



New Mexico Regulation and Licensing Department SECURITIES DIVISION

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RADIO PROMOTERS SENTENCED TO PRISON

LAS CRUCES, N.M. – New Mexico Regulation and Licensing Department Superintendent Marguerite Salazar announced Tuesday that Dain Leslie Schult of Austin, Texas and Joel McKay Hixon of Las Cruces, New Mexico have been sentenced to prison for defrauding New Mexico investors in a scheme that promised to use investors' money to promote "mom and pop" radio stations on the internet. Schult was sentenced to 4 years, and Hixon was sentenced to 18 months. Both men were ordered to make restitution in the amount of \$25,000.

Schult and Hixon were convicted of Fraud over \$20,000, Securities Fraud, Conspiracy to Commit Fraud, Sale of an Unregistered Security, and Sale of Security by an Unlicensed Agent.

"These men violated the trust of their investors with lies and deception. Their prison sentences send a loud and clear message of deterrence to criminals committing fraud in New Mexico," stated Salazar.

Schult used his companies—American Radio Empire, Inc. and American Wireless and Entertainment, Inc.—to recruit local individuals like Hixon who had experience in the radio industry in order to solicit investments from unsuspecting friends, enticing them with illusory offers of future employment. Schult and Hixon led investors to believe that the money they raised was being used to pay for services aimed at funding an initial public offering of Schult's company. Additionally, Schult and Hixon told investors that the money from the sale of promissory notes would be used to purchase smaller radio stations around the United States and put them on the internet.

"This case involving religion and radio demonstrates that affinity fraud can affect anyone, no matter their line of work," said Securities Division Director Matthew Bouillon Mascareñas. "As with all investments, we urge caution and skepticism."

A joint investigation by the Securities Division, the Texas State Securities Board, and the Travis County Sheriff's Office revealed that Schult was in fact misappropriating investors' money for personal use and to pay commissions to Hixon for his collaboration in the scheme.

The case was prosecuted by the Securities Division and the Office of Third Judicial District Attorney Mark D'Antonio.

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The Regulation and Licensing Department's Securities Division protects New Mexicans from fraud and financial abuse by licensing investment professionals, registering securities offerings made in the state, offering anti-fraud and educational programs to the public, and investigating fraud and other violations of the state securities laws. To learn more about investment fraud, visit the division's website at redflagsnm.com or call (800) 704-5533.

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