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**If you do not respond to this document within applicable time limits, judgment could be entered against you as requested.**

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

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| UTAH DIVISION OF SECURITIES,<br><br>Plaintiff,<br>v.<br><br>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,<br><br>Defendants. | VERIFIED COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF<br><br>DISCOVERY TIER III<br><br>Case No. _____<br><br>Judge: _____ |

Plaintiff, the Utah Division of Securities (the "Division"), hereby commences a civil action against RENTDUE Capital, LLC and its various fund 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"), and Matthew "Shane" Perkins ("Perkins"); Forged Oak, LLC ("Forged Oak"); Talease Perkins ("Talease"[1]) 720 Empire LLC, ("720 Empire") (collectively with RENTDUE, "Defendants") under Section 61-1-20 of the Utah Uniform Securities Act (the "Act").

## INTRODUCTION

***"If we wanted to be criminals or run a Ponzi scheme we could!"***
***- Jeffrey Jace Vernon***

1. These words come from Defendant Vernon during the 3rd Quarter 2025 report, proving to be incredibly prescient. Not only could defendants operate a Ponzi scheme, as alleged herein, they did run a Ponzi Scheme, defrauding hundreds of Utahns as fully detailed herein. The Division brings this action to stop the large-scale securities fraud scheme perpetrated by Defendants, and to stop the transfer, dissipation, or concealment of assets and business records. Jeffrey Jace Vernon's admission marks the collapse of a massive $89 million securities fraud scheme that decimated the financial futures of over 200 investors across 29 states, resulting in at least $77 million in principal

[1] Because two defendants share the surname "Perkins," Plaintiff is using the familiar name in short form for Mrs. Perkins, with no disrespect intended by the apparent informality. *See, e.g.*, *Smith v. Smith*, 2017 UT App 40, ¶ 2, n.1.

losses. For nearly two years, between May 2024 and December 2025, RENTDUE Capital sold a fantasy of "zero losing weeks" and disciplined "risk management," promising investors consistent 1% weekly returns generated by a proprietary options strategy. Defendants claimed the investment was a success, exceeding $133 million Assets Under Management (AUM).[2] Defendants RENTDUE and Vernon widely shared on social media purported account verification statements including these significant profits, rapidly luring new victims and encouraging prior investors to invest more in the scheme.

2. The reality was a catastrophic freefall of an unmitigated $51 million in trading losses. While the Defendants projected an illusion of profitability, they secretly hemorrhaged trading losses and misappropriated nearly $9.5 million for personal enrichment and $9.7 million for repayments to selected investors, all while covering their tracks with bogus documents. The deception was absolute. Fabricated account statements lulled investors, showing consistent gains and a net value of over $133 million, but the actual brokerage accounts held less than $13 million. Defendants maintained this façade through calculated predation, using "Ponzi-like" distributions —sourced from new victims—to pay off earlier investors and bait reinvestment. Ultimately, the operation functioned as a classic Ponzi scheme,[3] fueled by the capital of new investors.

3. Beneath their veneer of a sophisticated "private investment fund," the operation was a chaotic shell game run by hidden actors. While RENTDUE's founder,

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[2] AUM is a phrase commonly used by licensed investment advisers describing the total amount of money under the adviser's management.

[3] 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).

salesman and "fund manager" Vernon assured investors he had "eyes on" the accounts with "triple-layered verification," and "total transparency," he secretly handed the reins to Perkins—an unqualified, unlicensed trader whose identity was intentionally concealed to hide his history of financial failures, regulatory sanctions, and bankruptcy. Defendants did not tell investors that Perkins' wife, Talease, served as the sole authorized trader on the accounts and held signatory control over the very investor funds that Perkins and Talease were draining. Rather than generating wealth for their clients, Defendants engaged in fraud instead of proficient fund management. Perkins and Talease diverted investor funds to finance a lifestyle that included the purchase of a personal aircraft, several luxury vehicles, high-end hunting excursions, and multiple residences.

4. Even after facing a series of brokerage account shutdowns, by October 2025, Defendants continued to lure unsuspecting victims into their ruse by launching a new "Qualified Fund." After facing FBI and Division investigations in November 2025, Vernon implemented a classic lulling strategy to disseminate false and misleading information about the fraud and his involvement in it. On the RentDuecapital.com website, formerly used to hype the investment and raise investor funds, Defendants RENTDUE and Vernon advised investors to recoup their losses by filing tax claims with the IRS. The harsh truth is that investors' monies entrusted to Defendants are gone, and tax relief will not undo those catastrophic losses. In December 2025, Perkins opened a new personal brokerage account and continued to trade funds from a family member for profit.

5. The Division brings this action to stop this fraud, prevent further dissipation

of assets, and seek justice for the hundreds of victims whose financial futures have been jeopardized by the Defendants' greed and deceit. The Division further seeks a preliminary injunction, asset freeze, expedited discovery and order prohibiting the destruction of documents.

## JURISDICTION AND VENUE

6. The Division brings this action under Section 61-1-20(2)(a) of the Act, authorizing the Division to enforce the Act and to bring an action in the district court of this state to enjoin an act or practice and to enforce compliance with the Act.

7. Jurisdiction over the subject matter of the claims for adjudication in this complaint is conferred by Section 61-1-20(2)(a).

8. Personal jurisdiction and venue are proper in this court because the causes of action arose in Washington County, Utah. RENTDUE Capital, LLC; Forged Oak, LLC; and 720 Empire, LLC have their principal places of business in Washington County. And Vernon, Perkins, and Talease currently reside in Washington County.

9. Non-resident Defendants RENTDUE Capital Fund 1, LLC; RENTDUE Capital Fund 2, LLC; RENTDUE Capital Fund 3, LLC; and RENTDUE Capital Qualified Fund, LLC are subject to personal jurisdiction in this Court because they transacted business within this state, contracted to supply services in this state, directed money to be sent to this state, and/or caused injury within this state. *See* Utah Code Ann. § 78B-3-201.

10. Defendants' conduct took place in connection with the offer, purchase, and/or sale of membership interests in RENTDUE. Defendants purportedly sold the

RENTDUE membership interests in reliance on Regulation D, Rule 506(c) of the 1933 Securities Act as federal covered, exempt securities. RENTDUE membership interests are also investment contracts and interests in a limited liability company, both of which are securities under the Act. Utah Code Ann. § 61-1-13(1)(ee)(i)(K)&(Q).

**PLAINTIFF**

11. The Division is a state agency within the Department of Commerce of the State of Utah. Utah Code Ann. § 61-1-18. The Division is responsible for regulating the securities industry in the state and enforcing Utah's securities laws, including the authority to take any action necessary to protect the public. *Id.* at § 61-1-20. The Division is authorized to bring an action in the district court of Utah or the appropriate court of another state to enjoin an act or practice and enforce compliance with the Act. *Id.* at § 61-1-20 (2)(a). Among other things, the Division may seek a permanent or temporary, prohibitory or mandatory injunction; disgorgement; rescission; restitution; fines or penalties, and any other relief the court considers just. *Id.* § 61-1-20 (2)(b).

**DEFENDANTS**

12. **RENTDUE CAPITAL, LLC** is an active Utah limited liability company registered in Utah since April 23, 2024. RENTDUE's principal place of business is in St. George, Utah, and its sole member and manager is Vernon. RENTDUE Capital, LLC operates the 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 active Wyoming limited liability companies operating out of St. George, Utah, and are all

organized and managed by Vernon and RENTDUE Capital, LLC. RENTDUE's purported purpose was to manage funds in which investor capital was pooled and used for options trading to generate profits. RENTDUE has never been licensed to offer or sell securities or to trade investor monies.

13. **JEFFREY JACE VERNON** ("Vernon") is a resident of Washington, Utah, and is the founder, sole member, and self-described "fund manager" of RENTDUE. RENTDUE's Private Placement Memoranda also identify Vernon as the RENTDUE "fund manager." 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.

14. **MATTHEW SHANE PERKINS** ("Perkins") is a resident of Washington, Utah. Perkins is the husband of co-Defendant Talease Perkins. While not listed in RENTDUE's entity filings or Private Placement Memoranda, Perkins was the sole individual engaged in options trading using investor funds, and he played a major role in orchestrating the fraud. Perkins was the sole authorized trader on the Forged Oak brokerage account held at Tastytrade Inc. opened in October 2025 at the tail end of the scheme, described further below. Perkins was charged with wire fraud in a criminal indictment filed January 13, 2026, by the U.S. Attorney's Office relating to the same conduct described herein (*United States of America vs. Matthew Shane Perkins,* case number 4:26-cr-00004, United States District Court for the District of Utah), and on February 2, 2026, he pleaded guilty to one count of wire fraud in the amount of

$2,000,000. 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.

15. **FORGED OAK, LLC** ("Forged Oak"), formed on July 11, 2023, is an active Utah limited liability company with its principal place of business in Washington, Utah. 720 Empire is the sole member of Forged Oak, and Talease Perkins is the sole member of 720 Empire. According to RENTDUE's Private Placement Memoranda, "[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." Defendants transferred millions of dollars of RENTDUE investor funds to bank accounts held in Forged Oak's name. Forged Oak has never been licensed to offer or sell securities or to trade investor monies.

16. **TALEASE PERKINS** ("Talease") is an individual residing in Washington, Utah, and is Perkins's spouse (Talease, with Perkins, the "Perkinses"). She is the sole member of 720 Empire, the entity that controls Forged Oak, which is the entity that controls the brokerage accounts capitalized with investor funds. She has signatory control over bank accounts that receive investor funds from RENTDUE. She is also the sole authorized trader identified on Forged Oak brokerage accounts held at Charles Schwab & Co., Inc. and Interactive Brokers LLC that received investor funds. She is also the sole authorized trader on the Tastytrade Inc. 720 Empire brokerage account that received RENTDUE investor funds, as described below. 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.

17. **720 EMPIRE, LLC** ("720 Empire") is an active Utah limited liability company formed on February 13, 2023, and controlled by Talease as its sole manager. 720 Empire is the sole member of Forged Oak. 720 Empire received deposits of millions of dollars in investor funds into its bank accounts and a brokerage account held at Tastytrade Inc. 720 Empire has never been licensed to offer or sell securities or to trade investor monies.

## FACTUAL ALLEGATIONS

18. Starting in or around May 2024, Vernon began publicly soliciting investments in RENTDUE. The company promoted the offer through rentduecapital.com (no longer accessible in its original form), paid social media advertising such as Facebook, Instagram, and YouTube, online articles, promotional videos, quarterly reports, and direct communications with prospective investors.

19. Defendants have sold RENTDUE securities to at least 200 investors across the nation and in Utah and raised approximately $89 million.

20. On September 3, 2025, the Division received an anonymous tip regarding RENTDUE from a concerned citizen. The Division opened an investigation shortly thereafter.

21. RENTDUE sold membership interest units for $1,000 per unit with a minimum initial investment of $100,000. The membership interest units in RENTDUE are securities under the Act.

22. None of the Defendants are licensed to provide investment advice, offer or sell securities, or trade investors' money for compensation.

23. Vernon was the face of RENTDUE and the only individual Defendant who had direct communication with investors regarding the investment opportunity. Vernon communicated with potential investors primarily via telephone, email, and text messages, provided investment documents to investors, and directed them to wire funds to a bank account he controlled. Perkins' role was to conduct options trading in brokerage accounts using investor funds, although his identity was hidden from investors.

**RENTDUE Capital Offerings**

24. Vernon and the related securities issuing entities marketed the RENTDUE investment by directly and indirectly soliciting neighbors, business colleagues, and his basketball group. He also utilized the RentDueCapital.com website, online forums including Facebook and Reddit, and through private placement memoranda and other offering documents.

25. RENTDUE offered securities through several distinct funds, claiming exemptions from registration under Rule 506(c) of Regulation D (17 C.F.R. §§ 230.501 – 508).[4] The company required a minimum investment of $100,000 from accredited investors only and capped each fund at 100 investors. Vernon and the RENTDUE entities pitched the funds as a uniquely successful vehicle for wealth creation, promising investors consistent returns and compounding gains. RENTDUE's four Form D filings with the United States Securities and Exchange Commission ("SEC") were:

[4] As described below, RENTDUE in fact fails to qualify for an exemption from registration.

i. RENTDUE Capital Fund 1 LLC, offering compounding gains, filed May 13, 2024;

ii. RENTDUE Capital Fund 2 LLC, offering compounding gains, filed June 27, 2025;

iii. RENTDUE Capital Fund 3 LLC, offering 18% annualized return, filed July 14, 2025; and

iv. RENTDUE Capital Qualified Fund LLC, a new purported commodities offering, filed October 27, 2025.

**The Private Placement Memoranda**

26. Vernon and RENTDUE distributed October 2024, and May 2025, Private Placement Memoranda ("PPMs") for funds 1-3 to investors using email and the rentduecapital.com website. The PPMs offered Class A Membership Interest Units at $1,000 per Unit in an unspecified number of securities.[5] Each fund offered either compounding interest or an annual interest rate of 18%. The PPMs stated that RENTDUE's investment strategy was to deploy investor capital into the options trading market. Specifically, investor proceeds would "be used to capitalize a centralized brokerage account (Charles Schwab), held by a master LLC (Forged Oak), through which the Fund [would] execute its options trading strategy."

27. According to the PPMs, profits and losses would be calculated weekly, with 70% of net trading profits allocated to investors and 30% to RENTDUE as manager. In addition, the PPMs stated, "This 70/30 split is subject to a high-water mark, meaning the

[5] The PPMs specifically describe the sale of "securities."

Manager only receives its performance allocation after all prior losses have been fully recovered."[6]

28. The PPMs explicitly stated that "the Fund will not bear costs related to the Manager's internal compensation, office rent, or general overhead." Vernon made these same representations to investors, via telephone or text message, in some instances[7] saying he would pay those expenses from his personal funds. The PPMs represented that the RENTDUE funds' success depended solely on the fund manager's performance, with investors having no part in the management or control of the Fund.

29. The PPMs described membership interests as restricted securities, with significant limitations on the ability to sell or transfer, and further disclosed that there was no public market to resell these interests. PPMs advise investors may not be able to liquidate their investment after it is placed. This directly contradicted the promise of easy liquidity made on RENTDUE's website and in Vernon's verbal statements to investors.

30. Significantly, the PPMs did not contain material disclosures about Defendants' lack of securities licensure, prior histories of regulatory actions, or other materially relevant or accurate information concerning the management and utilization

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[6] *See, e.g.* RENTDUE Capital Fund 2 LLC PPM at 23.

[7] Vernon told Investor S.M. that he personally covered all operational expenses through his other businesses. He informed Investor J.B. 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. Despite Vernon's verbal assurances, the Operating Agreements provided to investors (B.W., J.B., and M.B.) 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.

of investor funds. Defendants omitted information related to Perkins, 720 Empire, and Talease Perkins from the PPMs and all other offering materials.

**The Brokerage Accounts**

31. Initially, investor monies were transferred to and traded in a brokerage account held at Charles Schwab & Co., Inc. ("Schwab"), held in Forged Oak's name. Talease signed the documents establishing the account and served as the authorized trader of record. The brokerage sent a closure letter dated June 26, 2025, addressed to Talease, citing unresolved violations of the account agreement(s). Schwab's compliance concerns included anti-money laundering alerts and trading volume indicative of an unqualified trader, in accordance with Securities and Exchange Commission (SEC) Rule 13h-1. Vernon, however, told investors RENTDUE was moving away from Schwab to Interactive Brokers LLC ("Interactive Brokers") for "greater flexibility and improved pricing." In investor updates from July 2025, Vernon announced that all accounts had been officially moved and were managed exclusively through Interactive Brokers.

32. After the Schwab account was closed in July 2025, a new account was established at Interactive Brokers, held in Forged Oak's name. Talease signed the documents establishing the account and served as the authorized trader of record. Vernon attempted to open a RENTDUE account with Interactive Brokers at the same time. The application was rejected by the brokerage compliance department for prolonged incomplete status, risk, and Anti-Money Laundering (AML) concerns. In September 2025, the Forged Oak account was designated for closure[8] following a

[8] This means an account holder may reduce or close positions but may not establish or

compliance review that found it violated internal policy. Investors were told nothing about the Interactive Brokers closure.

33. After the Interactive Brokers account was closed on or about October 8, 2025, Perkins and Talease opened two accounts at Tastytrade Inc. ("Tastytrade") the same week in the names of Forged Oak and 720 Empire. Perkins is listed as the Managing Member and primary account owner of the Forged Oak account. The 720 Empire account documents list Talease as the sole authorized signer and Chief Executive Officer. Investors were told nothing about the Tastytrade accounts.

**Statements and Online Representations Regarding the Investment**

34. Notwithstanding the written statements in the PPMs, Vernon and RENTDUE made numerous other statements and representations to induce investment that contradicted the disclosures in the PPMs. Public solicitations made on RENTDUE's website about the offer include, but are not limited to, the following:

> ***What is RENTDUE?*** *RENTDUE Capital is a U.S.-based options trading fund[9] founded in 2023 by Jace Vernon. The fund operates under strict risk management principles, full legal documentation, and a clear mission: to deliver consistent returns while prioritizing transparency and investor control.*
>
> . . .
>
> *As a fund manager, it's a 30/70 split. I take, we take, 30% of the profits of the fund, and the investor gets 70%.*

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add new positions.

9 As noted in Paragraph 25, *supra*, the Defendants maintained three distinct LLCs for what were purportedly three separate offerings. In practice, however, all investor capital was commingled into a single trading account, eliminating any functional distinction between RENTDUE Capital Funds 1, 2, and 3.

. . .

*Consistency Over Speculation – We target ~1% weekly returns by taking quick, disciplined trades and exiting fast if markets move against us.*

. . .

*IN SIMPLE TERMS: IF YOU PLACE $100,000 INTO FUND 3, YOU WILL GET $1,500 INTO YOUR ACCOUNT BY THE 10 [sic] OF THE MONTH*

. . .

*LIQUITY [sic] WITH GREAT RETURNS. JUST THE WAY A FUND SHOULD BE*

. . .

*Full liquidity: Pull Funds Monthly*

. . .

*Risk Management First – No margin accounts, no AI systems, no exotic leverage. Only structured options trading.*

. . .

*If we hit a 3% loss in a day, we pull the plug and stop trading. No chasing losses here.*

35. On the website, Vernon claimed to have created the RENTDUE fund himself and said he was the "largest stakeholder in the fund," a marketing point he emphasized as a trust factor as evidence he had the most to gain or lose from the success of the enterprise. He claimed that after investing, testing, and successfully trading between August 2023 and May 2024, he decided to "let people in" the fund.[10]

[10] Vernon claims to have invested $2.8 million. The Division's investigation revealed his investment to be approximately $3.5 million. While he had a large investment in RENTDUE, Vernon was not the largest investor in RENTDUE. The investigation revealed that at least one investor deposited $3.75 million.

36. In May 2025 article, Vernon wrote an article titled "$100M Goal. $14M Down. Fund 2 Is Open" that appeared on the website, Vernon wrote: "We're still positive every single week — no losing weeks since we started." Vernon further claimed, "We've only had 21 total losing days since August 2023." Vernon touted "Zero losses" as a marker of successful trading in high-risk, highly volatile options. The following is one such example where RENTDUE claimed to outperform the market:


37. On or about June 2025, RENTDUE claimed on its website, "Since January 2025, the S&P 500 has returned just +0.92%. RENTDUE Capital has returned +15.02% to investors with less volatility and zero drawdowns." Marketing materials on the website claimed that a $100,000 investment made in August 2023 would grow to $273,307 by July 2025, based on a purported compounded growth rate.

38. In a September 15, 2025, video posted to Reddit and directed toward prospective investors, Vernon narrated:

> *So, if you started in August of 2023 with $100,000 with RENTDUE or $100,000 in the S&P 500, which, just so you guys know, if you're invested in the markets, the likelihood of you beating the S&P 500 with a financial advisor is like 8%. And most financial advisors don't even compete with the S&P 500. So, it's a great investment just to park money and leave it there for a long time. So, this is a comparison of us versus the S&P 500. So, we're right here, August 2025. This is the S&P. So, you'd be sitting at maybe 128, 130,000. With us, you're over 200, almost 300,000. Well, if we carry this out for another 5 years, and we keep doing just what we're*

*doing, that's not like we think we're going to be able to keep doing better as we get more experience. So, you'll be around after 5 years. This is a projection, no promise. You could be around 7-800,000 dollars versus in the S&P. If the S&P continues to just do what it's doing, no big down years, which always happen eventually, you will be at 200,000. So, it's almost 4X better, okay?*

The video depicted the following chart showing steady investment growth outpacing the S&P 500.


39. Vernon assured investors that RENTDUE's high returns were achieved through a highly disciplined, risk-averse strategy. Through the company website, Vernon and RENTDUE promoted "Consistency Over Speculation," claiming they could deliver steady 1% weekly returns by taking quick trades and "pulling the plug" to stop trading if they hit a 3% loss in a single day. Vernon and RENTDUE also claimed to have a "failsafe"

in place against losses: "If we hit a 3% loss in a day, we pull the plug and stop trading. No chasing losses here." Vernon further claimed to allocate no more than 1% of the total fund to a single trade on any given day and advertised other measures that purportedly transformed highly volatile options trading[11] into a claimed "conservative" investment strategy.

40. Defendants Vernon and RENTDUE also emphasized the importance of "full transparency" and "verifiable results." Vernon posted an article on the website around June 24, 2025, titled "Is RentDue Capital a scam? The truth behind the reviews," Vernon stated, "Every investor should be doing do [sic] diligence and if we are part of any scam or taking peoples [sic] money we should go to jail."

41. During interviews with the Division, investors stated that Vernon promised them direct access to their account balances and gave personal assurances that he would keep them fully informed of all developments. RENTDUE also promised investors "Weekly Updated Balances," "Monthly Summary Statements," and "Quarterly Performance Recaps."

42. RENTDUE provided investors with false information, that strongly suggested the funds outperforming the overall market. For example, the RENTDUE Q1 2025 performance summary, which was available on RENTDUE's website for a time,

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[11] Day trading is extremely risky and can result in substantial financial losses in a very short period. The leverage created by futures contracts, margin loans, or options can amplify risks. See https://www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor-bulletins/key-topics-world-investor-week-2021-investor-bulletin (last visited on Feb. 10, 2026). As described *infra*, despite contrary statements to investors, Defendants traded using margin.

claimed a quarterly return of +11.78%, total quarterly gains of $3,964,947, and "Zero Losing Weeks."[12] The RENTDUE Q3 2025 performance summary claimed a quarterly return of +12.74%, total quarterly gains of $10,055,101, "zero losing weeks," and only one losing day for the entire quarter, and further claimed AUM of $98,649,559.[13]

43. Vernon promised investors full liquidity in both verbal sales pitches and online articles, claiming, "You can close out and withdraw anytime," even as RENTDUE's own offering documents warned of low liquidity and exit challenges. RENTDUE assured investors of a five-business-day turnaround for wire withdrawals. However, these promises ignored the Fund's own PPM disclosures, which characterized the underlying assets as having "low liquidity" and noted the difficulty of exiting positions in a timely or favorable manner.

44. In a promotional video posted online September 19, 2025, titled "*RENTDUE Capital Update and Performance*," Vernon stated, "There is nothing better out there than this fund as far as liquidity, transparency, um, return."[14] Vernon assured

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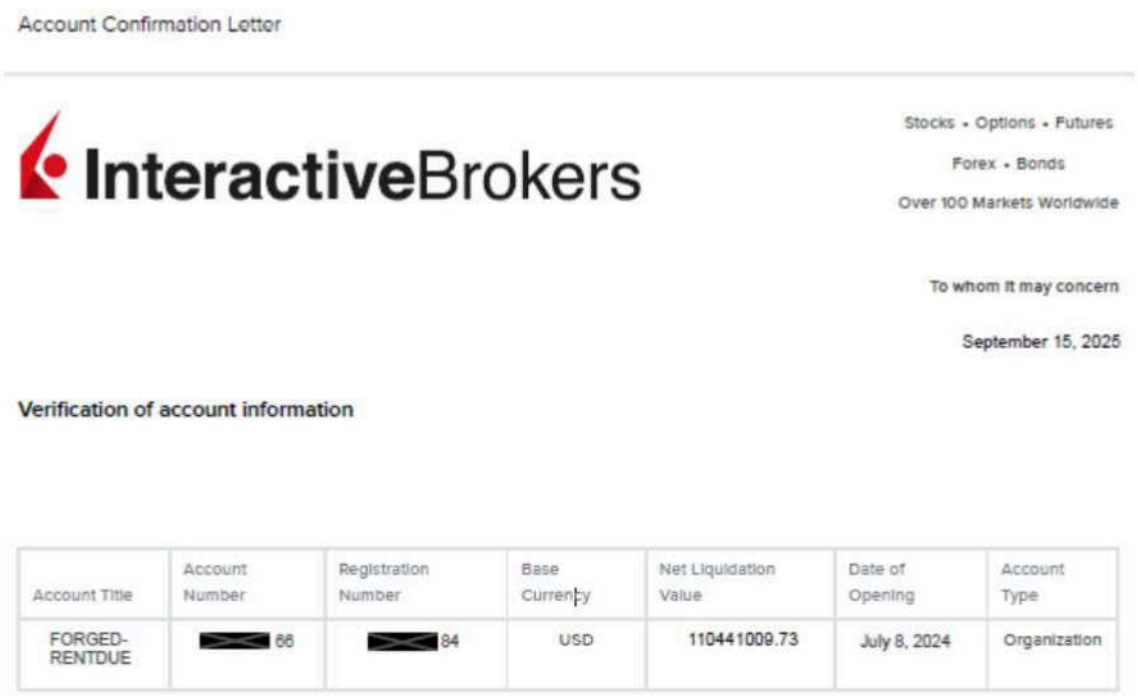
[12] Based on brokerage statements for the first quarter of 2025 (January 1, 2025 – March 31, 2025), the performance claims described are false and directly contradicted by the account records. The actual account records show a total loss of over $10.6 million for the quarter, with significant losses incurred in every single month.

[13] Based on brokerage statements for the third quarter of 2025 (July 1, 2025 – September 30, 2025), the performance claims are false and directly contradicted by the account records. Instead of a +12.74% return and $10 million in gains, the primary trading account lost over $2 million in July before being liquidated and closed by Charles Schwab & Co. The net value of assets at Interactive Brokers as of September 30, 2025, was approximately $5.7 million, after -$3.76 million in net losses during the quarter.

[14] Available at https://www.reddit.com/user/askjace / last accessed November 6, 2025.

viewers that RENTDUE's investment earnings were real and provided investors with the following statement of account from Interactive Brokers showing the purported net liquidity value of the fund at $110,441,009.73 as of September 15, 2025:



Account Confirmation Letter

InteractiveBrokers

Stocks • Options • Futures
Forex • Bonds
Over 100 Markets Worldwide

To whom it may concern

September 15, 2025

Verification of account information

| Account Title | Account Number | Registration Number | Base Currency | Net Liquidation Value | Date of Opening | Account Type |
|---|---|---|---|---|---|---|
| FORGED-RENTDUE | [redacted]66 | [redacted]84 | USD | 110441009.73 | July 8, 2024 | Organization |

The actual cash value in the account on September 15, 2025, was only $3,957,196.48. Perkins created or fraudulently altered this Interactive Brokers account statement, and all others provided to investors, which likewise contain false information. Notably, an Interactive Brokers account statement from November 3, 2025, given to investors claimed a staggering AUM balance of $133 million—even though the account had been closed the previous month.

**Defendants Sold RENTDUE Securities and Received Investor Funds.**

45. Vernon's solicitation efforts proved quite successful. Between May 2024 and November 3, 2025, bank records show that Defendants raised at least $89 million in capital from over 200 investors.

46. Investors had no managerial control or otherwise any other day-to-day involvement in or with RENTDUE. All investors were passive investors. Perkins did not invest. Vernon claims to have invested $2.8 million.

47. When potential investors expressed interest, through phone calls or online solicitations, Vernon emailed them an Accredited Investor Questionnaire and a Subscription Agreement. He instructed them to certify their status as accredited investors by completing and returning the questionnaire as a prerequisite to investing but conducted no independent research or required any proof of accredited status.[15]

48. The investors signed the Subscription Agreements, acknowledging their purchase of Class A Membership Investment Units in RENTDUE. In turn, Vernon, as the fund manager, managing member of "RENTDUE Management LLC," counter-signed each Subscription Agreement. The Division's investigation found no evidence of the existence of any entity named "RENTDUE Management LLC."

49. Post investment, Defendants not only lulled and placated investors with false trading reports but also encouraged current investors to rollover and re-invest their earnings, using the illusion of "compounding" to prevent withdrawals (which would have exposed the lack of liquidity). RENTDUE's website emphasized the "power of compounding returns" within Funds 1 and 2, using slogans such as: "With RENTDUE, your funds have the potential to compound weekly—this is where the real magic happens." Quarterly reports provided by Vernon via email and posted to RENTDUE's

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[15] Rule 506(c) of Regulation D requires that an issuer "shall take reasonable steps to verify investors are indeed accredited.

website stated that Fund 1 was closed to new investors, but "Current investors can continue to add to their account." The investor portal prominently featured[16] an "additional deposit" link, providing victims with a seamless path to increase their capital contributions based on false performance data.

50. This strategy was highly effective. Investors received a Google sheet with false updates showing "stop losses in place" and consistent profits. These trading updates and reported profits influenced investors' decision to continue reinvesting across multiple deposits. To drive demand, Vernon created a false sense of scarcity, suggesting that funds were closed or about to close when they reached 100 investors. For example, an update on the website from November 15, 2024, stated, "How cool would it be to create a $1,000,000 gain for the first 100 investors in the fund? Let's see if we can make that happen." These promotions induced investors to expand their positions under the guise that the fund was "remarkable" or even "magic." In reality, it was a massive fraud.

**Investors**

Investor N.H.

51. Investor N.H. is a resident of Provo, Utah. N.H. learned about the RENTDUE investment opportunity in April 2025 from a friend who had previously invested with Vernon in RENTDUE. In or around June 2025, N.H. called Vernon, and they had several conversations about the investment over multiple months.

52. In or around July 2025, Vernon told N.H. that the goal was a weekly return

[16] As described further below, the RENTDUE website was changed in November 2025 after Defendants learned of the FBI and Division investigations into their activities.

of 1% with checks and balances in place to achieve returns and prevent losses. Vernon told N.H. that RENTDUE had only had one losing trade day in the previous six months of trading. In fact, Vernon specifically stated that procedures were in place to halt trading for the day if RENTDUE ever lost more than 2% on a given day, and to resume trading the following day. These false representations regarding losing trade days and loss mitigation procedures were material to inducing N.H. to invest.

53. During the pitch in the summer of 2025, Vernon told N.H. that as the fund manager, he (Vernon) was to be compensated 30% and investors 70% of the profits generated through trading. Vernon represented to N.H. that neither he nor the trader would accept any compensation in the event of a trading loss. These representations were false.

54. When N.H. requested to speak with the trader, Vernon refused to disclose the individual's full name. Instead, Vernon characterized the trader as a "guru" and a "savant" who did not communicate with investors.

55. Vernon, as the manager, told N.H. he oversaw the trading strategy and all operations of the RENTDUE fund. Vernon stated that controls were in place and said two parties had to authorize any monies leaving the RENTDUE account. These were false statements. Around September 2025, N.H. requested a third-party audit from a reputable financial institution before investing, and Vernon said such an audit was "in the works." Vernon told N.H. that the fund was closing soon, because it had reached 100 investors. If N.H. wanted to invest, he needed to act quickly. Vernon's statements regarding a 100-investor cap were materially false. Operationally, all RENTDUE funds were operating as

one pooled fund and already exceeded 100 investors at the time of this offer.

56. N.H. invested $500,000 in RENTDUE Capital Fund 2 by wire on or around September 11, 2025. Vernon represented to N.H. that his funds would be deposited into the brokerage account on September 15, 2025, and explicitly promised that RENTDUE would use the capital solely for options trading.

57. Defendants commingled N.H.'s funds with other investor funds, transferred them to bank accounts held by Forged Oak, 720 Empire, and Perkins, and misused them in part and transferred them to a brokerage account in part. To date, N.H. is owed $500,000 in principal alone.

58. Vernon provided N.H. a link with access to his account statements. N.H.'s account statement as of November 4, 2025, showed that his account had a balance of $524,758.98, representing principal plus interest. This account statement was false.

59. According to N.H., the financial impact will be devastating if he is unable to recoup his investment funds. He is unable to use those funds for other investments that he planned to fund his retirement. N.H. had to find a new, higher-paying job to help make up for the substantial losses.

Investor J.B.

60. J.B., a resident of Mesa, Arizona, learned about RENTDUE in the fall of 2024 after seeing a Facebook post on Vernon's personal page. J.B. and Vernon were both involved in real estate investments. In October 2024, J.B. traveled to Utah to meet in person with Vernon to discuss the investment opportunity.

61. During their meeting, Vernon informed J.B. that he started the fund in 2023

and was the first and largest investor in the fund. Vernon told J.B. the opportunity was recently opened to other accredited investors. He said the investment consisted of trading options in the stock market.

62. Vernon, who represented himself as having a business background and a positive investment track record, explained to J.B. that at least 40 investors had joined the fund and were seeing returns. During his meeting with J.B., Vernon asked to see proof of the investment. Vernon represented that he had access to the account, logged in to his computer, and printed a statement from the Charles Schwab brokerage account. Vernon's representation of his access was false. Vernon has since admitted he had no access to any of the brokerage accounts and relied on statements fabricated by Perkins.

63. Vernon told J.B. that he was RENTDUE fund's manager, regularly overseeing the brokerage account. Vernon told J.B. he had "eyes on" the accounts at all times. Vernon has since admitted that this statement was false.

64. Vernon represented that the RENTDUE would split profits 70% to the investor and 30% to the fund managers, with an expected weekly return of 1%. Based on these representations, J.B. understood that the 30% profit share constituted the managers' sole compensation and that they would not draw fees from the investment principal.

65. Vernon further assured J.B. that risk mitigation strategies, or "guardrails," were in place, including allocating only 1% of the total fund balance at risk per day and utilizing stop-loss controls to minimize losses by automatically halting trades if losses exceeded 3%. Vernon also told J.B. that the investment was liquid, with funds available

upon request quarterly. These statements were false.

66. Vernon provided J.B. documentation, including the PPM, Operating Agreement, and Subscription Agreement. The PPM stated that RENTDUE would invest all proceeds directly into the RENTDUE Capital Fund 1 account at Charles Schwab. This statement was false.

67. J.B. invested a total of $3,750,000 through a series of eight wire transfers, funded through personal savings, into RENTDUE Capital Fund 1 LLC over an eleven-month period between November 2024 and September 2025.

68. After investing, J.B. received a link to a Google sheet from Vernon with his investment account statement and updates, showing the investment was progressing with stop losses in place. J.B. requested a withdrawal and received $250,000 back. The trading updates reported profits and ability to withdraw influenced J.B.'s decision to continue investing additional funds.

69. As of November 5, 2025, J.B. could still access his account statement, which reported that the balance of $4,639,155.29 (which included over $1.1 million in alleged profits). This account statement was false.

70. Defendants commingled and misused J.B.'s funds with other investor money to pay returns to earlier RENTDUE investors and cover Vernon's personal income taxes. Defendants also transferred these funds to bank accounts controlled by Forged Oak, 720 Empire, and Perkins, diverting a portion – along with the monies of other investors – for personal enrichment and moving the remainder into brokerage accounts. To date, he is owed at least $3,500,000 in principal alone.

71. According to J.B., he invested a significant portion of his net worth in RENTDUE. Losing any portion of that investment negatively impacts on his financial well-being. J.B. was planning to use the investment to keep the roof over his head. Now he is worried about how he will pay for tax penalties and recover from these losses if the investment is gone.

Investor S.M.

72. Investor S.M. resides in Windermere, Florida. He learned about the RENTDUE investment offering in the fall of 2024, through RENTDUE's paid advertising on Instagram and Facebook. Vernon was S.M.'s main and only point of contact.

73. In a telephone conversation on or about September 2024, Vernon told S.M. that the investment was an options trading fund that could generate weekly profits of up to 1% through trading. Vernon stated that the fund was SEC-regulated and emphasized safety measures to minimize risk, claiming that no more than 1% of the fund was at risk and that a 3% daily loss would result in trading suspension.

74. Vernon told S.M. that this was one of the "safest investments" he had ever seen, promising a compounding return and providing projections that showed the investment would "skyrocket" over the next three to seven years. Vernon used his personal investment success in the fund as a key selling point. Vernon claimed that he was the largest investor in the fund, had the most to lose, and had achieved success.

75. Vernon told S.M. that "Shane" was involved in the trading. Vernon provided little information beyond that "Shane" was so good that no one could compare.

76. Vernon stated that the fund manager was to be compensated 30% and

investors 70% from the profits generated through trading. This statement was false.

77. Based on Vernon's representations, S.M. understood that Vernon oversaw Shane's trading activities. Vernon further specified a performance-based fee structure that derived compensation solely from generated profits and strictly prohibited any draw from the investment principal.

78. Based on Vernon's representations and the representations in the PPM, S.M. invested a total of $500,000 through five deposits between October 2024 and June 2025, using personal savings and home equity on his primary residence. S.M.'s wife, J.M., also invested an additional $250,000 through her self-directed IRA. S.M. understood the funds were to be deposited into the RENTDUE Fund 1 brokerage account to be used for options trades.

79. S.M. received weekly and quarterly reports from Vernon via text, indicating the investment was making a profit. These statements were false. These reported returns encouraged S.M. to continue investing.

80. On September 26, 2025, S.M. requested and received a payout of $10,000 as a principal withdrawal, furthering his belief that his investment was performing as promised. The most recent account statement he received, dated November 6, 2025, shows S.M.'s investment balance of $623,912.24 still in the account. This statement is false.

81. Contrary to the representations made by Vernon, Defendants commingled S.M.'s funds with other investor money and transferred those funds to bank accounts that Forged Oak, 720 Empire, and Perkins held. Perkins and Talease then misused a portion

of those funds – along with other investor monies – for personal purposes and transferred the remaining part to a brokerage account. To date, S.M. is owed at least $490,000 in principal alone.

82. S.M. is concerned about his investment. He told the Division that if the money is gone, this situation will completely ruin him. He and his wife put their life savings into this and secured a $250,000 HELOC loan to invest more money. As a result of this investment, they risk losing both their life savings and their home.

Investor B.M.

83. Investor B.M. is a resident of Marlinton, West Virginia. In or around March 2025, B.M. saw a solicitation for investments from RENTDUE on Facebook. She reviewed all the marketing materials about the RENTDUE investment on the RentDueCapital.com website and requested more information from RENTDUE about how to invest.

84. Vernon responded to B.M.'s inquiry via email, describing how he established the fund, citing his background in real estate and investing, and provided links for more information. Vernon stated that the fund had consistently averaged 1% weekly profit since the start of 2024. He posted the trade reports for past performance, which B.M. viewed as reflective of the transparency claims that had been promised.

85. Vernon told B.M. that 30% of the weekly profits were allocated to managers for their compensation, while 70% went to her as the investor. Vernon told B.M. that he and his partner were the ones conducting the trading; they were in the account daily and watching it with a specific, disciplined strategy. These statements were false. Vernon said there were ups and downs, but overall, the fund was growing and on track to make 100

investors millionaires. This was another false statement.

86. Vernon told B.M. she could get her money out at any time and that it was fully liquid. This was a false statement. He provided a personal testimonial about investing and seeing returns on his own investment. These statements and representations made B.M. feel confident about making an investment.

87. Vernon provided B.M. with an accredited investor questionnaire and the RENTDUE Capital Fund 1 LLC PPM, which detailed RENTDUE's fund management protocols and specified that the fund would execute its options trading strategy through a Charles Schwab brokerage account.

88. Based on Vernon's representations, B.M. invested a total of $270,000 in four separate wire transfers. The initial $100,000 wire was sent to RENTDUE on March 17, 2025. Additional deposits were made on June 13, 2025, in the amount of $50,000; July 25, 2025, in the amount of $50,000, and August 13, 2025, in the amount of $70,000. B.M. wired her funds to the RENTDUE bank account as instructed by Vernon.

89. With each deposit, B.M. received a corresponding Subscription Agreement document sent by Vernon via email and signed by Vernon as the RENTDUE fund Manager and Managing Member of the nonexistent "RENTDUE Management LLC." The Subscription Agreements were dated March 17, 2025, June 4, 2025, July 23, 2025, and August 13, 2025.

90. After investing, B.M. received ongoing communications and updates from Vernon about the success of her investment. Vernon sent confirmation texts to B.M. that her "money hit" the Charles Schwab trading account and was actively being traded. She

continued to reinvest because Vernon had told her the initial investment was doing well, as evidenced by the trading reports he had provided.

91. B.M. and her spouse requested and received a $10,000 paid-out return on her investment in August 2025. She states she was trying to grow her investment and was under the assumption, based on the paid-out return and weekly updated statements provided to her by Vernon, that it was, in fact, growing.

92. B.M. attended an online investor meeting in October 2025, where Vernon reported on the performance of each of the RENTDUE investment funds and his plans to launch a new "qualified" fund. B.M. reached out to Vernon to learn more about the new fund launch and the forthcoming investment opportunity.

93. B.M. continued to receive weekly text updates that refreshed the account statement link for her investment, showing growth, until November 14, 2025. Her RENTDUE account statements, as of December 4, 2025, indicated that trading had ceased, and her account balance was $312,706.64 (including $42,706.64 in reported profits). This account statement is false. By December 4, 2025, the accounts had all been liquidated, leaving a zero balance.

94. Defendants commingled B.M.'s capital with other investor funds. These funds were then misappropriated to pay existing RENTDUE investors, transferred to accounts controlled by Forged Oak, 720 Empire, and Perkins, and, in part, deposited into a brokerage account for trading. To date, B.M. is owed $260,000 in principal alone.

95. B.M. stated that if her investment is gone, her life will be ruined, and she will never be able to retire. The investment was her retirement savings. B.M. is currently

living paycheck to paycheck and is unsure if she will be able to cover her living expenses in the future.

**Defendants Made False Representations, Misappropriated Investor Funds, and Provided False Account Statements**

96. From RENTDUE's inception, and continuing through October of 2025, Defendants misrepresented and omitted material facts in connection with the offer and sale of RENTDUE securities. Defendants directly or indirectly made untrue statements of material facts, including but not limited to the following:

a. Defendants made material misrepresentations concerning the use of investor funds. Defendants represented that they would deposit RENTDUE funds into a brokerage account to execute an options trading strategy. Operationally, this did not occur, and in some cases, investor funds never reached the brokerage account. When money was deposited into the brokerage accounts, it represented a portion of the invested amount.

b. Defendants misrepresented that fees and operating expenses were covered by the fund profits, and more recently have claimed that Vernon had covered these costs personally, both of which statements are untrue. RENTDUE made no profits from which those fees could be paid. Instead, Vernon and Perkins misused investor funds for operational expenses as part of their own fraudulent conduct. For example, at least $3 million in brokerage fees incurred on the Charles Schwab account were paid with investor funds.

c. Defendants lied about their purported 30/70 compensation split, with a key

point emphasized by Vernon that RENTDUE would only be paid after earning profits. Despite a clear absence of trading profits, the Defendants misappropriated investor monies to amass personal wealth. For example, Forged Oak, 720 Empire, and the Perkinses took at least $9.5 million in RENTDUE investor money, which the Perkinses then spent on luxury personal expenses, including a personal aircraft, multiple vehicles, a home and other real estate.

d. Defendants persistently misrepresented to investors that the investment was liquid and that proceeds could be easily paid out upon request. Those verbalized and advertised assurances contradict disclosures in the PPM. Instead, Defendants used at least $9.7 million in new investor money to make Ponzi-like withdrawals and fake "return" payments to prior investors. Defendants made false earnings claims showing consistently profitable performance when that was untrue. Defendants falsely promoted their trading strategy, resulting in "no losses" and "zero losses." For example, RENTDUE's Q3 2025 Performance Summary indicated zero losing weeks and a quarterly return of +12.74%. This and other earnings claims are blatantly false and fail to disclose the excessive losses. Defendants continued to repeat the false claim of "no losing weeks" and streaks of "no losses," when the losses were catastrophic and resulted in forced brokerage account closures. Defendant Perkins lost more than $51 million in unlicensed trading. The brokerage accounts at Charles Schwab and

Interactive Brokers were closed by those firms due to securities compliance violations and the excessive losses. Changes in brokerage firms were not reflected in the PPMs in July, August, September, or October 2025. Defendants lied about the reasons they moved the brokerage account to Interactive Brokers, claiming the move was to obtain lower fees, better features, and greater transparency. Defendants failed to disclose the move to Tastytrade at all.

e. Defendants also lied about their risk mitigation strategy, "guardrails," or safety measures in place to protect investor capital. During the solicitations, Defendants claimed, "no margin," "no exotic leverage." They promised no more than 1% of the funds would be placed in a trade, and after a 3% loss in a day, they would stop trading. Risk was, in fact, unmitigated. Defendants were trading on margin, overleveraging the account, and incurring significant losses.

f. Defendant Vernon falsely claimed to investors that RENTDUE had been operating in compliance with SEC regulations to issue securities and was working toward complete compliance, when such is not the fact. None of the Defendants has ever been licensed by the Division to sell securities or trade securities on behalf of others.

g. Vernon claimed he managed RENTDUE with complete transparency, honesty, and that investors had control as key selling points to elicit their trust. He touted proof of his own investment in the form of screenshots,

account statements, meticulous tracking, and verification of the investment at "three layers deep." He told investors he had "eyes on" the accounts every day. Vernon repeatedly claimed he was the largest investor in the fund and had the most to lose. As referenced in the PPMs, investors had no control over their investments and were wholly reliant on the Defendants' operations. On November 15, 2025, Vernon contradicted his previous statements, posting on the rentduecapital.com website for the first time that he had no access to the brokerage account and that, "At some point, the statements I was provided stopped aligning with the actual activity inside the brokerage accounts" and admitted, "Unbeknownst to me, the figures I depended on were being altered." Many investors still do not know the truth about what happened to their investment funds.

**Defendants Failed to Disclose to Investors, and Actively Hid the Identity of Perkins and Prior Regulatory Actions**

**Perkins**

97. Defendants made a concerted effort to, and were successful in, concealing Perkins's identity. Vernon was aware of Perkins's history of financial failures when he agreed to invest with him, and the two agreed during the creation of the RENTDUE investment fund to willfully withhold Perkins' identity from investors. Vernon agreed to be the face of the company, while Perkins was to act as the anonymous, reclusive "guru" trader. Vernon claimed his savant trader did not seek the spotlight and needed to maintain focus on trading at all costs. According to RENTDUE's website, "We protect our trades, our traders, and our strategy at all costs. This isn't a public fund, and it's not a

teaching platform." This strategy also concealed the fact that RENTDUE had only one trader, Perkins, who had a history of regulatory actions and a 2021 bankruptcy.

98. 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. 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. As part of the settlement, Perkins and his businesses were fined $500,000 and ordered to pay $211,596.14 in restitution to consumers. To date, Perkins and Legend Solar, LLC have only paid $35,000 toward restitution, and nothing toward the fine.

99. 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, including Legend Solar, in case number DOPL-2018-118. 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 $1,597,138 (most of which are still outstanding). 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.

100. Notably, Perkins had pledged $10 million to Dixie State University in St. George to name its sports stadium after Legend Solar but had only made two payments totaling $150,000 before it stopped making payments in 2016. The failed donation and DOPL action were reported in St. George News, the Salt Lake Tribune, and other news platforms in March 2018, listing Perkins by name.

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

102. Neither the DCP nor DOPL actions were disclosed to investors, nor was Perkins' bankruptcy. An online search readily reveals Perkins' prior financial problems. Perkins and Talease Perkins took additional steps to hide their involvement by creating layers of companies and putting the brokerage accounts in Talease's name. Investors have told the Division that if they had known the full extent of the Defendants' deceptions to hide Perkins's and Talease's identities, they would never have invested.

**Vernon – CFTC Action and Sanctions**

103. Defendants RENTDUE and Vernon failed to disclose an action taken by the U.S. Commodities Futures Trading Commission ("CFTC") against Lucid Financial ("Lucid"), a company owned and founded by Vernon, which alleged violations of the Commodity Exchange Act for conducting "forex" (foreign currency) transactions without proper registration, and resulted in a $140,000 civil penalty that remains unpaid with accrued interest. Even when Vernon's prior forex trading failure was eventually disclosed

on s RENTDUE website in June 2025, it was only half the story and made no mention of the CFTC action or sanctions imposed on the company and Vernon.

104. In June 2025, Vernon addressed negative reviews online about his past with an article titled, *Is RENTDUE Capital a Scam? The Truth Behind the Reviews*. Vernon told investors a misleading story about how his prior company, Lucid, lost money in Forex trading during the 2008 financial crisis. Vernon claimed, "I lost more money than any individual investor. I was not the trader. Shaun out of Canada was the FX Trader who had years of experience. One of the loudest critics had actually misused other people's money to invest and later attempted to blackmail the fund for the others in the group to give him money." He goes on to say, "The experience taught me some hard lessons: Don't trade FX – 100:1 leverage eventually kills your account. The same with overtrading. Keep money and brokerage in the U.S. – All RENTDUE assets are at Charles Schwab. Avoid deep drawdowns – If you don't dig a hole, you don't need a miracle to climb out." He claimed that RENTDUE was born from those lessons to be "fully transparent" to show investors that trades are not conducted on margin or over-leveraged, and RENTDUE's "clear strategy, and real risk management."

105. Significantly, Vernon did not mention the CFTC investigation or 2011 action filed in Utah's federal district court against Vernon's company, Lucid Financial, Inc., case No. 2:11-cv-00817-BCW, which alleged two counts of failure to register as an introducing broker. In 2012, Lucid and Vernon settled with the CFTC and agreed to pay a civil penalty of $140,000 plus post-judgment interest and to be permanently enjoined from violating the Commodity Exchange Act, as well as effectively barring Vernon from trading

commodities or controlling or directing others trading commodities. No disclosure of this case was made in any RENTDUE PPMs or elsewhere.

106. Here, with RENTDUE, Vernon has simply repeated his Lucid Financial failures on a larger, more calamitous scale. The parallels between Vernon's Lucid Financial history and the RENTDUE offering are uncanny. In both cases, Vernon marketed the opportunity to investors through online forums, soliciting investments. He claimed to have a special investment strategy for trading in the market, offering a great alternative investment with above-average double-digit returns, achieved through the expertise of an experienced trader, and in which he was the largest investor, a personal testimonial of success used to solicit others. When financial disaster ensues, Vernon, as the fund manager, blames the trader, absolving himself of any management accountability.

**Defendants Omitted Material Facts from Investors About the Investment**

107. In connection with the offer or sale of securities, Defendants directly or indirectly omitted to state material facts necessary to make the statements made, in the light of the circumstances in which they were made, not misleading. These include, but are not limited to:

a. None of the Defendants are licensed to sell securities, provide investment advice, nor are they licensed to trade the money of others for compensation.

b. Despite the entire investment relying on funds being traded in a brokerage account, RENTDUE held no brokerage accounts in its name.

c. That investors' monies would be deposited in Forged Oak's brokerage account, with Talease Perkins listed as the authorized trader. Investors are unfamiliar with and have never heard of Talease Perkins and did not authorize their monies to be given to her.

d. Investors were not told that Vernon's personal Charles Schwab accounts were closed in January 2025 for brokerage policy violations arising from Vernon *allowing another unlicensed individual* to have trade access on his account. Despite being personally informed of the regulations concerning trade authority, he took no steps to ensure that RENTDUE investor funds were managed by a qualified, licensed professional and instead gave those monies to Perkins.

e. Defendants RENTDUE and Vernon did not disclose to investors the facts that:

i) Vernon's prior company, Lucid Financial, was investigated by CFTC for unregistered commodities activities;

ii) CFTC had commenced an enforcement action in September 2011, for violations of law;

iii) CFTC imposed a $140,000 fine and other sanctions in 2012 for that misconduct, including a permanent injunction prohibiting Vernon from commodities activities;

iv) that the fine plus accrued interest remain outstanding; and

v) The RENTDUE securities were unregistered, non-exempt

securities.

f. Defendants failed to disclose that Perkins was the subject of DCP and DOPL regulatory actions for engaging in deceptive and fraudulent business practices, was fined and sanctioned, and filed for bankruptcy as described in paras. 98-101, above.

g. Defendants failed to provide investors the truth about some or all of the information provided in an offering circular or prospectus relevant to the investment opportunity, such as: business and operating history of control persons, including prior bankruptcies, administrative actions, regulatory actions, their lack of any employment history in the securities industry, and related information; financial statements; conflicts of interest; risk factors; suitability factors for investment; and whether the securities offered were registered in the state of Utah among other material information.

108. As of the date of this Complaint, RENTDUE has no profits, no earnings, and no legitimate profitable operations of any significance, only huge losses.

**Defendants' Fraudulent Use of Investor Funds**

109. Contrary to Defendants' representations to investors about trading funds in the market, Defendants misappropriated investor capital for personal use and Ponzi-style payments to prior investors, giving the impression of profitability and liquidity.

110. Vernon was the sole signatory on RENTDUE's business bank accounts at Mountain America Credit Union (MACU) and Zions Bank, which received approximately $89 million in investor deposits. RENTDUE did not have any brokerage accounts in its

name, and Vernon had no access to and was not an authorized signer or trader on the Charles Schwab, Interactive Brokers, or Tastytrade brokerage accounts where investor funds were traded by Perkins.

111. An analysis of offering documents, investor interviews, and bank and brokerage accounts reveals investor funds were used in a manner that differed from what was represented during the offer and sale. Figure 1 shows the use of funds as described to investors during the offering. Figure 2 depicts actual operations.

Figure 1. *Represented the Flow of funds*

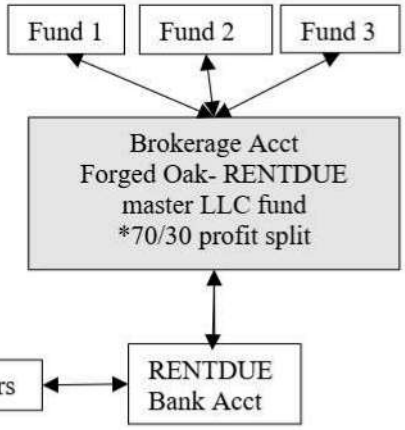
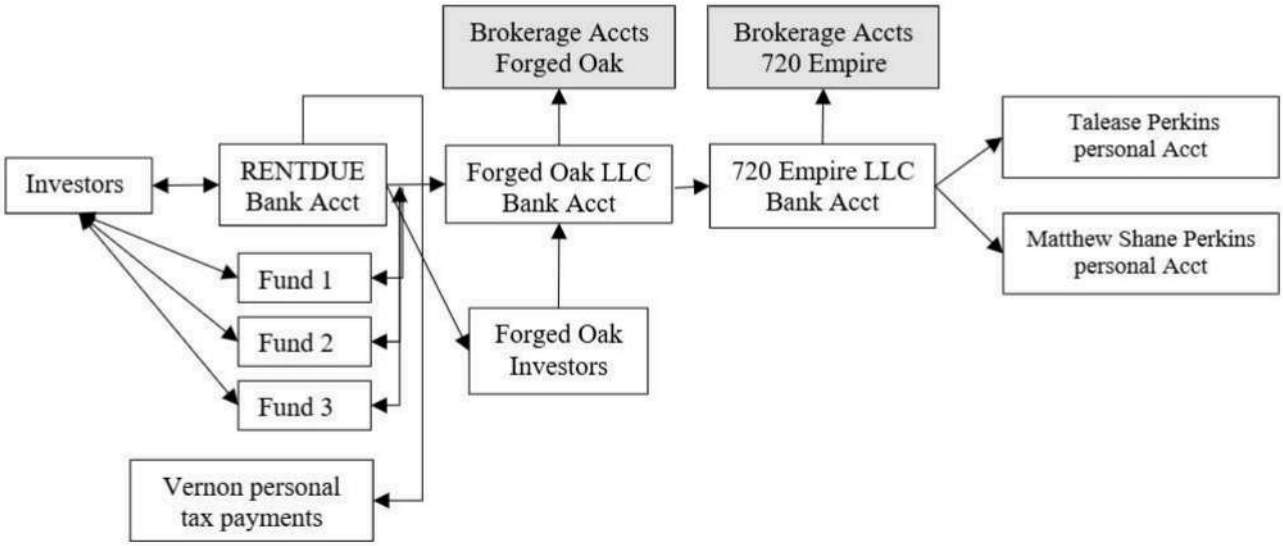



Figure 2. *Actual Flow of Funds*




112. According to Vernon's representations, the website and the PPMs state that investor funds deposited into the RENTDUE bank account are to be transferred to a centralized RENTDUE brokerage account held by a master LLC (Forged Oak), through which the Fund will execute its options trading strategy. Instead, Vernon chose what to do with those funds, whether it was depositing them with Forged Oak, transferring them to the Perkins' accounts, depositing them in the brokerage accounts, or using them to pay prior investors. For example, Vernon misused at least $9.7 million from new investors to make promised Ponzi-like payments to prior investors in RENTDUE. Vernon even used RENTDUE investor funds to make payments to two investors who invested directly in Forged Oak with Perkins, in an investment that predated the creation of the RENTDUE offering or Vernon's solicitations.

113. Vernon routinely used new investor funds to pay returns to other investors, contrary to his representations during the offer and sale. For example, bank records

reveal that at least one of investor B.M.'s $50,000 deposits to the RENTDUE MACU account on July 23, 2025, was subsequently combined with three other RENTDUE investor deposits and transferred the following day to an earlier RENTDUE investor as part of a $200,000 distribution payment. Similarly, investor J.B.'s $500,000 investment on September 25, 2025, was subsequently used to pay investment distributions to earlier RENTDUE investors.

114. On at least one occasion, Vernon transferred $100,000 of RENTDUE investor funds to a business he was affiliated with, All Out Wisdom Teeth, to demonstrate to a prospective lender that the business held cash. Vernon transferred the funds back to RENTDUE in full on March 5, 2025.

115. Vernon also used almost $800,000 of RENTDUE investments to pay his personal income tax. Vernon attempted to obfuscate this clear misuse of investor funds by placing,[17] layering, and laundering the misused investor funds, including a withdrawal of RENTDUE investor funds via check at MACU, which was deposited the same day in a RENTDUE Zions Bank account, only to be wired back to the RENTDUE MACU account the next day and used in part to pay $790,235 to both State and federal government taxes for Vernon and his spouse's income tax return payments for the 2024 tax year.

116. Vernon did not remit all investor funds directly to a brokerage account as represented during investor solicitation. Instead, he transferred funds to the Forged Oak

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[17] Placement refers to the initial deposit of illegitimate funds into the legitimate financial system. See https://www.fincen.gov/resources/history-anti-money-laundering-laws#:~:text=Typically%2C%20it%20involves%20three%20steps,listed%20below%20in%20chronological%20order. (last visited on Feb. 19, 2026).

bank account at MACU. Vernon transferred at least $74 million of investor funds from RENTDUE's bank accounts to a bank account held by Forged Oak, whose sole signatory was Talease Perkins. Once in the Forged Oak account, RENTDUE investor funds were either transferred to a brokerage account in Forged Oak's name or to 720 Empire's bank account, of which Talease Perkins is a sole signatory.

117. Defendants used some, but not all, of the investor funds for options trading in the market, as represented, but did not deposit them in three distinct funds held in separate accounts. Rather, the Defendants commingled investor funds in a single brokerage account that was not controlled by or overseen by Vernon, RENTDUE or even Perkins. Although Perkins appears to have done most, if not all, of the trading, Talease was the only authorized trader on the account.

118. The Forged Oak brokerage accounts at Charles Schwab, Interactive Brokers, and Tastytrade were single-owner accounts with Talease identified as the account owner and person with authorized trading authority.

119. Of the more than $89 million invested in RENTDUE, approximately $69 million was transferred to the brokerage accounts for the stated purpose of trading in the options market; over $51 million of that amount was lost due to bad trades, trading on margin, overleveraging and fees. For example, between December 12, 2024, and June 10, 2025, trading activities in the Forged Oak Charles Schwab account, funded with $27,375,000 in RENTDUE investor contributions, resulted in net realized losses of -$26,570,620.08 with an additional -$3,107,991.17 in commissions and fees owed. Despite the losses, the Defendants told investors they incurred only -$215,018.35 in losses during

the same period. The falsely reported earnings to investors were almost the complete inverse of actual losses sustained.

120. In July 2025, Charles Schwab closed the Forged Oak brokerage account for compliance violations, breach of the account agreement, and unregistered trader concerns, and Defendants transferred the funds to a newly created Forged Oak brokerage account at Interactive Brokers. Almost immediately, Perkins began the same pattern of unmitigated risk and hemorrhaging losses. From July 2025 through September 2025, RENTDUE reported only 21 losing days to investors, with the largest daily loss at 0.86%. However, actual brokerage account records showed the account had multiple daily losses, including a single-day loss of 80.74% of its starting value. The most recent reported "no loss day" was September 12, 2025, when RENTDUE reported a gain of $121,950, representing a return of 0.14% on a total balance of $88,301,018. However, the actual Interactive Brokers account for September 2025 shows lifetime mark-to-market losses of -$3,280,065.62[18] incurred during July and August, in addition to over $380,000 in commissions paid during those two months.

121. Talease misused the remaining funds not lost in trading or misused by Vernon, diverting them through the 720 Empire bank account, to obfuscate transfers thereafter to her personal accounts for personal use. An estimated total of $24 million of the roughly $89 million invested in RENTDUE was diverted from Forged Oak to 720

[18] Mark-to-market losses are unrealized losses reflecting a decline in value since the purchase was made. https://www.investopedia.com/terms/m/mark-to-market-losses.asp

Empire bank accounts, $15 million of which was sent to a Tastytrade brokerage account in the name of 720 Empire, and at least $9.5 million was misappropriated for personal use, including purchasing an airplane, personal residential real estate, luxury vehicles, high-end hunting excursions, and other expenses unrelated to the investment. For example, between May 10, 2025, and July 15, 2025, at least $593,000 in RENTDUE investor funds were transferred from Forged Oak's MACU account to 720 Empire's MACU account. Talease was the sole authorized signer on the accounts at that time. Some of the purchases made by Talease during this time, sourced from RENTDUE investor funds, include:

a. $332,957.63 paid to title companies related to property purchases held by entities owned and controlled by Talease.

b. $120,666.91 to make loan payments, including personal credit cards owned by Talease and multiple vehicles registered and titled to Talease.

c. $61,393.53 to purchase recreational vehicles by the Perkinses, and

d. $1,194,500 transferred to Toolbox OS Inc.[19] and affiliated individuals for an investment.

**The Fraud is Exposed**

122. On November 3, 2025, Perkins and Vernon learned that RENTDUE was being investigated by the Federal Bureau of Investigation ("FBI"), followed by the notice of the Division's investigation on November 10, 2025.

[19] Toolbox OS Inc. is a short-term investment offering promising 16% annual returns. See https://toolboxos.com/ (last visited on Feb. 19, 2026).

123. In response to these investigations, Vernon posted the information to the company's website and participated in an interview with the St. George News on November 12, 2025. "Things ran smoothly at first," Vernon said, "but at some point, the financial records from the trades started to seem off" – a fact Vernon never disclosed to investors. Vernon further posted that investors could recoup "up to 95%" of losses or "nearly everything" on any investment loss discrepancies by simply filing a tax claim and seeking a tax refund. Defendants have not told investors that 90% of the investment funds have been misappropriated or lost.

124. In a November 15, 2025, post on the RENTDUE website, Vernon stated, "During my meeting with investigators, I learned that the screenshots, daily balance updates, weekly summaries, and monthly statements provided to me did not match the actual activity within the brokerage accounts." Vernon also claimed, "The only withdrawal I made was on October 15, which was used solely to pay a tax liability based on a K-1 that I later learned was inaccurate." This statement is false and misleading. Vernon misused RENTDUE investor funds, not returns from the purported investment, to pay his personal state and federal income taxes; and on at least one occasion, Vernon transferred investor funds to a business he was affiliated with, to demonstrate to a prospective lender that the business held cash.

125. In November 2025, Perkins selectively refunded some non-RENTDUE investors with money held in the RENTDUE bank accounts and liquidated the remaining RENTDUE accounts, remitting the proceeds to the U.S. Marshals. Brokerage account records show that Perkins also liquidated the Tastytrade brokerage account and remitted

approximately $13,000,000 to the U.S. Marshal's Office.

126. 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. On February 2, 2026, Perkins pled guilty to one count of wire fraud and will be sentenced on July 8, 2026. 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 lost tens of millions of dollars trading"; and "I misappropriated millions of dollars from investors for personal expenses . . ." Perkins agreed to the criminal forfeiture of certain property to the United States, including an airplane, real property, several high-end vehicles, cashier's checks and donations to the Church of Jesus Christ of Latter-day Saints.

127. Vernon has since posted periodic updates on the RENTDUE website, saying he's "sorry" and that the situation "just flat out sucks!" A post from January 15, 2026, claims that, despite being the fund manager for RENTDUE operations, he has no idea what the financial state of RENTDUE is. He writes to his victims, "I'm in the same position as you—wanting clarity, wanting answers, and wanting this process to be over." Only Vernon is not in the same position as the victims. He is the fund creator, manager, fiduciary, and control person executing this fraud; he knew or should have known of the catastrophic losses, and he knows that the liquidated accounts are only a small fraction of investors' principal, and an even smaller fraction of what Defendants claimed to have

under management. On February 3, 2026, Vernon posted, "I did not receive any compensation or financial benefit from the fund. I did not have access to, or control over, the brokerage accounts or the generation of account statements. Mr. Perkins was responsible for trading operations and brokerage reporting." So, despite all his prior representations to the contrary, Vernon is now denying all knowledge.

128. As recently as February 2026, Defendants continue to provide investors with access to individualized investment account statements that contain false balances and bogus returns. The funds are not in trading accounts or in the amounts represented, and earnings were not derived from trading as represented.

129. To date, investors are owed at least $77 million in principal losses.

**Recent Solicitations, Ongoing Suspicious Conduct, and Dissipation of Assets**

130. As recently as October 31, 2025, RENTDUE solicited an investment from Division personnel posing as a prospective investor. In an instructional video provided to Division personnel via email, Vernon summarized the PPM as "a document that you will receive that basically says you can lose your money" and that "it protects the fund manager."

131. On October 28, 2025, Vernon filed an application with the National Futures Association (NFA) in furtherance of plans to ramp up operations for a new commodity trading pool.

132. After the fraud was exposed on November 3rd, Perkins made a series of transfers dissipating investor funds sourced from the RENTDUE fraud: On November 3, 2025, Perkins wired $796,463 to a longtime Forged Oak investor who invested directly

with Perkins and later with RENTDUE; on November 4, 2025, he wired $350,000 to his own personal Ninjatraders account(s); and on November 10, 2025, he wired $350,000 to his counsel's law-firm. Perkins and Talease had no other sources of income during this period other than money from RENTDUE investors.

133. On November 12, 2025, Vernon recorded a warranty deed for his personal residence, transferring his home into a trust he controls. The same day, Perkins completed the creation of two Utah entities, Aspen Way Equity LLC and Colt Road Equity LLC. On information and belief, Perkins and Vernon took these steps as part of proactive asset protection planning.

134. On November 18, 2025, Perkins obtained a $20,000 loan from a family member and transferred the funds to Ninjatraders the following day.

135. On or about November 25, 2025, Vernon attempted to return or resell a recently purchased Cadillac Escalade registered in his name.

136. On December 4, 2025, Perkins opened a new personal futures brokerage account at Tastytrade in his name, which he funded the following day with at least $150,000 obtained from another family member, under the representation that he needed a personal loan. He used those funds to start futures trading throughout December 2025.

**Lulling Activity**

137. Defendants continued to provide false account statements as of February 2026, which made it appear that investors' principal and earnings remained intact, though they were not.

138. An account statement from Defendants to investors was accessible on Google Docs as recently as February 20, 2026, and included representations that RENTDUE's assets under management were $108,677,274.32. This was false.

139. Weekly reports sent to investors as recently as November 14, 2025, stated that Defendants' trading was halted, but indicated the fund balance remained. The funds were gone.

140. In an update to the RENTDUE website on November 15, 2025, Defendants disclosed the FBI investigation. They also provided information about the "Plan to Recover Funds," and included advice about fully recovering funds through the IRS: "The IRS provides real relief when bad things happen to victims." And "If you haven't already, start working with your CPA using the IRS guidance linked below. This could return a substantial portion of your lost funds." Reporting a tax loss will not, however, restore a substantial portion of the victims' losses.

141. In a February 3, 2026, website post, Vernon again claimed, "I did not have access to, or control over, the brokerage accounts or the generation of account statements. Mr. Perkins was responsible for trading operations and brokerage reporting." After promising "triple-layered" verification to victims, Vernon, the "fund manager," now claimed he was a victim of Perkins's fraud operation that drained $77 million from victims.

## CAUSES OF ACTION

### FIRST CAUSE OF ACTION
### (Securities Fraud under § 61-1-1(2) of the Act)
### (All Defendants)

142. The Division realleges and incorporates by reference the allegations contained in Paragraphs 1 through 141 above.

143. Defendants, and each of them, by engaging in the conduct described in Paragraphs 1 through 141 above, directly or indirectly, in connection with offer, sale, or purchase of RENTDUE securities, made untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

144. Because of the foregoing, Defendants jointly, and each of them individually, directly or indirectly, violated Section 61-1-1(2) of the Act.

**SECOND CAUSE OF ACTION**
**(Securities Fraud under § 61-1-1(3) of the Act)**
**(All Defendants)**

145. The Division realleges and incorporates by reference the allegations contained in Paragraphs 1 through 141 above.

146. Defendants, by engaging in the conduct described in Paragraphs 1 through 141 above, directly or indirectly, in connection with the offer, sale, or purchase of RENTDUE securities, engaged in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

147. That conduct includes, but is not limited to, Defendants' conversion and misuse of investor monies for purposes not disclosed to or authorized by investors, including personal use and Ponzi-like payments to earlier investors.

148. Because of the foregoing, Defendants, directly or indirectly, violated Section 61-1-1(3) of the Act.

**THIRD CAUSE OF ACTION**
**(Employing Unlicensed Agents under § 61-1-3(2) of the Act)**
**(RENTDUE)**

149. The Division realleges and incorporates by reference the allegations contained in paragraphs 1 through 141 above.

150. RENTDUE, by engaging in the conduct described in Paragraphs 1 through 141 above, RENTDUE employed or engaged Vernon as an unlicensed sales agent to sell its securities.

151. Because of the foregoing, RENTDUE violated Section 61-1-3(2) of the Act.

**FOURTH CAUSE OF ACTION**
**(Sale by Unlicensed Agents under § 61-1-3(1) of the Act)**
**(Jeffrey Jace Vernon)**

152. The Division realleges and incorporates by reference the allegations contained in paragraphs 1 through 141 above.

153. Defendant Vernon, engaging in the conduct described in Paragraphs 1 through 141 above, transacted business in this state as an agent of RENTDUE without a license.

154. Because of the foregoing, Defendant Vernon violated Section 61-1-3 of the Act.

**FIFTH CAUSE OF ACTION**
**(Unlicensed Investment Adviser or Representative under § 61-1-3(3) of the Act)**
**(RENTDUE, Vernon, Perkins, Talease)**

155. The Division realleges and incorporates by reference the allegations contained in Paragraphs 1 through 141 above.

156. Defendants RENTDUE, Vernon, Perkins and Talease, by engaging in the

conduct described in Paragraphs 1 through 141 above, held themselves out as and transacted business in this state as investment advisers or investment adviser representatives while unlicensed under this chapter.

157. As described in the PPMs, RENTDUE is the sole, exclusive manager of Funds 1, 2, and 3. RENTDUE acted as an unlicensed investment adviser to the Funds and investors (who believed their monies would be invested in one or more of the individual Funds) by pooling investor monies into the Forged Oak brokerage accounts at Schwab, Interactive Brokers and Tastytrade, and engaging in options trading in those accounts for compensation that was most often represented to investors as 30% of profits made in the account.

158. Talease acted as an unlicensed investment adviser representative of RENTDUE because she was the sole authorized trader on each of the Schwab, Interactive Brokers, and Tastytrade brokerage accounts, which received and traded investors' monies for compensation.

159. Perkins, the undisclosed "guru trader" of RENTDUE, acted as an unlicensed investment adviser representative by actively trading investors' funds across brokerage accounts at Schwab, Interactive Brokers, and Tastytrade for compensation. He was held out as a proficient and disciplined option trader.

160. Vernon, as founder, "fund manager" of RENTDUE and creator of its options trading strategy, held himself out as and acted as an unlicensed investment adviser representative of RENTDUE by pooling investors' funds and soliciting investors for the investment adviser and traders for options trading in exchange for compensation.

161. By reason of the foregoing, Defendants RENTDUE, Vernon, Perkins and Talease violated Section 61-1-3 of the Act.

**SIXTH CAUSE OF ACTION**
**(Offer and Sale of Unregistered Securities under § 61-1-7 of the Act)**
**(RENTDUE and Jeffrey Jace Vernon)**

162. The Division realleges and incorporates by reference the allegations contained in Paragraphs 1 through 141 above.

163. 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[20] of the Act is upon the person claiming the exemption.

164. Here, Defendants' offering documents stated that RENTDUE was relying on the "private placement" exemption in Securities Act Section 4(a)(2)[21] (15 U.S.C. § 77d(a)(2)) and Rule 506(c) of Regulation D (17 C.F.R. §230.501 et. seq.) 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

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

[21] 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*, No. 18 Civ. 1947 (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).

required under Rule 506(e).

That rule states:

> *Disclosure of prior "bad actor" events.* The issuer shall furnish to each purchaser, a reasonable time prior to sale, a description in writing of any matters that would have triggered disqualification under paragraph (d)(1) of this rule but occurred before September 23, 2013. The failure to furnish such information timely shall not prevent an issuer from relying on this rule if the issuer establishes that it did not know and, in the exercise of reasonable care, could not have known of the existence of the undisclosed matter or matters.
>
> *Instruction to paragraph (e).* An issuer will not be able to establish that it has exercised reasonable care unless it has made, in light of the circumstances, factual inquiry into whether any disqualifications exist. The nature and scope of the factual inquiry will vary based on the facts and circumstances concerning, among other things, the issuer and the other offering participants.

17 C.F.R. § 230.506(e).

165. The CFTC Order is a disqualifying event for Vernon. Rule 506(d), *"Bad Actor" disqualification*, states, in relevant part, "No exemption under this rule shall be available for a sale of securities if the issuer...any director, executive officer, other officer participating in the offering, general partner or managing member of the issuer...any promoter connected with the issuer in any capacity at the time of such sale; any investment manager of an issuer that is a pooled investment fund...:[22]

> iii. Is subject to a final order of ... the U.S. Commodity Futures Trading Commission...that:
>
> (A) At the time of such sale, bars the person from:
>
> (1) Association with an entity regulated by such commission, authority, agency, or officer;

[22] As RENTDUE's founder, manager, sole member, "fund manager" and salesman, Vernon meets multiple categories of persons subject to Rule 506(d).

(2) Engaging in the business of securities, insurance, or banking."

17 C.F.R. § 230.506(d). The permanent injunction entered against Lucid on January 31, 2012 – further back than the September 23, 2013, effective date of the *automatic* bad actor disqualification provisions that would otherwise nullify the exemption – includes restrictions that bar Vernon from associating with entities regulated by CFTC and from conducting trading activity involving commodities, among other things. Taken together, Defendants are disqualified from relying on Rule 506(c) of Regulation D.

Paragraph 37 of the CFTC Order states that until payment of the civil penalty of $140,000 is made, "all persons and entities insofar as they are acting in the capacity of agents, servants, employees, successors, assigns, or attorneys of Lucid, and all persons and entities insofar as they are acting in concert or participation with Lucid who receive actual notice of this Consent Order by personal service or otherwise, shall be permanently restrained, enjoined, and prohibited from directly or indirectly:

> a. Trading on or subject to the rules of any registered entity (as that term is defined in Section 1a of the [Commodity Exchange Act], as amended, to be codified at 7 U.S.C. § 1a);
>
> b. Entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 1.3(hh), 17 C.F.R. 1.3(hh)(2011) ("commodity options"), security futures products, and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i)) ("forex contracts") for its own personal account or for any account in which it has a direct or indirect interest;
>
> c. Having any commodity futures, options on commodity futures, commodity options, and/or forex contracts traded on its behalf;
>
> d. Controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any

account involving commodity futures, options on commodity futures, commodity options, security futures products and/or forex contracts; and

e. soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity futures, commodity options, security futures products and/or forex contracts.

Defendants were required by Rule 506(e) to disclose the CFTC Order as a "prior 'bad actor' event" at a reasonable time prior to the sale of RENTDUE securities. They did not make any such disclosure at any time. Accordingly, they are disqualified from the Rule 506(c) exemption.

## RELIEF REQUESTED

WHEREFORE, the Division respectfully requests that this Court:

1. Issue findings of fact and conclusions of law that the Defendants committed the violations charged herein;
2. Issue an order in a form consistent with Rule 65A of the Utah Rules of Civil Procedures that preliminarily enjoins Defendants and their officers, agents, servants, employees, attorneys and accountants, and those persons in active concern of participation with any of them, who receive actual notice of the order by personal service or otherwise, from violating the Utah Uniform Securities Act;
3. Issue an order in a form consistent with Rule 65A of the Utah Rules of Civil Procedures that preliminarily enjoins Defendants and their officers, agents, servants, employees, attorneys and accountants, and those persons in active concern of participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from: (A) transferring,

changing, wasting, dissipating, converting, concealing, or otherwise disposing of, in any matter, any funds, assets, claims, or other property or assets owned or controlled by, or in the possession or custody of Defendants; and (B) transferring, assigning, selling, hypothecating, or otherwise disposing of any assets of RENTDUE, Vernon, Perkins and/or Forged Oak, 720 Empire, or Talease Perkins

4. Issue an order in a form consistent with Rule 65A of the Utah Rules of Civil Procedures that preliminarily enjoins Defendants and their officers, agents, servants, employees, attorneys and accountants, and those persons in active concern of participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, books, records, computer programs, computer files, computer printouts, correspondence, including e-mail, text messages, and ChatGPT prompts, whether stored electronically or in hard copy, memoranda, brochures, marketing, articles, videos or any other documents of any kind that pertain in any manner to the business of the Defendants;

5. Grant such further equitable relief as this Court deems just, appropriate, and necessary, including, but not limited to, the acceleration and expansion of discovery, including the forthwith production of documents;

6. Enter an order directing Defendants, and each of them, to pay civil money penalties pursuant to Section 61-1-20(2)(b) of the Act;

7. Enter an order directing Defendants to disgorge all ill-gotten gains received during

the period of violative conduct and pay prejudgment interest on such ill-gotten gains pursuant to Section 61-1-20(2)(b) of the Act;

8. Enter an order directing Defendants to pay restitution to investors pursuant to Section 61-1-20(2)(b) of the Act;

9. Retain jurisdiction of this action in accordance with the principles of equity and the Utah Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court; and

10. Award the Division the costs of investigation in bringing this action, reasonable attorney's fees, as well as such other and additional relief that the Court may determine to be just and proper.

DATED: March 23, 2026

DEREK E. BROWN
UTAH ATTORNEY GENERAL

*/s/ Jennifer Korb*
Tom Melton
Jennifer Korb
Paula Faerber
Peishen Zhou
*Assistant Attorneys General*

VERIFICATION

I, Robert B. Cummings, am the Director of the Plaintiff, the Utah Division of Securities, and having been first duly sworn upon oath hereby state that I have read the foregoing Verified Complaint and verify that, to the best of my knowledge, information and belief based upon an inquiry reasonable under the circumstances, the contents thereof are true and correct and well supported in law and fact.

Dated this 19th day of March, 2026.

Robert B. Cummings
Director, Utah Division of Securities

SALT LAKE COUNTY )
ss.
STATE OF UTAH )

SUBSCRIBED and sworn to before me this 19th day of March 2026.

STACEY K BAIRD
Notary Public State of Utah
My Commission Expires on:
January 21, 2028
Comm. Number: 734816

Notary Public
Salt Lake City, Utah
Commission expires: 1-21-2028