



Department of Justice

United States Attorney Billy J. Williams
District of Oregon

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FORMER AEQUITAS SENIOR EXECUTIVE AND CHIEF FINANCIAL OFFICER INDICTED FOR MAKING FALSE STATEMENTS TO CREDITOR

PORTLAND, Ore.—U.S. Attorney Billy J. Williams announced today that Nelson Scott Gillis, 66, of Lake Oswego, Oregon, a former senior executive and chief financial officer of Aequitas Management, LLC, and several other Aequitas-owned entities, has been indicted for conspiring to submit false statements to a federally insured creditor in order to obtain \$4.2 million for Aequitas as it struggled to survive in January 2016.

According to court documents, Aequitas created and operated investment funds that purchased trade receivables in education, health care, transportation, and other consumer credit areas. To purchase the trade receivables, and for other purposes it fraudulently concealed, Aequitas solicited some investors through the issuance of promissory notes via the Aequitas Commercial Finance (ACF) Private Note program.

Aequitas also borrowed funds from other financial institutions to purchase trade receivables. One of these institutions was Wells Fargo Bank, N.A. On or about January 12, 2015, Aequitas entered into a loan agreement with Wells Fargo to establish a \$100 million line of credit. On or about June 30, 2015, Gillis signed an amended loan agreement with Wells Fargo on Aequitas's behalf. To receive advances on this line of credit, Aequitas had to certify several things, including that it was not experiencing an "event of default" or "potential event of default" on more than \$2.5 million in debt held by third parties.

In early January 2016, Gillis and other Aequitas executives were advised that Aequitas was already in default on Private Note obligations exceeding \$2.5 million. Despite that advice, on or about January 15, 2016, Gillis signed and, with others, submitted to Wells Fargo an "advance notice," requesting that Wells Fargo advance \$4.2 million to Aequitas under the terms of their loan agreement. As part of this "advance notice", Gillis certified that "no potential event of default or event of default has occurred or is occurring."

Gillis faces a maximum sentence of 90 years in prison, fines of \$3 million or twice the gross monetary gains or losses resulting from his crimes, and 5 years' supervised release. He will be arraigned on May 15, 2020, before a U.S. Magistrate Judge.

This case is being investigated by the FBI, IRS Criminal Investigation, and the U.S. Department of Labor Employee Benefits Security Administration. It is being prosecuted by Scott E. Bradford and Ryan W. Bounds, Assistant U.S. Attorneys for the District of Oregon.

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