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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING ) Order No.: S-10-442-11-SC01  
Whether there has been a violation of the )  
Securities Act of Washington by: ) STATEMENT OF CHARGES AND NOTICE OF INTENT  
) TO ENTER ORDER TO CEASE AND DESIST, TO  
Lonepeak Capital, Inc.; Visions Investment Group, ) IMPOSE FINES, AND TO CHARGE COSTS  
LLC; Eric Foster; Jonathan Lowry; Byron )  
Workman )

Respondents.

**THE STATE OF WASHINGTON TO:**

**Lonepeak Capital, Inc.;**  
**Visions Investment Group, LLC;**  
**Eric Foster;**  
**Jonathan Lowry;**  
**Byron Workman**

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**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Lonepeak Capital, Inc., Visions Investment Group, LLC, Eric Foster, Jonathan Lowry, and Byron Workman have each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 against each to cease and desist from such violations, to charge costs, and, under RCW 21.20.395, to impose a fine. The Securities Administrator finds as follow:

**TENTATIVE FINDINGS OF FACT**

Respondents

1. Lonepeak Capital, Inc. ("LPC") is a Nevada corporation. During the period relevant to this Statement of Charges, LPC maintained a principal place of business at 814 East Bamberger Drive, Suite C, American Fork, Utah 84003. LPC purports to be in the business of buying and selling distressed real estate.

2. Visions Investment Group, LLC ("VIG") is a Utah limited liability company. During the period relevant to this Statement of Charges, VIG maintained a principal place of business at 814 East

1 Bamberger Drive, Suite C, American Fork, Utah 84003. VIG is an affiliate of LPC. During the period  
2 relevant to this Statement of Charges, the two companies shared office space and a number of key personnel.

3 3. Eric Foster (“Foster”) is a Utah resident. Foster is president, chief executive officer, and a  
4 cofounder of LPC. Foster is also executive vice president of VIG.

5 4. Jonathan Lowry (“Lowry”) is a Utah resident. Lowry is a cofounder and vice president of  
6 LPC, and president of VIG.

7 5. Byron Workman (“Workman”) is believed to be a Utah resident. Workman is an employee of  
8 VIG.

9 Nature of the Offering

10 6. Between August 17, 2007 and December 31, 2007, LPC offered \$5,000,000 worth of  
11 promissory notes valued at \$25,000 each. The minimum investment amount was \$25,000. LPC reserved the  
12 right to offer and sell fractional notes.

13 7. The notes paid an “annual rate of return of 26.4%.” Interest was due and payable quarterly.  
14 The notes had twelve month terms. The offering’s proceeds were to be used to purchase distressed real  
15 estate.  
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17 8. According to LPC’s offering materials, the offer and sale of notes were restricted to  
18 “accredited investors” as that term is defined in Rule 501(a) of Regulation D. The offering materials further  
19 state that LPC was relying upon “the exemption from...registration as set forth in §4(2) and rule 506 of  
20 Regulation D of the Securities Act of 1933....”

21 9. Although the introduction of the offering materials say that LPC’s notes were unsecured, the  
22 offering materials later state that “all borrowed monies are collateralized against equitable title of a  
23 property.” The promissory note described the debt as “senior debt of [LPC].”  
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1 10. The offering materials advised investors of risks related to LPC's limited operating history,  
2 uncertainty in the market for notes backed by distressed property, risks related to the general economy, and  
3 the potential investor's lack of control of LPC.

4 11. According to LPC's offering materials, investors purchased notes by delivering checks  
5 payable to "Lonepeak Capital," and returning a completed suitability questionnaire, subscription agreement,  
6 and promissory note.

7 Offer and sale to Washington residents

8 12. LPC sold its notes to a Washington couple ("investors A and B"). At the time they purchased  
9 an LPC note, investor A was a homemaker with a high school education with no investment experience other  
10 than negligible real estate investment experience. Investor B's investment experience was limited to  
11 attending a commercial stock trading course approximately two years before purchasing an LPC note and  
12 subsequent sporadic stock trading. Neither investor A or B had previously purchased debt securities such as  
13 LPC's notes.

14 13. The Washington couple purchased training and access to purportedly proprietary resources to  
15 enable them to start a real estate investment business from VIG. According to VIG's website, VIG is an  
16 "affiliate" of LPC. During the period relevant to this Statement of Charges, the two companies shared office  
17 space and a number of key personnel. VIG assigned Workman to work with the Washington couple as their  
18 "Personal Real Estate Investor." In this capacity, Workman was to act as a mentor for the Washington couple  
19 as they attempted to establish a real estate investment business. This transaction between VIG and the  
20 Washington couple is the subject of Statement of Charges S-11-0577-11-SC01.

21 14. Workman, while working as the couple's mentor on behalf of VIG, offered a note made by  
22 LPC as a real estate investment opportunity to the Washington couple. Workman told the Washington couple  
23 that LPC had an excellent track record and that LPC had a proven "system" in place for real estate  
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1 investment. In addition, the Washington couple was promised an interest rate of approximately nineteen  
2 percent. Foster and Lowry later called the Washington couple to solicit their investment, explaining that  
3 VIG had shared their names and contact information with LPC.

4 15. Foster and Lowry explained that LPC would combine the couple's money with that of three  
5 other investors and use the combined funds for one specific real estate investment. The Washington couple  
6 did not receive any information concerning the specific investment to which LPC would apply their money.

7 16. Foster and Lowry told the Washington couple that they would be paid out of proceeds  
8 resulting from the completion of the specific real estate investment to which VIG applied their money.

9 17. Prior to investing, the Washington couple received a confidential private placement  
10 memorandum, a document entitled "Subscription Background Information," a subscription agreement, a  
11 suitability questionnaire, and a sample promissory note.

12 18. The Washington couple paid \$25,000 by wire transfer to LPC.

13 19. Investor A inquired into LPC's condition after LPC had defaulted on the couple's note prior  
14 to December 31, 2008. Investor A was told that VIG was pursuing a multitude of options to generate income  
15 with which to repay the couple, including a "lead generation" business and hosting webinars.

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17 Misrepresentations and Omissions

18 20. LPC did not provide the Washington couple information concerning LPC's financial  
19 condition at the time of its offering.

20 21. LPC did not disclose its status as an affiliate of VIG, nor the substantial sharing of key  
21 personnel by the two businesses, nor the conflicts of interest created thereby.

22 22. LPC did not disclose that it was dependent upon VIG's success to repay the Washington  
23 couple. Furthermore, LPC did not provide the Washington couple material information concerning VIG  
24 including, but not limited to, VIG's key personnel and financial condition.  
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1 23. Workman did not provide information to substantiate his claim that LPC had an excellent  
2 track record and a proven “system” in place for real estate development.

3 24. LPC’s offering materials do not disclose that it had not filed a Notice of Exempt Offering of  
4 Securities with the Securities and Exchange Commission or with the Securities Division.

5 25. LPC’s offering materials failed to disclose material, specific information concerning Foster’s  
6 and Lowry’s ability to lead LPC. The offering materials disclose only that Foster is “familiar with various  
7 aspects of commercial and residential real estate investing” and that Lowery is “familiar with a broad range,  
8 from experience, of commercial and residential real estate investing.”

9 26. LPC did not provide material information concerning the specific real estate investment to  
10 which the Washington couple’s money was to be applied, including, but not limited to, title report, the  
11 property’s tax assessed value, and anticipated renovations or construction and the costs thereof. LPC did not  
12 even identify the property in which it would invest the Washington couple’s money.  
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15 Registration Status

16 27. Lonepeak Capital, Inc. is not currently and has not previously been registered to sell its  
17 securities in the State of Washington and has not filed a claim of exemption from registration.

18 28. Visions Investment Group, LLC is not currently registered as a broker-dealer in the State of  
19 Washington and has not previously been so registered.

20 29. Eric Foster is not currently registered as a securities salesperson or broker-dealer in the State  
21 of Washington and has not previously been so registered.

22 30. Jonathan Lowry is not currently registered as a securities salesperson or broker-dealer in the  
23 State of Washington and has not previously been so registered.  
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1 31. Byron Workman is not currently registered as a securities salesperson or broker-dealer in the  
2 State of Washington and has not previously been so registered.

3 **CONCLUSIONS OF LAW**

4 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

5 1. The offer or sale of promissory notes as described above constitute the offer or sale of a  
6 security as defined at RCW 21.20.005(10) and (12).

7 2. The offer or sale of said securities is in violation of RCW 21.20.140 because no registration  
8 for such an offer or sale on file with the Securities Administrator.

9 3. Visions Investment Group, LLC has violated RCW 21.20.040 by offering or selling said  
10 securities while not registered as a securities broker-dealer in the State of Washington

11 4. Eric Foster has violated RCW 21.20.040 by offering or selling said securities while not  
12 registered as a securities salesperson or broker-dealer in the State of Washington.

13 5. Jonathan Lowry has violated RCW 21.20.040 by offering or selling said securities while not  
14 registered as a securities salesperson or broker-dealer in the State of Washington.

15 6. Byron Workman has violated RCW 21.20.040 by offering or selling said securities while not  
16 registered as a securities salesperson or broker-dealer in the State of Washington.

17 7. The offers or sales of said securities were made in violation of RCW 21.20.010 because, as set  
18 forth in paragraphs twenty through twenty six of the Tentative Findings of Fact, Respondents made  
19 misstatements of material fact or omitted to state facts necessary to make the statements made, in light of the  
20 circumstances under which they were made, not misleading.  
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23 **NOTICE OF INTENT TO ORDER THE RESPONDENTS TO CEASE AND DESIST**  
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1 Pursuant to RCW 21.20.390(1) and based upon the above Tentative Findings of Fact and Conclusions  
2 of Law, the Securities Administrator intends to order that Respondents, Lonepeak Capital, Inc., Visions  
3 Investment Group, LLC, Eric Foster, Jonathan Lowry, and Byron Workman shall each cease and desist from  
4 violations of RCW 21.20.010 and RCW 21.20.140 and that Respondents Visions Investment Group, LLC  
5 and Eric Foster, Jonathan Lowry, and Byron Workman shall each cease and desist from violations of RCW  
6 21.20.040.

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8 **NOTICE OF INTENT TO IMPOSE A FINE**

9 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions  
10 of Law, the Securities Administrator intends to order that Respondents, Visions Investment Group, LLC,  
11 Lonepeak Capital, Inc., Eric Foster, Jonathan Lowry, and Byron Workman shall be jointly and severally  
12 liable for and shall pay a fine of \$5,000.

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14 **NOTICE OF INTENT TO CHARGE COSTS**

15 Pursuant to RCW 21.20.390, and based upon the above Tentative Findings of Fact and Conclusions  
16 of Law, the Securities Administrator intends to order that Respondents, Visions Investment Group, LLC,  
17 Lonepeak Capital, Inc., Eric Foster, Jonathan Lowry, and Byron Workman shall be jointly and severally  
18 liable for and shall pay investigative costs of \$1,500.

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20 **AUTHORITY AND PROCEDURE**

21 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject  
22 to the provisions of Chapter 34.05 RCW. The Respondents, Lonepeak Capital, Inc., Visions Investment  
23 Group, LLC, Eric Foster, Jonathan Lowry, and Byron Workman may each make a written request for a  
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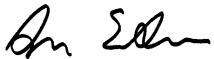
1 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR  
2 HEARING accompanying this Order. If a respondent does not make a hearing request in the time allowed,  
3 the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law  
4 as final and to enter a permanent order to cease and desist as to that respondent, to impose any fines sought  
5 against that respondent, and to charge any costs sought against that respondent.

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8 Signed and Entered this 27th day of May 2011.

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13 William M. Beatty  
14 Securities Administrator

15 Approved by:

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18 Suzanne Sarason  
19 Chief of Enforcement

Presented by:

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21 Edward R. Thunen  
22 Enforcement Attorney