

Bond Case Briefs

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SEC Charges Three Arizona Individuals with Defrauding Investors in \$284 Million Municipal Bond Offering That Financed Sports Complex.

Washington D.C., April 1, 2025 —

The Securities and Exchange Commission today charged Randall “Randy” Miller, Chad Miller, and Jeffrey De Laveaga with creating false documents that were provided to investors in two municipal bond offerings that raised \$284 million to build one of the largest sports venues of its kind in the United States.

As alleged in the SEC’s complaint, in August 2020 and June 2021, Randy Miller’s nonprofit company, Legacy Cares, issued approximately \$284 million in municipal bonds through an Arizona state entity to finance the construction of a multi-sports park and family entertainment center in Mesa, Arizona. Investors were to be paid from revenue from the sports complex, and investors were given financial projections for revenue that were multiple times the amount needed to cover payments to investors, according to the complaint. However, the complaint alleges that the defendants fabricated or altered documents forming the basis for those revenue projections, including letters of intent and contracts with sports clubs, leagues, and other entities to use the sports complex. The sports complex opened in January 2022 with far fewer events and much lower attendance and generated tens of millions less in revenue than expected under the false projections, and the bonds defaulted in October 2022, according to the complaint.

“As our complaint alleges, these defendants used fake documents to deceive municipal bond investors into believing a sports complex would generate more than enough revenue to make payments to bondholders,” said Antonia Apps, Acting Deputy Director of the SEC’s Division of Enforcement. “Maintaining the integrity of the approximately \$4 trillion municipal bond market is critical for local governments and investors alike. The SEC will hold accountable individuals who defraud municipal bond investors.”

The SEC’s complaint, filed in the U.S. District Court for the Southern District of New York, charges Randy Miller, Chad Miller, and De Laveaga with violating the antifraud provisions of the federal securities laws and seeks permanent injunctions, conduct-based injunctions, disgorgement with prejudgment interest, and civil penalties.

In a parallel action, the U.S. Attorney’s Office for the Southern District of New York today announced criminal charges for similar conduct.

The SEC’s investigation was conducted by William T. Salzmann, Jonathan Grant, Joseph Chimienti, and Creighton Papier and supervised by David Zhou and Rebecca Olsen of the Public Finance Abuse Unit. They were assisted by Steven Varholik of the San Francisco Regional Office. The litigation will be led by Jason Bussey of the San Francisco Regional Office, Mr. Salzmann, and Mr. Grant. The SEC’s investigation is ongoing. The SEC appreciates the assistance of the U.S. Attorney’s Office for the Southern District of New York and the FBI.

