John R. Kasich, Governor

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OHIO DEPARTMENT OF COMMERCE OBTAINS TEMPORARY RESTRAINING ORDER AGAINST STARK COUNTY MAN AND HIS BUSINESSES

Department Alleges Geoffrey Nehrenz and His Companies Committed Securities Fraud

The Ohio Department of Commerce Division of Securities obtained a temporary restraining order (TRO) today against Geoffrey Nehrenz of Uniontown and his companies, Keystone Capital Management, LLC and Keystone Active Trader, LLC, both of Uniontown.

The TRO restrains Nehrenz and his related businesses from:

- selling or offering to sell securities without the court's approval
- buying, selling or transferring real estate without the court's approval
- engaging in any deceptive, fraudulent or manipulative act
- destroying or altering any records

The State's complaint alleges that Nehrenz and his companies made false representations in the sale of securities and engaged in securities fraud.

Through Keystone Capital Management, LLC, Nehrenz solicited individuals to invest in Keystone Active Trader, LLC.

Nineteen investors from Northeast Ohio and Pennsylvania invested nearly \$7.9 million between May 2009 and September 2012. Investors were told that their funds would be invested in short-term positions in the stock market and day trading, with not more than 10% of their investment being used to purchase illiquid investments. Investors were told that the fund manager (Nehrenz) was entitled to receive a 2% management fee as well as a percentage of gross profits.

The Division alleges that Nehrenz withdrew investor funds far in excess of the amount he was permitted to withdraw. The Division's investigation found that Nehrenz used investor funds for his personal or business use – including payments of over \$18,000 to Congress Lake Country Club, over \$36,000 to purchase an automobile, \$1,250 to Coral Sands Resort in Hilton Head, South Carolina, over \$48,000 paid for health care coverage and over \$500,000 in cash withdrawals and transfers to a joint account Nehrenz held with his spouse.

As of May 15, 2013, only \$13,213.37 remained in liquid assets.

(more)

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The Division is seeking the appointment of a receiver to recover the business's assets for distribution to the investors, as approved by the court.

A preliminary injunction has been scheduled for Tuesday, June 4 at 12:30 p.m. in Stark County Common Pleas Court.

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Before investing, the Division of Securities encourages investors to call the Division's Investor Protection Hotline at 1-877-683-7841 to ask:

- Is the brokerage firm and salesperson licensed to sell securities in Ohio?
- Have any enforcement actions been taken against them?
- Has the security been properly registered with the Division of Securities?