On August 28, 2005, under the defendant's original name, Clark Engelsen, the defendant was arrested for Driving While Under the Influence of Intoxicating Liquor ("DWI") in Bernalillo County, New Mexico;
- 3) On July 8, 2005, under the defendant's original name, Clark Engelsen, the defendant was found to be delinquent in his child support payments exceeding \$20,000;
- 4) On April 20, 2006, the defendant legally changed his name from Clark Engelsen to Gabriel Toscani;
- 5) On September 27, 2010, the defendant received a Default Judgment against him totaling \$9,768 plus interest and damages for failure to repay a loan with Sandia Laboratory Credit Union;

- 6) On January 3, 2011, GTI Board Member Gilbert Baca was sentenced to three years in prison for Embezzlement (\$2,500-\$20,000), Embezzlement (\$500-\$2,500), Attempt to Evade and Defeat Tax and Fraud (\$2,500-\$20,000);
- 7) On August 8, 2012, the defendant had his New Mexico Driver's License suspended for failure to pay child support;
- 8) On January 9, 2016, the defendant was arrested by the Bernalillo County Sheriff's Department and charged with Aggravated Assault Against a Household Member;
- 9) The defendant failed to disclose monies invested by Leon Lang would be used to pay for non-GTI related expenses, including but not limited to cash withdrawals and for dining and personal expenses;
- 10) GTI had little or no capital at the time Leon Lang made his investments;
- 11) At the time of Leon Lang's second investment, GTI was overdrawing on an account and was unable to honor paychecks to its employees.

COUNT 12: SALE OF AN UNREGISTERED SECURITY (6681), in that on, or about or between the 5th day of February, 2016 and the 1st day of April, 2016, in Bernalillo County, New Mexico, the above-named defendant did sell and or/offer to Leon Lang sell a security that was required by state securities law to be registered and that was not registered pursuant to the New Mexico Uniform Securities Act, contrary to § 58-13C-301(C), NMSA 1978.

SECOND JUDICIAL DISTRICT COURT)
COUNTY OF BERNALILLO)
STATE OF NEW MEXICO)

VERIFICATION

Alissa Berger, Special Assistant District Attorney, being duly sworn, says that the facts stated in the foregoing Amended Information are true according to the best of her information and belief.

/s/ Alissa Berger
Alissa Berger
Special Assistant District Attorney
New Mexico Securities Division
Regulation and Licensing Department
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PENALTIES

COUNT 1: FRAUD (EXCEEDS \$20,000), a second degree felony with a basic sentence of nine years imprisonment and a fine of \$10,000, followed by two years of parole;

OR IN THE ALTERNATIVE TO COUNT 1: COUNT 1: EMBEZZLEMENT (OVER \$20,000), a second degree felony with a basic sentence of nine years imprisonment and a fine of \$10,000, followed by two years of parole;

COUNT 2: SECURITIES FRAUD, a third degree felony with a basic sentence of three years imprisonment and a fine of \$5,000, followed by two years of parole;

COUNT 3: SALE OF AN UNREGISTERED SECURITY, a fourth degree felony with a basic sentence of eighteen months imprisonment and a fine of \$5,000, followed by one year of parole;

COUNT 4: FRAUD (OVER \$2,500), a third degree felony with a basic sentence of three years imprisonment and a fine of \$5,000, followed by two years of parole;

OR IN THE ALTERNATIVE TO COUNT 4: COUNT 4: EMBEZZLEMENT (OVER \$2,500), a third degree felony with a basic sentence of three years imprisonment and a fine of \$5,000, followed by two years of parole;

COUNT 5: SECURITIES FRAUD, a third degree felony with a basic sentence of three years imprisonment and a fine of \$5,000, followed by two years of parole;

COUNT 6: SALE OF AN UNREGISTERED SECURITY, a fourth degree felony with a basic sentence of eighteen months imprisonment and a fine of \$5,000, followed by one year of parole;

COUNT 7: FRAUD (EXCEEDS \$20,000), a second degree felony with a basic sentence of nine years imprisonment and a fine of \$10,000, followed by two years of parole;

COUNT 8: SECURITIES FRAUD, a third degree felony with a basic sentence of three years imprisonment and a fine of \$5,000, followed by two years of parole;

COUNT 9: SALE OF AN UNREGISTERED SECURITY, a fourth degree felony with a basic sentence of eighteen months imprisonment and a fine of \$5,000, followed by one year of parole;

COUNT 10: FRAUD (OVER \$2,500), a third degree felony with a basic sentence of three years imprisonment and a fine of \$5,000, followed by two years of parole;

OR IN THE ALTERNATIVE TO COUNT 10: COUNT 10: EMBEZZLEMENT (OVER

\$2,500), a third degree felony with a basic sentence of three years imprisonment and a fine of \$5,000, followed by two years of parole;

COUNT 11: SECURITIES FRAUD, a third degree felony with a basic sentence of three years imprisonment and a fine of \$5,000, followed by two years of parole;

COUNT 12: SALE OF AN UNREGISTERED SECURITY, a fourth degree felony with a basic sentence of eighteen months imprisonment and a fine of \$5,000.