

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

PETITION FOR ORDER

ARIZONA GOLD PROCESSING, LLC,
AZGO, LLC, DLB METALS
INTERNATIONAL, LLC,
DONALD L. BRAXTON, ROBERT T.
HEPLER, DARIN H. MANGUM,
DAVID H. MANGUM, CHARLES L.
ROBERTSON, BARRY COHEN,
JOE LAWRENCE, and GEORGE LOGAN,

File No. S-226023(EX)

Respondents.

The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities (“the Division”), has conducted an investigation in this matter pursuant to Wis. Stat. §551.602, and as a result thereof alleges as follows:

1. Arizona Gold Processing, LLC (“Arizona Gold”) was an Arizona limited liability company organized on December 1, 2011 and later merged into a Nevada limited liability company of the same name on July 23, 2012, with a last known Arizona address at 2575 East Camelback, Suite 450, Phoenix, Arizona 85016 and a last known Nevada address of 101 Convention Center Drive, Suite 700, Las Vegas, Nevada 89109.

2. AZGO, LLC (“AZGO”) was an Arizona limited liability company organized on December 1, 2011, and later merged into a Nevada limited liability company of the same name on July 23, 2012, with a last known Arizona address of 2575 East Camelback, Suite 450, Phoenix, Arizona 85016 and a last known Nevada address of 101 Convention Center Drive, Suite 700, Las Vegas, Nevada 89109. At all material times, AZGO was the managing member of Arizona Gold. The members of AZGO were Charles L. Robertson, Robert T. Helper, Ophir Republic LLC, and Mangum Family LP.

3. DLB Metals International, Inc. (“DLB”) is a Florida limited liability corporation organized on March 7, 2011 and administratively dissolved on September 28, 2012, with a last known address at 3440 Hollywood Boulevard, Suite 415, Hollywood, Florida 33021.

4. Donald L. Braxton (“Braxton”) is a Florida resident born in April 1951, who is the managing member of DLB, with a last known business address at DLB.

5. Robert T. Hepler (“Hepler”) is a Nevada resident born in September 1958, who is a member of AZGO and the Operations Manager of Arizona Gold with a last known business address at Arizona Gold.

6. Darin H. Mangum (“Darin Mangum”) is a Utah resident born in April 1969, who is a member of AZGO and the General Counsel for Arizona Gold with a last known business address at Arizona Gold.

7. David H. Mangum (“David Mangum”) is a Texas resident born in January 1938, who is a member of AZGO and an Engineer for Arizona Gold, with a last known business address at Arizona Gold.

8. Charles L. Robertson (“Robertson”) is a Texas resident born in September 1956, who is a member of AZGO and the Business Development Manager of Arizona Gold, with a last known business address at Arizona Gold.

9. George Logan (“Logan”) is an Arizona resident, who is an agent of Arizona Gold with a last known business address at Arizona Gold.

10. Joe Lawrence (“Lawrence”) is an individual who is an agent of Arizona Gold with a last known business address at Arizona Gold.

11. Barry Cohen (“Cohen”) is a Florida resident, who is an agent of DLB, with a last known address at DLB.

12. During July 2012, Logan, acting on behalf of Arizona Gold, offered units of Class A Preferred Membership Interest in Arizona Gold to a person in Wisconsin.

13. During March 2012, Lawrence, on behalf of Arizona Gold, offered and sold units of Class A Preferred Membership Interest in Arizona Gold to a person in Wisconsin.

14. During the summer of 2012, Cohen offered and sold units of Class A Preferred Membership Interest in Arizona Gold to a person in Wisconsin.

15. Logan, acting on behalf of Arizona Gold, provided a Confidential Private Placement Memorandum of Arizona Gold dated December 5, 2011 to the person he contacted in Wisconsin. The Private Placement Memorandum represented that the investments offered were \$16,750 per Unit for a maximum of 100 Units. Arizona Gold represented that it would use the investment money to acquire one or more high tension separators, place such equipment into operation servicing local active mining operations for gold, silver, and/or other precious metals, and distribute the Company’s revenues from such activities to the Members in accordance with the Operating Agreement.

16. According to page 25 of the Private Placement Memorandum sent by Logan to the person in Wisconsin:

The day-to-day affairs of the Company are controlled and directed by the Company’s Managers. In the event of the resignation, bankruptcy, or incapacity of a Manager, a successor or succeeding Manager shall be nominated by the Managing Member. Except in limited circumstances, the Preferred Members

have no voting rights nor do they have any degree of control over management of the Company's business affairs or operations. (See "Company Structure & Ownership" and "Certain Relationships and Conflicts of Interest").

17. The Units of Class A Preferred Membership Interests in Arizona Gold offered and sold by the Respondents are investment contract securities as defined by Wis. Stat. § 551.102(28)(d) because the Wisconsin investors were involved in a common enterprise with the expectation of profit to be derived from the essential managerial efforts of others.

18. The Arizona Gold investment contract securities have never been registered with the Division for offer and sale in Wisconsin pursuant to Wis. Stats. Ch. 551.

19. All Respondents violated Wis. Stat. § 551.301 by offering unregistered securities to at least one person in Wisconsin.

20. Logan and Lawrence each transacted business in Wisconsin as an "agent" for Arizona Gold, as that term is defined by Wis. Stat. § 551.102(2).

21. At no time have either Logan or Lawrence been registered with the Division as a securities agent pursuant to Wis. Stats. Ch. 551.

22. Logan and Lawrence each violated Wis. Stat. § 551.402(1) by transacting business in Wisconsin as a securities agent without registering with the Division.

23. Arizona Gold violated Wis. Stat. § 551.402(4) by employing an unregistered agent to transact business in Wisconsin on Arizona Gold's behalf.

24. DLB transacted business in Wisconsin as a "broker-dealer" as that term is defined by Wis. Stat. § 551.102(4).

25. At no time has DLB been registered with the Division as a securities broker-dealer pursuant to Wis. Stats. Ch. 551.

26. DLB violated Wis. Stat. § 551.401(1), by transacting business in Wisconsin as a broker-dealer without registering with the Division.

27. Cohen transacted business in Wisconsin as an "agent" for DLB, as that term is defined by Wis. Stat. § 551.102(2).

28. At no time has Cohen been registered with the Division as a securities agent pursuant to Wis. Stats. Ch. 551.

29. Cohen violated Wis. Stat. § 551.402(1) by transacting business in Wisconsin as a securities agent without registering with the Division.

30. DLB violated Wis. Stat. § 551.402(4) by employing an unregistered agent to transact business in Wisconsin on DLB's behalf.

31. On April 6, 2012, the Arizona Securities Division issued a Temporary Order to Cease and Desist and Notice of Opportunity for Hearing against Arizona Gold, AZGO, LLC and Robertson, for offering unregistered securities through unregistered agents, and violating the anti-fraud provisions of the Arizona Securities Act. The issuance of the order against these

persons and entities was material to the persons in Wisconsin who were offered and sold Units of Class A Preferred Membership Interests in Arizona Gold.

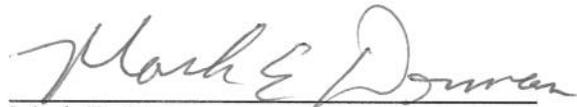
32. In connection with the offer of the securities by Logan to the person in Wisconsin in July 2012, Arizona Gold, its principals and Logan omitted to disclose the issuance of the Temporary Cease and Desist Order of the Arizona Securities Division.

33. Arizona Gold, its principals and Logan violated Wis. Stat. § 551.501(2), by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer of securities to a person in Wisconsin.

34. Division staff requested specific information and documents from the Respondents about their securities-related transactions, but to date have received no response, despite the due date for the response having passed.

35. Therefore, the staff of the Division petitions the Administrator of the Division of Securities for the issuance of the attached Orders pursuant to Wis. Stats. Ch. 551.

Dated this 5th day of April, 2013.



Mark E. Dorman
Examiner



Andrew Parrish
Staff Attorney