

## ALABAMA SECURITIES COMMISSION

Post Office Box 304700 Montgomery, Alabama 36130-4700  
Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240  
Email: [asc@asc.alabama.gov](mailto:asc@asc.alabama.gov) Website: [www.asc.alabama.gov](http://www.asc.alabama.gov)

### HARBOR CITY CAPITAL and THE BONDS OF DECEIT

**MONTGOMERY, ALABAMA (June 29, 2020)** – Harbor City Capital Corporation or Harbor City Digital Ventures and Jonathan Paul Maroney are out to deceive Alabamians and profit off unsuspecting investors by using dazzling marketing tactics to sell unregistered bonds. The Alabama Securities Commission (ASC) has issued an order prohibiting the companies and Maroney from further sales in Alabama. Investors are warned to avoid doing business with Harbor City Capital Corporation or Harbor City Digital Ventures and Jonathan Paul Maroney.

“The challenging part of our agency’s job is getting the word out about fraudulent companies and individuals, before the rip-off happens.” said ASC Director Joseph P. Borg. “Anyone who is caught unaware is at risk of losing their life savings before we catch, prosecute, and lock up fraudsters. The money is usually gone the second the victim hands it over.”

Harbor City Capital Corporation, Harbor City Digital Ventures and Maroney deployed several [Deceptive Digital Marketing](#) tactics. These fraudsters created multiple social media accounts, a detailed website and an imitation Fox News interview. They claimed their investments were safe and would have guaranteed returns ranging from 20 to 45 percent.

Your best protection against investment deceptions like those outlined above is calling the ASC at 1-800-222-1253 to ensure the company, individuals, and products are registered. Your second line of defense is recognition. You can recognize similar scams and protect yourself by remembering that all investing, even conservative investments like bonds, have some risk. Furthermore, an expected rate of return much higher than the historical stock market average of 10% is unlikely and probably too good to be true. To learn more about identifying investment fraud visit the education section of the [ASC website](#).

ASC’s [Con Watch website](#) is updated regularly with postings of individuals and companies that are attempting to defraud the public. If you see or suspect that you fell victim to a COVID-19 related investment scam, report it to [COVIDCONS@asc.alabama.gov](mailto:COVIDCONS@asc.alabama.gov).

The ASC cautions all investors to thoroughly research investments. The vital first step when researching a financial professional and product is calling the ASC to confirm their registration. Contact the ASC to report suspected fraud and inappropriate securities business practices. Free investor education materials can be found on the ASC website [here](#), which is used for presentation requests.

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For further information contact Dan Lord, Education and Public Affairs Manager, 334-353-4858.

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**STATE OF ALABAMA**  
**ALABAMA SECURITIES COMMISSION**

<b>IN THE MATTER OF:</b>	)	
<b>HARBOR CITY CAPITAL CORP</b>	)	<b>ADMINISTRATIVE ORDER</b>
<b>HARBOR CITY DIGITAL VENTURES, INC.</b>	)	<b>NO. CD-2020-0013</b>
<b>JONATHAN PAUL MARONEY</b>	)	
	)	
<u><b>RESPONDENTS</b></u>	)	

**CEASE AND DESIST ORDER**

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

**RESPONDENTS**

1. HARBOR CITY CAPITAL CORPORATION ("CAPITAL") is a Florida corporation with a last known address of 100 Rialto Place Suite 700 Melbourne, Florida 32901. CAPITAL operates and maintains the website, [www.harborcitycapital.com](http://www.harborcitycapital.com).

2. HARBOR CITY DIGITAL VENTURES, INC. ("HCDV") is a Florida corporation with a last known address of 100 Rialto Place Suite 700 Melbourne, Florida 32901 and is accessible via website, [www.harborcitycapital.com](http://www.harborcitycapital.com).

3. JONATHAN PAUL MARONEY ("MARONEY") is the Chief Executive Officer, Director, and Agent of CAPITAL and HCDV with a last known address of 100 Rialto Place Suite 700 Melbourne, Florida 32901.

## STATEMENT OF FACTS

4. On October 10, 2019, the Commission received information regarding a YouTube advertisement of **MARONEY** and **CAPITAL** offering an 18% annual return in an investment opportunity. A search of the [www.harborcitycapital.com](http://www.harborcitycapital.com) website disclosed the videos from the advertisement in addition to other investment offering videos. The videos and website were made available via the internet to Alabama residents and touted the opportunity to invest in bond offerings called **HCCF-1**, **HCCF-2**, **HCCF-3**, and **HCCF-4**, and “**Harborshark**”. The video advertisements on the **CAPITAL** website stated that the bond offerings were producing high returns on investment (“ROI”). According to the **CAPITAL** website, **MARONEY** is the Chief Executive Officer of **CAPITAL** and **HCDV**

5. **CAPITAL** advertises that the bond offerings consistently generate ROI of 20%-45% in 90-days or less. According to the website,

*“We provide the funding to cover the 30-90-day gap between the generation of the lead and the payment for the leads. The funding is provided as a line of credit that is guaranteed by a UCC-filed lien against accounts receivable and purchase orders as collateral. This mitigates their risk of capital loss by providing them a secure position with guaranteed repayment and allows them to safely earn 2-3% every 30 days for providing the campaign funding.”*

6. According to information gathered in the investigation, **HCCF-1** and **HCCF-2** were incorporated to facilitate bond offerings by **CAPITAL**. The bonds in **HCCF-1** and **HCCF-2** are reportedly designed for accredited investors and contain a par value of \$1,000.00 with a minimum investment of \$50,000.00. The campaigns are executed by **HCDV**. **CAPITAL’S** website describes how the company “scales its campaign capacity” via **HCCF-1** and **HCCF-2** bonds as follows,

*“...by issuing \$1.0 million in secured 2-year bonds that pay 1.5% each month in current interest income to bond holders with full return of principal at maturity. Our collateralized guarantee when funding the campaigns provides investors a safe way to earn 18% annual yield with monthly cashflow.”*

7. The **CAPITAL** website indicates that the convertible preferred notes offerings for **HCCF-1** and **HCCF-2** have been closed. The **CAPITAL** website does not contain a description of the **HCCF-3** bond offering and indicates that the offering is closed. The **CAPITAL** website advertises an **HCCF-4** Bond and “**Harborshark**” offering as coming soon. The website does not contain descriptions of those offerings.

8. On April 21, 2020, a video was posted on the **CAPITAL** YouTube channel and Facebook page. The video is purported to be a “Fox News Radio” interview of **MARONEY** discussing “COVID-19 impact on the economy.” **MARONEY** was introduced as the CEO of **CAPITAL** and a financial strategist during the YouTube video. During the interview, **MARONEY** utilized COVID-19 and its financial impact as a platform to promote his company, **CAPITAL**. A news ticker on the video advertised the following:

*“Follow JP Maroney on all social media outlets @JPMaroney-  
Learn more about Harbor City Capital at Harborcity.com”*

9. A review of the U.S. Securities and Exchange Commission (“U.S. SEC”) EDGAR website disclosed a Reg. D 506 filing for **Harbor City Capital Corporation** received by the U.S. SEC on January 29, 2019.

10. A review of the U.S. Securities and Exchange Commission (“U.S. SEC”) EDGAR website disclosed no filings for **HCCF-1**, **HCCF-2**, **HCCF-3**, **HCCF-4**, or **Harborshark**.

11. A review of the files of the Alabama Securities Commission Registration Division disclosed no record of registration, or exemption from registration for the bond offerings **HCCF-1**, **HCCF-2**, **HCCF-3**, **HCCF-4**, or **Harborshark** as securities to be sold in the State of Alabama.

12. A review of the files of the Alabama Securities Commission Registration Division disclosed no record of registration, or exemption from registration for **CAPITAL** as an issuer of securities in the State of Alabama.

13. A review of the Alabama Securities Commission Registration Division disclosed no record of registration for **MARONEY** as a broker dealer agent, investment advisor representative or as a restricted agent in the State of Alabama.

### CONCLUSIONS OF LAW

14. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of “security” includes bonds, notes and other evidences of indebtedness. The “bond offerings” made available from RESPONDENTS to Alabama citizens are securities as defined by the Act.

15. Pursuant to Section 8-6-2(5), Code of Alabama 1975, the definition of “issuer” includes “every person who proposes to issue, has issued, or shall hereafter issue any security.” CAPITAL is representing itself to be issuing securities in the form of bonds is an issuer as defined by the Act.

16. Pursuant to Section 8-6-17(a)(3), Code of Alabama 1975, it is unlawful for any person in connection with the offer or sale of any security to engage in any act practice or course of business which would operate as a fraud or deceit upon any person. RECONDENTS have caused unrealistic claims of investment performance and unrealistic predictions of market profitability to be displayed on their web site in order to induce investors to purchase their securities in violation of the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

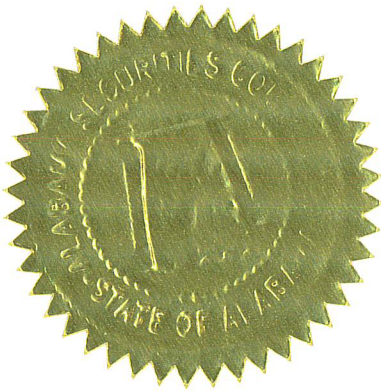
This Order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies that are available to it under the Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the RESPONDENTS to make a timely request for a hearing, or default of the RESPONDENTS, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative

assessment imposed on the RESPONDENTS, an additional administrative assessment for investigative cost arising from the investigation of the violation(s) described herein against the RESPONDENTS, and a permanent order to bar the RESPONDENTS from participation in any securities related industry in the state of Alabama.

**ACCORDINGLY, IT IS HEREBY ORDERED** that RESPONDENTS immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 25<sup>th</sup> day of June, 2020.



ALABAMA SECURITIES COMMISSION

445 Dexter Avenue, Suite 12000

Montgomery, AL 36104

(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over the printed name and title.

JOSEPH P. BORG  
DIRECTOR