

Bond Case Briefs

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SEC Files Charges Against Three for Creating False Documents for Investors.

The Securities and Exchange Commission (SEC) has charged three individuals with creating false documents for investors.

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

According to the SEC’s complaint, 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. This was done in August 2020 and June 2021.

Investors were to be paid from revenue from the sports complex. They were given financial projections for revenue that were multiple times the amount needed to cover payments to investors, according to the complaint. However, the SEC 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 than expected. And it generated tens of millions less in revenue than anticipated under the false projections. Ultimately, 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,” Antonia Apps, acting deputy director of the SEC’s Division of Enforcement, said. “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 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. It 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 levied criminal charges for similar conduct.

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By Dave Kovaleski | April 3, 2025

