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IN THE FIFTH JUDICIAL DISTRICT COURT OF
WASHINGTON COUNTY, STATE OF UTAH

UTAH DIVISION OF SECURITIES, Plaintiff, v. RENTDUE CAPITAL, LLC, a Utah limited liability company, RENTDUE CAPITAL FUND 1, LLC, a Wyoming limited liability company, RENTDUE CAPITAL FUND 2, LLC, a Wyoming limited liability company, RENTDUE CAPITAL FUND 3, LLC, a Wyoming limited liability company, RENTDUE CAPITAL QUALIFIED FUND, LLC, a Wyoming limited liability company, JEFFREY JACE VERNON, an individual, MATTHEW SHANE PERKINS, an individual, FORGED OAK, LLC, a Utah limited liability company, TALEASE PERKINS, an individual, and 720 EMPIRE, LLC, a Utah limited liability company, Defendants.	PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION, ASSET FREEZE, EXPEDITED DISCOVERY, PRESERVATION OF RECORDS, AND OTHER EQUITABLE RELIEF AND MEMORANDUM IN SUPPORT DISCOVERY TIER 3 Case No. ________________ Judge: ____________________

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I. INTRODUCTION

Plaintiff Utah Division of Securities (the "Division") has filed a Verified Complaint for Injunctive Relief, Civil Monetary Penalties and Other Equitable Relief ("Verified Complaint"), alleging a fraudulent scheme perpetrated by Defendants RENTDUE Capital LLC and its issuing entities RENTDUE Capital Fund 1, LLC, a Wyoming limited liability company; RENTDUE Capital Fund 2, LLC, a Wyoming limited liability company; RENTDUE Capital Fund 3, LLC, a Wyoming limited liability company; RENTDUE Capital Qualified Fund, LLC (collectively, "RENTDUE"); Jeffrey Jace Vernon ("Vernon"), Matthew Shane Perkins ("Perkins"), Forged Oak, LLC ("Forged Oak"), Talease Perkins ("Talease"), and 720 Empire LLC, ("720 Empire") (collectively with RENTDUE, "Defendants").

The Division brings this action to stop the dissipation of assets in a fraudulent securities scheme that defrauded approximately 200 investors of an estimated $89 million in less than two years (from approximately May 2024 to December 2025). The scheme's perpetrators claimed to employ a hugely successful options trading strategy and promised that investor funds would only be used for active trading in stock options. Instead, they incurred massive trading losses and used a significant portion of investor funds to make Ponzi-like payments to prior investors, and misappropriated millions of dollars for personal use, including the purchases of an airplane, a home, a cabin, and luxury vehicles, among other things. Unbeknownst to investors, of the funds that were used for options trading, tens of millions of those dollars were lost – a sad reality concealed by Defendants through the creation of false account statements showing only trading profits.

The Division's relief is appropriate in this case. In addition to the misrepresentations and misappropriation mentioned above, Defendants have violated rules and regulations in the past and

then concealed orders and injunctions from RENTDUE investors. Defendants also, since becoming aware of investigations into their conduct, have transferred assets seeking to protect them from being used to provide relief to defrauded investors. The Division's relief is a step toward stopping this violative conduct and providing relief to investors.

II. CONCISE STATEMENT OF THE RELIEF REQUESTED AND THE GROUNDS FOR SUCH RELIEF.

The Division respectfully moves this Court for an order, pursuant to Section 61-1-20(2)(b) of the Utah Uniform Securities Act (the "Act") and Utah Rule of Civil Procedure 65A, that (1) preliminarily enjoins all Defendants from further violations of the Utah Securities Act including Section 61-1-1(2), Section 61-1-1(3), Section 61-1-3(2), Section 61-1-3, and Section 61-1-7 of the Act, (2) freezes the assets of Defendants, (3) permits the parties to engage in expedited discovery, (4) orders Defendants to maintain documents and records, and (5) orders any additional relief this Court deems appropriate pending a trial on the merits of this action. The Act authorizes the Court "upon a proper showing" to issue a permanent or temporary, prohibitory or mandatory injunction; to order disgorgement; and to order restitution. Utah Code Ann. § 61-1-20(2)(b).

The Division's motion for entry of the Proposed Preliminary Injunction and Other Relief ("Motion") incorporates by reference each and every factual allegation made and contained in the Verified Complaint. Plaintiff further supports this Motion with declarations from investors, written materials prepared by Defendants, public records, and a declaration from Division investigator Ethan Fey ("Fey Decl.," attached as **Exhibit 1**).

The Defendants engaged in extensive illegal conduct, including the misuse and dissipation of investor funds, and there is a reasonable likelihood that the dissipation of funds will continue unless the Court issues a preliminary injunction, an asset freeze, and the other relief requested. The Division requests this relief in order to: i) preserve the status quo; ii) to prevent further

dissipation of assets; iii) ensure that any future equitable relief obtained by the Division, including any restitution to the victims of Defendants' fraudulent scheme, can be effective; and iv) to determine the full scope of the fraudulent scheme and locate any remaining assets held by Defendants.

III. RELEVANT FACTS

A. Defendants

RENTDUE CAPITAL, LLC is a Utah limited liability company headquartered in St. George, Utah. Fey Decl. at ¶ 10. Vernon is its manager. *Id.* RENTDUE Capital, LLC operates several associated issuing entities: RENTDUE Capital Fund 1 LLC; RENTDUE Capital Fund 2 LLC; RENTDUE Capital Fund 3 LLC; and RENTDUE Capital Qualified Fund, LLC (collectively, with RENTDUE Capital LLC "RENTDUE"), which are all Wyoming limited liability companies operating out of St. George, Utah, and are all organized and managed by Vernon and RENTDUE Capital, LLC. *Id.* at ¶¶ 11-14. RENTDUE has never been licensed to offer or sell securities or to trade investor monies. *Id.*

Vernon is a resident of Washington City, Utah, and is the self-described "fund manager" of RENTDUE. *Id.* at ¶ 7. RENTDUE's Private Placement Memoranda ("PPMs") also identify Vernon as the RENTDUE "fund manager." *Id.* at ¶ 37 (and attached PPMs). Vernon was the face of RENTDUE and occupied the central role in the offer and sale of its securities to individuals across the country. Vernon has never worked in the securities industry in any capacity and has never been licensed to offer or sell securities or to trade investor monies. *Id.* at ¶ 23.

Perkins is a resident of Washington City, Utah. *Id.* at ¶ 8. While not identified in RENTDUE's entity filings or fully identified in PPMs, Perkins was the sole individual engaged in options trading using investor funds. *See id*. Perkins has never worked in the securities industry

in any capacity and has never been licensed to offer or sell securities or to trade investor monies. *Id.* at ¶ 23.

Forged Oak is a Utah limited liability company with its principal place of business in Washington City, Utah. *Id.* at ¶ 15. 720 Empire LLC is the sole member of Forged Oak, and Talease is the sole member of 720 Empire LLC. *Id.* at ¶¶ 15, 16. According to RENTDUE's PPMs, "[p]roceeds from the Offering will be used to capitalize a centralized brokerage account . . . held by a master LLC (Forged Oak), through which the Fund will execute its options trading strategy." *Id.* at ¶ 37 (and attached PPMs). Forged Oak has never been licensed to offer or sell securities or to trade investor monies. *Id.* at ¶ 22. Vernon transferred millions of RENTDUE investor funds to bank accounts held in Forged Oak's name. *Id.* at ¶ 49(a), 50.

Talease resides in Washington, Utah, and is Perkins's spouse. She is the sole member of the entity that controls Forged Oak, which is the entity that controlled the brokerage accounts capitalized with investor funds. *Id.* at ¶¶ 9 and 16. Talease had sole signatory authority on bank accounts that received investor funds from RENTDUE from May 2024 to July 2024, including, but not limited to, 720 Empire's Mountain America Credit Union (MACU) account, ending in 7356. *Id.* at ¶¶ 42, 56. Talease Perkins is the sole authorized trader and account holder on several Forged Oak and 720 Empire brokerage accounts that received investor funds. *Id.* at ¶ 43. She is the authorized trader on all RENTDUE investor-funded brokerage accounts, except for one account at Tastytrade (an online brokerage firm and trading platform) on which Perkins is the authorized trader. *Id*. Talease has never worked in the securities industry in any capacity and has never been licensed to offer or sell securities or to trade investor monies. *Id.* at ¶ 23.

720 Empire is an active Utah limited liability company controlled by Talease as its sole manager. *Id.* at ¶ 9. 720 Empire is the sole member of Forged Oak. *Id*. Vernon transferred

millions of dollars in investor funds into Forged Oak, which were further transferred into 720 Empire bank accounts. *Id.* at ¶¶ 49(a), 50, 55. 720 Empire has never been licensed to offer or sell securities or to trade investor monies. *Id.* at ¶ 22.

B. Perkins's Undisclosed Prior Bankruptcy and Administrative Orders for Alleged Fraud Violations

On March 15, 2021, Perkins filed Chapter 7 bankruptcy in the United States Bankruptcy Court for the District of Utah, case number 21-20956. Fey Decl. at ¶ 30. Perkins received a discharge in the bankruptcy in September 2021, which freed him from personal liability for specific, eligible debts. *See id*.

On August 21, 2019, Perkins entered a settlement agreement with the Utah Division of Consumer Protection ("DCP") following DCP's investigation into Perkins and his business, Legend Solar, LLC and its associated entities, in DCP Case No. 97672. Fey Decl. at ¶ 31. DCP found that Perkins engaged in deceptive acts or practices in violation of the Utah Consumer Sales Practices Act by failing to fulfill at least 100 solar power purchase agreements and failing to timely pay consumers' requested refunds. *Id*. As part of the settlement, Perkins and his businesses were fined $500,000 and ordered to pay $211,596.14 in restitution to consumers. *Id*. To date, Perkins and Legend Solar, LLC have only paid $35,000 toward restitution, and nothing toward the fine. *Id*.

On March 20, 2018, the Utah Division of Professional Licensing ("DOPL") issued an administrative action to revoke the contractor licenses of Perkins's business, Legend Electric, LLC and its associated entities in case number DOPL-2018-118. *Id.* at ¶ 32. The action alleged violations of the Utah Construction Trades Licensing Act, including unprofessional and unlawful conduct, obtaining a license by misrepresentation, and failure to demonstrate and maintain financial responsibility after failing to pay civil judgments and at least 15 separate tax liens with

an outstanding balance exceeding $250,000 (most of which are still outstanding). *Id*. On April 25, 2018, Legend Electric, LLC's Utah contractor license was revoked based on DOPL's finding that Legend willfully or deliberately misrepresented or omitted a material fact in connection with an application to obtain or renew its license. *Id*.

C. Undisclosed Prior Federal Order Against Vernon's Business for Commodities Trading Violations

On September 7, 2011, the U.S. Commodity Futures Trading Commission ("CFTC") filed an action against Vernon's company, Lucid Financial, Inc. ("Lucid"), in Utah's federal district court, case no. 2:11-cv-00817-BCW. Fey Decl. ¶ 27. The CFTC alleged that Lucid violated the Commodity Exchange Act in Utah by operating as an unregistered introducing broker while engaging in retail off-exchange foreign currency ("forex") transactions. *Id*. Lucid maintained two websites, www.whylucidfx.com and www.investlucid.com, which it used to solicit and accept orders and funds from U.S. customers for the purpose of opening and maintaining individual retail forex trading accounts. *Id.* at ¶ 28.

To resolve the matter, Lucid entered into a Consent Order for Permanent Injunction and Other Statutory and Equitable Relief with the CFTC, effective January 31, 2012, which was signed by Vernon as Lucid's founder, secretary and treasurer. *See id.* at ¶ 29 (the "CFTC Order"). Lucid consented to a civil monetary penalty of $140,000, as well as a permanent injunction prohibiting it from future violations of the Commodity Exchange Act. *Id*. The civil penalty remains unpaid. *Id*.

D. Defendants Are Not Licensed to Offer or Sell Securities or Trade Investor Monies

The Act requires that those who offer or sell securities or trade securities on behalf of investors must be licensed with the Division. *See* Utah Code Ann. § 61-1-3. Vernon – the self-professed "fund manager" who founded RENTDUE and actively solicited hundreds of investors

and boasted of RENTDUE's purported trading profits and no losses – has never been employed in the securities industry in any capacity, has never taken a securities exam, and has never held a securities license. *See* Fey Decl. at ¶ 23. Perkins, often referred to by Vernon as RENTDUE's "trading guru" likewise has no experience working in the securities industry, has never taken a securities exam or held a securities license. *Id*. The same is true of the other Defendants. *Id*. at ¶¶ 22, 23. Defendants failed to disclose their lack of qualifications and licensing to investors. *See Id.* at ¶¶ 37 (and attached PPMs), 38; and investor declarations identified below.

E. Perkins's Recent Criminal Action and Plea Agreement

On January 13, 2026, and in connection with the sale of RENTDUE securities, the United States Department of Justice ("DOJ") charged Perkins with one count of wire fraud, in case number 4:26-cr-00004, United States District Court for the District of Utah ("Perkins's Criminal Action"). *Id.* at ¶ 65. The DOJ alleged that from approximately August 2023 through November 3, 2025, Perkins engaged in a scheme to defraud others by making materially false and fraudulent representations and promises, in which "over 200 victims invest[ing] over $89 million" in RENTDUE. *Id.* at ¶ 66.

On February 2, 2026, Perkins pled guilty to one count of wire fraud. *Id.* at ¶ 67. In his statement in advance of plea, Perkins admitted, among many other things, that he "engaged in a scheme to defraud others by making materially false and fraudulent pretenses, representations, and promises"; "failed to disclose to investors that I [Perkins] lost tens of millions of dollars trading"; and "I [Perkins] misappropriated millions of dollars from investors for personal expenses . . ." *Id*. Perkins also agreed to the criminal forfeiture of certain property to the United States, including an airplane, real property, a number of high-end vehicles, cashier's checks and donations to the Church of Jesus Christ of Latter-day Saints (collectively, the "Criminal Forfeiture Property"). *Id.* at ¶ 68. The Division intends to exclude the Criminal Forfeiture Property from the asset freeze so

as not to interfere or hinder the DOJ's efforts to recover funds for investors.

Perkins will be sentenced on July 8, 2026. *Id.* at ¶ 70. Until that time Perkins is subject to an Order Setting Conditions of Release dated February 2, 2026. *Id*. Those conditions include, among others, that he "not take money from any person for the purpose of investment" and that he "not be employed in any fiduciary capacity or any position allowing access to credit or personal information of others." *Id*.

F. Defendants' Misrepresentations and Omissions in Connection with Sales of RENTDUE Securities

Beginning around May 2024 and continuing to at least November 2025, Defendants directly or indirectly misrepresented and omitted material facts in connection with the offer and sale of RENTDUE securities to investors in Utah and throughout the United States, as detailed below. The securities were not registered for sale in Utah and did not qualify for an exemption from registration. Fey Decl. ¶ 22. As described above, none of the Defendants were or are licensed to sell securities in Utah or to trade the monies of others. *Id.* ¶ 22, 23. Bank records show that Defendants raised at least $89 million from approximately 200 investors in Utah and across the nation. *Id.* ¶¶ 49, 66.

Defendants located investors through personal interactions, online advertising on Facebook, Instagram, YouTube, social media forums such as Reddit, and other online public solicitations, as well as through referrals from other investors. Declaration of Investor SF ("SF Decl.") attached as **Exhibit 2**, at ¶ 2; Declaration of Investor JB ("JB Decl.") attached as **Exhibit 3**, at ¶ 2; Declaration of Investor SM ("SM Decl.") attached as **Exhibit 4**, at ¶ 2; Declaration of Investor AV ("AV Decl.") attached as **Exhibit 5**, at ¶ 2; Declaration of Investor BW ("BW Decl.") attached as **Exhibit 6**, at ¶ 2; Declaration of Investor JK ("JK Decl.") attached as **Exhibit 7**, at ¶ 2; and Declaration of Investor NH ("NH Decl.") attached as **Exhibit 8**, at ¶ 2. Defendants, directly

or indirectly, told investors that RENTDUE was offering $100,000 minimum investment for 100 Class A Membership Interest Units at $1,000.00 per Unit in an unspecified amount of "securities." Fey Decl. at ¶¶ 34, 37 (and attached PPMs and Operating Agreements). These membership units are securities under Section 61-1-13 of the Act. *See* Utah Code Ann. § 61-1-13(1)(ee)(i)(Q).

Defendants failed to disclose their lack of securities licenses to investors. Fey Decl. at ¶ 38. Defendants failed to disclose to investors that Vernon and his entity, Lucid Financial, Inc., had been investigated by the CFTC. *Id*. Defendants failed to disclose that the CFTC had commenced an action against Lucid in September 2011 for violations of the Commodity Exchange Act that resulted in a permanent injunction against Lucid and civil penalty of $140,000. *See* SF Decl. ¶ 13; JB Decl. ¶ 15; JK Decl. ¶ 18; AV Decl. ¶ 18. Investors told the Division that knowing this information would have influenced their decision to invest. *Id*. Defendants failed to disclose Perkins's identity to investors other than telling some that "Shane" was the allegedly highly skilled trader. SF Decl. ¶ 15; JB Decl. ¶ 16; AV Decl. ¶ 4. And Defendants failed to disclose that Perkins had sanctions for deceptive acts and practices from both the Division of Consumer Protection and Division of Occupational and Professional Licensing, a prior bankruptcy, and significant unpaid judgments, tax liens, restitution and fines. SF Decl. ¶¶ 13, 15; JB Decl. ¶ 16; JK Decl. ¶ 17; Fey Decl. at ¶ 38.

Defendants likewise withheld pertinent information concerning the "centralized master account," Forged Oak, which received investor funds. Fey Decl. at ¶ 38; JK Decl ¶ 20; AV Decl. ¶ 17. Defendants failed to tell investors that this account was owned and controlled by Perkins's wife, Talease, and further failed to tell investors information typically detailed in a prospectus, such as the business's operating history, relevant information about the principals, their

professional experience, their conflicts of interest and legal actions, or risk factors for investors. AV Decl. ¶ 17; Declaration of BM ("BM Decl.") attached as **Exhibit 9**, ¶ 16; SF Decl. ¶12.

Most concerning, Defendants lied about investment performance and misrepresented how Defendants would use investor funds. Defendants falsely told investors their funds would be used for an options trading strategy. JB Decl. ¶ 3; AV Decl. ¶¶ 3, 9; BM Decl. ¶ 7. The truth is that Defendants misappropriated millions of dollars by, among other things, making personal purchases, including the purchase of an airplane, a home, a cabin, and luxury vehicles, and by paying for personal tax obligations and making Ponzi-like[1] payments to prior investors. Fey Decl. at ¶¶ 52-56. The misuse of investor funds is beyond dispute. The Division's bank record analysis substantiated as much, and all doubt was removed when Perkins admitted to the misuse of funds in his associated criminal action. (*Supra* at 8-9; *See* Fey Decl. at ¶¶ 64-70). Defendants then concealed huge losses and the misuse of investor funds through false monthly statements they provided to the investors to continue lulling investors into comfort that Defendants were being proper stewards of their funds – when nothing could be further from the truth. Fey Decl. at ¶ 41(d).

G. Defendants' Lulling Activity to Continue the Fraud and Avoid Detection

RENTDUE provided investors with quarterly earnings reports that contained fictitious profits and other misrepresentations. *Id*. For example, RENTDUE's "Q3 2025 Performance Summary" represented that RENTDUE investors had experienced $10,055,101 in gains, growth during the quarter across all funds with only one losing day of trades for the entire quarter. *Id*. The Division's investigation concluded that the quarterly earnings reports provided to investors were false, and substantiated that rather than massive gains, the funds suffered huge losses. *Id*.

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[1] A Ponzi scheme is an investment fraud where existing investors are paid purported returns with monies invested by later investors. See https://www.investor.gov/protect-your-investments/fraud/types-fraud/ponzi-scheme (last visited on Feb. 10, 2026).

On the home page of the once accessible RENTDUE website, rentduecapital.com, captured September 3, 2025, RENTDUE claimed the following:

RENTDUE VS S&P

ZERO LOSING WEEKS

Since August 2023, RENTDUE Capital hasn't had a single losing week or month. In contrast, the S&P 500 has posted 8 losing months over the same period.

Simultaneously with making these comments, RENTDUE was in reality suffering massive trading losses at the hands of Perkins. *Id.* at ¶¶ 41, 45, 53(c).

Likewise, RENTDUE provided investors with false weekly trade updates via the RENTDUE website. *Id.* at ¶ 41. The weekly trade updates provided to investors between August 2023 and March 2025 reported weekly returns ranging from 0.6% to 1.8%, with many "zero losing days/weeks" spanning periods of 81 days, 10 weeks, and 15 weeks. *Id.* at ¶ 41(a). Total losses reported by Defendants from losing days over the entire 18-month period are just -$215,018.35. *Id*. During this same time frame, the actual losses in the Forged Oak brokerage account at Charles Schwab exceeded an astonishing $26 million. *Id*.

Finally, investors were (and are) able to log into a RENTDUE investor account statement at any time using a link provided by Vernon. *See* SF Decl. ¶ 6, JB Decl. ¶ 10, SM Decl. ¶ 20, AV Decl. ¶ 10, BW Decl. ¶ 12, JK Decl. ¶ 10, NH Decl. ¶ 9. The account statements provide investors with their investment principal amount, profits earned and current value of the account. *Id*.

IV. ARGUMENT

Defendants' egregious misconduct meets the requirements for the issuance of a preliminary injunction and asset freeze. Likewise, there is good cause for the Court to order expedited

discovery and preservation of documents and records.

A. The Court should issue a preliminary injunction and asset freeze.

The elements a plaintiff must prove in order to be entitled to a preliminary injunction pursuant to Rule 65A are well known:

> (1) there is a substantial likelihood that the applicant will prevail on the merits of the underlying claim:
> (2) the applicant will suffer irreparable harm unless the order or injunction issues;
> (3) the threatened injury to the applicant outweighs whatever damage the proposed order or injunction may cause the party restrained or enjoined; and
> (4) the order or injunction, if issued, would not be adverse to the public interest.

Utah R. Civ. P. 65A(f). While there is a dearth of Utah case law regarding injunctive relief in general, federal law is instructive. And the Utah Advisory Committee Note to Rule 65A(e) recognizes as much by concluding "[t]he substantial body of federal case authority in this area should assist the Utah courts in developing the law under paragraph (e)."

The first factor that courts analyze is whether a regulator (here, the Division) has demonstrated that it is likely to prevail on the merits of its claims. *SEC v. Collectors Coffee, Inc.*, 697 F.Supp.3d 138, 156 (S.D.N.Y. 2023). Further, courts have recognized that "The SEC need not make as substantial a showing to obtain an asset freeze as it must to obtain a preliminary injunction." *SEC v. Calabrigo*, 2022 WL 2704103 at *4 (S.D.N.Y. July 11, 2022). The scope of an asset freeze is broad. "[F]ederal courts may order equitable relief against a person who is not accused of wrongdoing in a securities enforcement action where that person (1) has received ill-gotten gains; and (2) does not have a legitimate claim to those funds." *SEC v. Smith*, 653 F.3d 121, 128 (2d Cir. 2011).

If the court determines that the Division is entitled to a preliminary injunction, it may also impose an asset freeze. The scope of that asset freeze should be broad enough to include all funds misappropriated by Defendants. That would include an asset freeze sufficient "to preserve its

disgorgement remedy as well as assets necessary to pay civil monetary penalties." *SEC v. Maillard*, 2014 WL 1660024, at *4 (S.D.N.Y. April 23, 2014). These assets would encompass all funds not already subject to the United States' forfeiture order in the related criminal case. Those assets are $350,000 of RENTDUE investor funds transferred to Perkins's personal brokerage account at NinjaTrader, and $350,000 of RENTDUE investor funds transferred to a law firm. The Division can satisfy the elements necessary for a preliminary injunction and asset freeze as detailed below.

1. There is a substantial likelihood of success on the merits.

The Division is likely to prevail on the merits by showing that Defendants violated the Act by, at minimum, (1) making material misrepresentations and omitting material facts in connection with the offer and sale of securities, (2) engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; (3) engaging in unlicensed activity; and (4) selling unregistered securities.[2]

a. Defendants made false or misleading statements and omissions in the offer and sales of securities; and engaged in an act, practice, or course of business which operated as a fraud on investors

The Act declares it unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly to make any untrue statement of a material fact or to omit 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. *See* Utah Code Ann. §61-1-1(2). A material fact is "something which a buyer of ordinary intelligence and prudence would think to be of importance in determining whether to buy or sell a security." *State v. Williams*, 2013 UT App

[2] This motion focuses only on a few of the Division's claims. The Division's Verified Complaint alleges, and the Division will prove, that Defendants committed numerous additional violations of the Act, including making multiple other false and misleading statements (Utah Code Ann. § 61-1-1(2)); engaging in additional acts, practices, or courses of business which operate or would operate as a fraud or deceit upon any person (*id.* at § 61-1-1(3)); unlicensed activity (*id.* at § 61-1-3); and selling unregistered securities (*id.* at § 61-1-7).

101, ¶ 4 (internal citation omitted). To prove a violation of this statute, the Division need not allege or prove either (a) investor reliance on a material misstatement or omission, or (b) that any defendant acted with a particular mental state. *Gohler v. Wood*, 919 P.2d 561, 562 (Utah 1996) (holding that the securities fraud provisions of Section 61-1-1 do not require proof of reliance); *State v. Moore*, 2015 UT App 112, ¶ 12, 349 P.3d 797, 801 (UT Ct. App. 2015) (holding that scienter is not a prerequisite to criminal liability under section 61-1-1(2)) (internal citations omitted); *State v. Larsen,* 865 P.2d 1355, 1360 (Utah 1993) (similar). Scienter or knowledge that an offense is being committed is not required to prove a defendant engaged in an act, practice, or course of business operating as a fraud under Section 61-1-1(3). *See Fibro Trust, Inc. v. Brahman Fin., Inc.*, 974 P.2d 288, 294 (Utah 1999).

Here, Defendants routinely and continuously made materially false and misleading statements and omissions to induce investors into buying RENTDUE securities, thus violating the Act. But the Division only needs to prove one untrue statement of material fact or omission of material fact to prove a violation of the Act. *See State v. Schwenke*, 2009 UT App. 345, ¶ 15, 222 P.3d 768, 773 (UT Ct. App. 2009).

Misrepresentations About Use of Investor Funds. Defendants misrepresented how they would use investor funds. This single, serious misrepresentation also establishes that Defendants engaged in an act, practice, or course of business which operated as a fraud on investors. *See* Utah Code Ann. § 61-1-1(3); and *SEC v. Farias*, No. 5:20-cv-885-XR, 2022 WL 3031082, at *7-13 (W.D. Tex. Aug. 1, 2022) (finding violation of the federal counterpart to Section 61-1-1(3) of the Act where defendant misused investor funds and made Ponzi-like payments).

Defendants directly or indirectly told investors that the funds would be used for the options trading strategy and to cover necessary expenses related to the formation and operation of the

funds. *See* SF Decl. ¶ 3; BW Decl. ¶ 4; JK Decl. ¶ 4. Investors authorized their funds to be used for this purpose alone. *See* SF Decl. at ¶ 5; BW Decl. at ¶ 10; JK Decl. at ¶ 8. Defendants' PPMs are frequently inconsistent with statements made to investors. They provide that investor funds would "be used to capitalize a centralized brokerage account (Charles Schwab), held by a master LLC (Forged Oak), through which the Fund will execute its options trading strategy" and that "the Fund will not bear costs related to the Manager's internal compensation, office rent, or general overhead." *See* Fey Decl. at ¶ 37 and the PPMs attached thereto. The PPMs also provide that the fund will "use the offering proceeds to pay or reimburse the Manager and its affiliates for legal, accounting, due diligence, marketing, and other expenses relating to the formation or operation of the Fund, to pay fees to the Manager as described herein, to provide working capital for the Fund and to establish reasonable reserves to meet the Fund's obligations." *Id.* (see PPM for Fund 1 at 22).

Vernon made representations to investors, via telephone or text message, in some instances[3] saying he would pay fund related expenses from his personal funds. The Forms D that RENTDUE filed with the Securities and Exchange Commission ("SEC")— signed by Vernon — affirmatively stated that RENTDUE's executives had *not* been compensated with investor monies, and no amended filings stating anything to the contrary have been made to date. *Id* at ¶ 25. Updates provided to investors said that Defendants would split earnings profits 30/70 in favor of

[3] Vernon told Investor SM that he personally covered all operational expenses through his other businesses. SM Decl. ¶ 11. He informed Investor JB that the fund deducted little to no overhead costs and that the manager's share of the profits, rather than the investment principal, covered these expenses. JB Decl. ¶ 13. Despite Vernon's verbal assurances, the Operating Agreements provided to investors (BW, JB, and MB) contained contradictory language. These documents authorized the Manager to direct the Company to pay for fees, costs, salaries, wages, and other compensation as a Company expense. *See* BW Decl. ¶ 7 and attached exhibits; JB Decl. ¶¶ 5, 6 and attached exhibits; Declaration of MB ("MB Decl."), attached as **Exhibit 10**, ¶ 8 and attached exhibits.

investors, as clarified in the PPM, "meaning the Manager only receive[d] its performance allocation after all prior losses have been fully recovered." *See id.* at ¶ 37 and attached PPM for Fund 2 at 23. These statements were and are false.

The Defendants misused investor funds in a number of ways. According to the Division's bank record analysis, of the $89 million raised, the Perkinses used at least $9,550,750 toward the purchase of a personal aircraft, two residences, home improvements, luxury vehicles, high-end hunting excursions, personal and vehicle loans, mortgage payments, credit card payments, cash withdrawals, and other expenses not related to the RENTDUE investment. Fey Decl. at ¶ 55. The Perkinses made some of these purchases using their personal bank accounts which were funded with investor funds. *Id*. Vernon used investor funds to pay $790,235 in personal state and federal tax liability. *Id.* ¶ 54(d). Vernon also took an additional $534,195.44 in unidentified withdrawals from RENTDUE accounts funded by investors. *Id.* at ¶ 49.

Admittedly, Defendants used approximately $69 million of RENTDUE investor funds – representing 80% of the total invested funds – for the stated purpose of options trading as represented to investors. *Id*. at ¶ 53(c)(iv). Unfortunately, the disastrous trading conducted by Perkins in the RENTDUE trading accounts resulted in millions in losses. *Id*. at ¶¶ 45, 53(c) And Defendants compensated themselves directly with investors' money regardless of failing trades and a lack of profitability. Fey Decl. at ¶ 53(d). During the period relevant to this action, Perkins had no other employment or sources of income. *Id.* at ¶ 62.

New investor funds were also used to pay prior investors, in Ponzi-like conduct. For example, Vernon used RENTDUE investor funds in the RENTDUE bank accounts at MACU and Zions Bank – representing investors' deposits and *<u>not</u>* money generated by RENTDUE – to pay approximately $11,415,286 in "returns" to prior investors. *See id*. ¶ 49(b). For example, Perkins

paid $1,906,963 from the Forged Oak bank accounts to earlier, non-RENTDUE investors. *Id.* at ¶ 50. The source of funds for payment was new RENTDUE investor deposits. *Id*.

The Misrepresentations were Material. Defendants' misrepresentations about the use of investor funds were material. The disclosure of compensation and commissions is "fundamental to securities laws." *SEC v. Levine,* 671 F. Supp. 2d 14, 29-30 (D.D.C. 2009) (quoting *SEC v. Alliance Leasing Corp.*, No. 98–CV–1810–J (CGA), 2000 WL 35612001, at *8-9 (S.D. Cal. Mar. 20, 2000)). "Surely the materiality of information relating to financial condition, solvency, and profitability is not subject to serious challenge." *SEC v. Murphy*, 626 F.2d 633, 653 (9th Cir. 1980). Likewise, the misappropriation of investor money for a defendant's own purposes is misleading and violates of the securities laws. *SEC v. Lottonet Operating Corp.*, Case No. 17-21033-CIV, 2017 WL 6949289, at *13 (S.D. Fl. Mar. 31, 2017). *See also SEC v. TLC Invs. & Trade Co.*, 179 F. Supp. 2d 1149, 1153 (C.D. Cal. 2001) (reasonable investors would find it important to know their money is being spent improperly); *SEC v. Smith*, No. C2-CV-04-739, 2005 WL 2373849, at *5 (S.D. Ohio Sept. 27, 2005) (it is "obvious to the trial court that a reasonable investor would consider misrepresentations concerning the use of funds to be important").[4] There is no doubt that telling investors their money would be used for options trading all the while Defendants used millions of dollars for personal purposes and Ponzi-payments is a material misrepresentation.

[4] In addition to selling securities through false statements, Defendants lulled investors with false trading reports and oftentimes used the false progress reports to solicit additional investments. For example, the October 2025 update stated that Fund 1 was closed except for existing investors who wanted to add to their investment, and Fund 2 would be closing soon. Fey Decl. at ¶ 33, Exhibit CC attached thereto. JK Decl. Exhibits H & J attached thereto. *See, e.g., SEC v. Holschuh*, 694 F.2d 130, 144 (7th Cir. 1982) (finding that defendant's "subsequent lulling activities" were appropriately considered "part of a single scheme or plan, simply related back to the earlier fraudulent conduct" and "were evidence of a scheme").

Omission of Perkins's Identity and Prior Regulatory History and Bankruptcy. Defendants failed to disclose the identity of RENTDUE's sole options trader, Perkins, which in turn, concealed his prior regulatory history and bankruptcy. *See* SF Decl. ¶ 3; JB Decl. ¶ 3; JK Decl. ¶¶ 3, 12. As described above, in August 2019 Perkins entered a settlement agreement with DCP following DCP's investigation into Perkins and his business, Legend Solar, LLC. DCP found Perkins and Legend engaged in deceptive acts or practices in violation of the Utah Consumer Sale Practices Act. The settlement of that matter included a fine of $500,000 against Perkins and his businesses and an order to pay $211,596 in restitution to consumers. To date, Perkins and his businesses have paid only a small fraction of the restitution.

On March 20, 2018, DOPL issued an administrative action to revoke contractor license belonging to Perkins' business, Legend Electric, LLC. *Id.* at ¶ 32. The action alleged violations of the Utah Construction Trades Licensing Act, including unprofessional and unlawful conduct, obtaining a license by misrepresentation, and failure to demonstrate and maintain financial responsibility after failing to pay civil judgments and tax liens exceeding $250,000. *Id.* On April 25, 2018, Legend Electric, LLC's Utah contractor license was revoked based on DOPL's finding that Legend willfully or deliberately misrepresented or omitted a material fact in connection with an application to obtain or renew its license. *Id.*

Additionally, on March 15, 2021, Perkins filed a personal Chapter 7 bankruptcy, and he received a discharge in September 2021. *See id.* at ¶ 30. A bankruptcy is material information, and Defendants failed to disclose it to investors. *See Codification of Precedent,* Utah Admin. Code Rule R164-32-1(4)(b)(ii)(C)(I) (offeror's failure to disclose bankruptcy is a material omission). *See also* (among others) *Direct Benefits, LLC v. TAC Fin., Inc.*, Civil Case No. SAG-13-1185, 2020 WL 2769982, *16 (D. Md. May 28, 2020) ("As several courts have held, personal

bankruptcies of corporate directors can be material in evaluating securities transactions."); and *SEC v. Merchant Capital, LLC*, 483 F.3d 747, 770-71 (11th Cir. 2007) (finding that knowledge of a director's personal bankruptcy "clearly would have been helpful to a reasonable investor assessing the quality and extent of [the director's] experience").

Overall, these prior actions against the Defendants, and Perkins's bankruptcy, constitute important and material information that RENTDUE investors were entitled to know while deciding whether or not to invest in RENTDUE. *See* SF Decl. ¶13; JB Decl. ¶ 15; JK Decl. ¶ 18; AV Decl. ¶ 18. Their omission robbed investors of the ability to make an informed decision prior to investing. *See* Utah Admin. Code Rule R164-32-1(4)(a) (rebuttable presumption of material omission is created by investor's sworn statement that had certain information been provided it would have caused investor to question or disbelieve representations made or to decline to purchase the offered security); and R164-32-1(4)(b)(ii)(B) (material omissions include failure to disclose regulatory history).

Omission of Vernon's Business's Regulatory History. Defendants failed to disclose the disciplinary history of Vernon's prior business, Lucid. Fey Decl. at ¶ 38; SF Decl. ¶ 13; JB Decl. ¶ 15; JK Decl. ¶ 18; AV Decl. ¶ 18. As described above, the CFTC investigated and took an enforcement against Lucid in federal district court for acting as an unregistered introducing broker in connection with its offerings of foreign currency transactions. Lucid entered into a Consent Order for Permanent Injunction and Other Statutory and Equitable Relief with CFTC, effective January 31, 2012, and a Supplemental Consent Order which were signed by Vernon as Lucid's founder, secretary, and treasurer. *See* Fey Decl. ¶ 29 and "CFTC Orders" attached thereto. Lucid neither admitted nor denied the allegations but consented to a permanent injunction prohibiting it from future violations of the Commodity Exchange Act and effectively barred Lucid from

commodities trading. *Id*. and CFTC Order at 2-5. Lucid was also ordered to pay a civil monetary penalty of $140,000. *Id*. and CFTC Supplemental Order at 5. Lucid never paid the penalty, which remains outstanding. *Id.* at ¶ 29. This is important information that investors would have liked to have known prior to investing in RENTDUE. *See* SF Decl. ¶ 13; JB Decl. ¶ 15; BW Decl. ¶ 16, AV Decl. ¶ 18.

Rather than being open and candid about prior regulatory actions, as required by law, Defendants provided misleading information about Vernon and Lucid's regulatory history and failed to tell investors that it resulted in an enforcement action and permanent injunction. For example, in the "Frequently Asked Questions" and Blog sections of RENTDUE's website, Defendants posted a response to the question, "*Have you lost other people's Money Before?"* Defendants claimed:

> *We lost money—a lot. I personally lost more than anyone. The recovery efforts dragged on until 2011. One of the people tried the whole blackmail thing on the internet and threats. They did get their money back, but they'd taken funds from others without proper disclosure and then tried to blackmail us for more. We refused. He flipped the story. But here's what matters: There was no fraud. We traded; we lost. That's investing. The experience taught me some hard lessons: Don't trade FX – 100:1 leverage eventually kills your account.*

Fey Decl. at ¶ 33 and Exh CC attached thereto. The Utah Uniform Securities Act makes it unlawful to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading. *See* Utah Code Ann. § 61-1-1 (2). Defendants' statements on the website omitted the CFTC's sanctioning of Lucid for its conduct during this time period, specifically for selling commodities while unregistered, in violation of the Commodity Exchange Act. Vernon made statements about his prior money management experience, but by omitting the resulting enforcement action taken against him, those statements were misleading. *See, e.g.*, *State v. Chapman*, 2014 UT App 255, ¶ 13, 338 P.3d 230 (affirming

securities fraud conviction based, in part, on material omission related to vouching for an individual's ability to repay a loan while failing to disclose that the "opinion was not informed by any actual research"). This was not an isolated occurrence.

For example, Vernon wrote that he built RENTDUE Capital after seeing "how good Shane was at trading." Fey Decl. at ¶ 33 and Exh CC attached thereto. Vernon represented that "Shane" does not interact with investors, review account flows, or get influenced by outside opinion or pressure, in order to keep him "free from distraction, emotion, or external input," ensuring optimal focus on RENTDUE's trading. *See* AV Decl. at ¶ 4; JK Decl. at ¶ 12; JB Decl. at ¶ 3; NH Decl. at ¶ 4; SF Decl. at ¶ 3. These statements omitted Perkins's identity and thereby allowed Defendants to hide negative material public information about Perkins as there is a substantial likelihood that a reasonable investor would consider government actions, bankruptcies, and the like regarding the main trader for the investment would have "significantly altered the 'total mix' of information" the investors considered when deciding to invest. *See, e.g.*, *TSC Industries, Inc. v. Northway*, *Inc*., 426 U. S. 438, 449 (1976).

The misrepresentations and omissions extended to RENTDUE's written offering documents and Form D filings as well. The regulatory history of Perkins's and Vernon's businesses was important to prospective investors, as were the commissions or compensation to be paid to RENTDUE executives, yet they were omitted from the offering documents. Fey Decl. at ¶ 38. Offering documents, however, addressed the legality of the issued securities, the purported exemption from registration, the investments' risk profile, and the credibility, trustworthiness, and moral character of RENTDUE's founders and executives. Fey Decl. at ¶¶ 34, 37 and PPMs and Operating Agreements attached thereto. Again, the specifics of Perkins and Vernon's business and personal issues bore directly upon their credibility, trustworthiness, and character, rendering

the statements untrue due to the omissions. A reasonably intelligent and prudent investor would consider these factors important. *SEC v. Merch. Capital, LLC*, 483 F.3d 747, 771 (11th Cir. 2007) (failure to disclose state cease and desist order was material); *United States v. Hatfield*, 724 F. Supp. 2d 321, 328 (E.D.N.Y. 2010) ("It is well-settled that information impugning management's integrity is material to shareholders").

Not surprisingly, investors said that the truth about Defendants' past would have been important to their investment decision. S*ee* Decl. SF Decl. ¶ 13; JB Decl. ¶ 15; BW Decl. ¶ 16, AV Decl. ¶ 18. Some investors would not have invested in RENTDUE if they had known the truth. *Id*. With these omissions, investors were robbed of the ability to make an informed decision prior to investing in RENTDUE.

b. Defendants Violated the Act by Engaging in Unlicensed Activity.

None of the Defendants are licensed to offer or sell securities, or to trade securities for others. As alleged in the Verified Complaint, their conduct associated with the offer and sale of RENTDUE securities violated the Act.

Unlicensed Agent: Vernon. It is unlawful under Utah Code § 61-1-3(1) for a person to transact business in Utah as a securities agent unless the person is licensed. Section 61-1-13(1)(b) of the Act defines "agent" as an individual who represents an issuer in effecting or attempting to effect the purchases or sales of securities. In connection with the offer or sale of the RENTDUE securities, Vernon acted as an unlicensed agent by soliciting investors and effecting the purchases of the RENTDUE securities.

It is further unlawful under Section 61-1-3(2)(a)(i) of the Act for an issuer to engage an agent unless the agent is licensed. The RENTDUE issuers of securities (Fund 1, Fund 2, and Fund

3) violated the Act by engaging Vernon, an unlicensed agent, to offer and sell RENTDUE securities.

Unlicensed Investment Adviser (RENTDUE, Forged Oak) and Investment Adviser Representatives: Vernon, Perkins, Talease. It is unlawful under Section 61-1-3(3) of the Act for a person to transact business in Utah as an investment adviser or an investment adviser representative unless the person is licensed. Section 61-1-13(1)(q)(i) defines "investment adviser" as a person who "for compensation engages in the business or advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities." Investment adviser activity includes pooling investor monies for trading securities, as RENTDUE did through the Forged Oak brokerage account, in violation of the Act. *See, e.g.*, *SEC v. Mendia-Alcaraz*, Case No. 24-cv-05823-RS, 2025 WL 3641566, at *6 (N.D. Cal. Dec. 16, 2025) ("manag[ing] funds on behalf of investors for compensation" in a pooled investment vehicle constitutes investment adviser activity under federal law requiring licensure).

Section 61-1-13(1)(r)(i) defines "investment adviser representative" as a "partner, officer, director of, or person occupying similar status or performing similar functions, or other individual . . ." who is employed by or associated with an investment adviser who is licensed or required to be licensed under the Act, or has a place of business in Utah and is employed by or associated with a federal covered adviser, and who does any of the following:

(I) makes a recommendation or otherwise renders advice regarding securities;
(II) manages accounts or portfolios of clients;
(III) determines which recommendation or advice regarding securities should be given;
(IV) solicits, offers, or negotiates for the sale of or sells investment advisory services; or
(V) supervises employees who perform any of the act described in (I) through (IV).

See Utah Code Ann. § 61-1-13(1)(r)(i).

Vernon, Perkins, and Talease all engaged in activities requiring licensing as investment adviser representatives. As the "fund manager" Vernon did all five activities: Vernon created the funds, solicited investors, offered RENTDUE's services, recommended that potential clients invest in one or more of the RENTDUE funds (which are securities), managed investors' pooled funds, and purportedly supervised Perkins, the trader. Perkins chose the investments, managed the pooled monies, and placed the trades, which constitutes rendering investment advice. Talease, as the sole manager of 720 Empire, which in turn is the sole member of Forged Oak, was the only authorized trader on the brokerage accounts through which trades were placed on behalf of investors in the funds.

This information would be important for investors. Licensing is a safeguard against unscrupulous or inexperienced individuals engaging in investing on behalf of others. Failing to obtain a securities license, of any kind, endangers both investors and the financial markets.

c. Defendants RENTDUE and Vernon violated the Act by offering and selling unregistered securities.

RENTDUE and Vernon violated the Act by offering and selling unregistered, nonexempt securities. Utah Code Section 61-1-7 prohibits the offer or sale of any security in this state unless it is registered under the Act, is exempt from registration, or is a federal-covered security for which a notice has been filed. Pursuant to Section 61-1-14.5 of the Act, the burden of proving an exemption under Section 61-1-14[5] of the Act is upon the person claiming the exemption.

Here, Defendants' offering documents stated that RENTDUE was relying on the "private placement" exemption in the United States Securities Act of 1933 Section 4(a)(2)[6] (15 U.S.C. §

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[5] Section 61-1-14 of the Act identifies exemptions from the registration provisions of Section 61-1-7.

[6] RENTDUE's offering documents reference Securities Act Section 4(2), which was renumbered and is now Section 4(a)(2). *See Park Yield, LLC v. Brown*, Case No. 18 Civ. 1947

77d(a)(2)) and Rule 506(c) of Regulation D (17 C.F.R. §230.501 et. seq.). *See* Fey Decl. at ¶ 37 and PPMs attached thereto. The RENTDUE securities do not qualify for this exemption, however, because Vernon failed to disclose the CFTC Order in writing to investors prior to the sale of the RENTDUE securities, as required under Rule 506(e) of Regulation D.

As with securities licensing, registration is a fundamental component of investor protection. Registration ensures that all pertinent information about a prospective investment offering is given to prospective investors. Registration serves as investor protection, allowing investors to make informed investment decisions.

2. The Division and investors will suffer irreparable harm if the motion is denied.

The Division can establish irreparable harm based on the dissipation of assets by Defendants. "A plaintiff suffers irreparable injury when the court would be unable to grant an effective monetary remedy after a full trial because such damages would be inadequate or difficult to ascertain." *SEC v. Ameristar, LLC*, Case No. 24-CV-169-KHR, 2024 WL 4953425, at *6 (D.Wyo. 2024). "[W]here there is no adequate remedy to recover the economic damages" the general rule that economic harm is not considered irreparable is not applicable. *Id*. In *Ameristar*, the court granted the SEC's motion for a TRO and asset freeze where the SEC had "shown [that] current investors who have already given money to Defendant could potentially suffer irreparable harm in absence of a TRO and asset freeze." *Id*. When there are concerns that Defendants might dissipate assets or transfer or secrete assets beyond the jurisdiction of the court, the court need only find some basis for inferring a violation of the securities laws to impose an asset freeze. *See SEC*

(GBD) (SN), 2019 WL 6684127, at *5 (S.D.N.Y. Dec. 6, 2019) (explaining that Section 4(a)(2), formerly known as Section 4(2), exempts from registration transactions "not involving any public offering"). If an issuer follows the requirements of Regulation D, the issuer will qualify for the exemption under Section 4(a)(2).

v. Unifund SAL, 910 F.2d 1028, 1041 (2d Cir. 1990). Here, based on the Defendants' recent and prior acts of dissipating and concealing assets, it is likely that the Defendants' will engage in similar conduct, irreparably harming current investors and the Division who would be unable to collect any damage judgment obtained against the Defendants.

Recent Dissipation of Assets. On or about November 3, 2025, the Defendants became aware that the Federal Bureau of Investigations ("FBI") was investigating Perkins and RENTDUE. Fey Decl. at ¶ 59. While Vernon and Perkins appear to have cooperated with the FBI investigation, they have both transferred assets since November 3, 2025. For example, on November 10, 2025, Perkins sent $350,000 in investor funds from his personal MACU account via wire transfer to his criminal defense attorney's law firm. Fey Decl. at ¶ 62. On November 3, 2025, Perkins transferred approximately $796,463 in investor funds from Forged Oak bank account to a longtime Forged Oak investor. *Id.* at ¶ 61. These transfers took place just before Perkins liquidated the accounts and provided the approximately $13 million in remaining funds to the U.S. Marshals. From November 4th through the 19th, 2025, Perkins funded new brokerage accounts with $370,000 in RENTDUE investor funds from his personal MACU accounts, which he proceeded to trade. *Id*. at ¶ 62. On December 5, 2025, Perkins funded a trading account at Tastytrade with $150,000 sourced from a personal loan. *Id.* at ¶ 63. He traded those funds through at least December 2025. *Id*. This is further evidence that Perkins had no other sources of income during this period other than RENTDUE investors.

On or about November 12, 2025, Vernon placed his personal residence as well as another property he owns into a living trust owned by Vernon and his wife, in what appears to be an effort to preserve and conceal assets. *Id.* at ¶ 60.

Perkins admitted in his criminal action that he "misappropriated millions of dollars from investors for personal expenses . . ." *Id.* at ¶ 67. The Criminal Forfeiture Property includes a McLaren 720 S, Tesla Model X, Ford F-150 Velociraptor, a Cirrus SR22T Airplane, and three pieces of real property, among other assets. *Id.* at ¶ 68. Those assets do not include Perkins's brokerage account at Tradovate, LLC/ NinjaTrader Brokerage LLC account ending in 1465, and Perkins's trust account ending in 2880 with his law firm, Oberheiden, PC.

According to the Division's bank record analysis, on or about October 10, 2025, Vernon used $790,235 in RENTDUE investor funds from the RENTDUE Capital LLC MACU account ending in 2052 to pay his personal state and federal taxes. *Id.* at ¶ 53(d). From April 2025 to November 2025, Vernon paid at least $9,779,849 of new investor funds from multiple MACU and Zions RENTDUE accounts to prior investors, in Ponzi-like conduct. Fey Decl. ¶ 49(b). From May 10, 2024, to November 3, 2025, Vernon also took an additional $534,195.44 in unidentified withdrawals from the MACU and Zions Bank RENTDUE accounts. *Id*. On March 4, 2025, Vernon transferred $100,000 of RENTDUE investor funds from a RENTDUE account to a bank account in the name of All Out Wisdom Teeth, LLC[7] ("All Out Wisdom") (an entity not associated with the RENTDUE investment opportunity), and transferred the funds back to the RENTDUE account a short time later. *Id.* at ¶ 54(e). According to Vernon's business partner in All Out Wisdom, Vernon transferred the funds to All Out Wisdom to demonstrate cash holdings to a prospective lender to All Out Wisdom. *Id*.

[7] All Out Wisdom Teeth, LLC is an inactive Utah limited liability company with its principal place of business in St. George, Utah. Fey Decl. at ¶ 21. The entity has two members, one of which is an entity owned solely by Vernon. According to its Certificate of Organization, the entity was organized to act as a "Dentist Office." *See id*.

Lastly, the Division subpoenaed records from the Perkinses' estate planner. *Id.* at ¶ 17. Emails between the estate planner and Perkins, from September 22 to October 24, 2025, indicate that Perkins was looking for asset protection strategies, particularly to protect a recently purchased airplane and some real estate. *Id*.

Most Recent Conduct. The most recent solicitation of an investor the Division is aware of took place on October 31, 2025. *Id.* at ¶ 34. The Division's investigator posed as a prospective investor using an undercover alias and clicked on the "Ready to Invest?" prompt on RENTDUE's website (no longer accessible). *Id*. Instantaneously, he received text messages and email from Vernon (jace@RENDUEcapital.com) with links to videos, articles, and offering documents. *Id.* The investigator also received wiring instructions from Vernon to a Zions Bank account ending in 3582 in the name of RENTDUE Capital Fund 3. *Id.*

As recently as October 27, 2025, RENTDUE made a filing with the SEC to launch a new fund called the RENTDUE Capital Qualified Fund. Fey Decl. at ¶ 24. On October 28, 2025, in connection with the launching of a new fund, RENTDUE filed an application with the National Futures Association seeking membership and registration as a commodity pool operator. *Id.* at ¶ 63.

While Perkins has been criminally charged and entered into a plea deal in connection with the conduct alleged herein and in the Verified Complaint, the other Defendants have not recognized the wrongful nature of their conduct. As recently as February 2nd and 3rd, 2026, Vernon wrote on RENTDUE's website that he himself was conned and that "I did not receive any compensation or financial benefit from the fund." Fey Decl. ¶33 Exh CC attached thereto; JK Decl. at ¶ 23 Exh N attached thereto. In fact, the Division's preliminary bank record analysis shows that while Vernon invested a total of approximately $3.5 million in Forged Oak and

RENTDUE, he personally received an economic benefit of approximately $1.3 million between using investor funds to pay his taxes and unidentified withdrawals from accounts holding RENTDUE investor funds. Fey Decl. at ¶¶ 49, 53(d).

These recent and past acts of dissipation of investor assets provide good cause to support the Division's allegations that the Defendants are likely to continue this conduct. Where Defendants are likely to dissipate assets, and have engaged in this conduct before, the potential for continuing their conduct, harming investors and diverting funds, an injunction is warranted. *SEC v. Mizrahi*, Case No. CV 19-2284 PA (JEMx), 2019 WL 3241185, at *3 (C.D. Cal, Apr. 10, 2019). A preliminary injunction and asset freeze is necessary to preserve the status quo and protect this Court's ability to award equitable relief in the form of disgorgement of illegal profits from the alleged fraud, as well as civil penalties.

3. The Balance of the Hardships and Public Interest Support a Preliminary Injunction.

The balance of the equities favors the Division safeguarding the public and investor funds from further diversion. *See Mizrahi*, 2019 WL 3241185, at *4; *Ameristar,* 2024 WL 4953425, at *7. As discussed above, there is a significant risk of irreparable harm to the investors if the motion is not granted. Without an order freezing assets, Defendants could potentially dissipate remaining investment funds precluding the recovery of assets for victims. The only harm to Defendants would be limiting their ability to move or use assets for the duration of the order. Weighing these two potential harms shows clearly that the potential injury to investors outweighs any potential injury to Defendants.

The relief requested by the Division – a preliminary injunction and asset freeze – seeks to protect investors and therefore is not adverse to the public interest. The public interest is served by the preliminary injunction and asset freeze which will protect assets and allow victims with the

best chance to recover their losses. *See Ameristar*, 2024 WL 4953425 at *7 (citing *SEC v. End of Rainbow Partners, LLC,* No. 17-CV-02670-MSK, 2017 WL 5404199, at *2 (D. Colo. Nov. 14, 2017)).

B. The Court should order expedited discovery, preservation of documents and records.

The Court should order expedited discovery here and direct Defendants to preserve all documents and electronically stored information in their possession. District courts have wide discretion in discovery matters. *See Dahl v. Dahl*, 2015 UT 79, ¶ 63, 459 P.3d 276. The Court may order expedited discovery upon a finding of good cause. *Sara Lee Corp. v. Sycamore Fam. Bakery Inc.*, No. 2:09-cv-523DAK, 2009 WL 1765294, at *1 (D. Utah June 22, 2009) (ordering expedited discovery to allow plaintiff to gather evidence for preliminary injunction). Due to the expedited nature of preliminary injunction proceedings, expedited discovery in such cases is common. *See Ikon Office Sols., Inc. v. Crook*, 2000 UT App. 217, ¶ 4, 6 P.3d 1143, 1145 (noting expedited discovery was ordered in connection with a temporary restraining order); *Peterson v. U.S.*, No. Civ. 2:04–CV–962BSJ, 2006 WL 1184735, at *1 (D. Utah May 2, 2006) (same).

The Division requests expedited discovery to ascertain, as quickly as possible, matters such as whether any assets remain for potential restitution to investors and how recently Defendants have lured new investors. The Division requires expedited document discovery from all Defendants, and expedited depositions of Vernon, Perkins and Talease. The Division also needs to subpoena, on an expedited basis, records from third parties, such as financial institutions, businesses and estate planners that Defendants may have used to conceal assets. This discovery is critical to uncover the full scope of Defendants' wrongful conduct so that irreparable injury can be avoided—particularly, preventing Defendants from disbursing any assets that may need to be frozen.

Also, the Court should order Defendants to preserve all relevant evidence, consistent with Rule 37(e) of the Utah Rules of Civil Procedure.

V. CONCLUSION

Defendants have taken $89 million from investors based on serious misrepresentations and omissions. What they did not lose trading or making Ponzi-payments, they stole. Contrary to the promises made, Defendants used a significant portion of investor funds ($11,415,286.06) to make Ponzi-like payments back to prior investors, and misappropriated approximately $9.5 million dollars for personal expenses including a down payment on a home, a cabin, luxury vehicles, and an airplane. The Division's remedies sought here are narrowly tailored to the precise ongoing threat posed by Defendants. A preliminary injunction order, asset freeze, and expedited discovery are necessary to prevent any further harm to investors during the pendency of this lawsuit.

Respectfully submitted this 23rd day of March 2026.

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