



New Mexico Regulation and Licensing Department SECURITIES DIVISION

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BUSINESSMEN GUILTY OF SECURITIES FRAUD

LAS CRUCES, N.M. – New Mexico Regulation and Licensing Department Superintendent Marguerite Salazar announced Friday that Dain Leslie Schult of Austin, Texas and Joel McKay Hixon of Las Cruces, New Mexico have been found guilty of defrauding New Mexico investors in a Pyramid scheme that promised to use investors' money to promote "mom and pop" radio stations on the internet.

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.

"This verdict sends a clear message to other fraudsters out there that the State of New Mexico will not tolerate criminals preying on the citizens of New Mexico" said 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.

"We are very pleased with the jury's verdict in this case because it demonstrates the Securities Division's commitment to ensuring New Mexicans are provided with full and complete information about investments in advance of any offer or sale. Those who seek to raise money in New Mexico must follow the law or be held accountable," said Securities Division Director Matthew Bouillon Mascareñas.

A joint investigation by the Securities Division of the New Mexico Regulation and Licensing Department, the Texas State Securities Board, and the Travis County Sheriff's Office revealed that Schult was in fact

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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 of the New Mexico Regulation and Licensing Department and the Office of the Third Judicial District Attorney.

The Regulation and Licensing Department's Securities Division protects New Mexicans from fraud and financial abuse by licensing investment professionals, registering securities offering 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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