



U.S. Securities and Exchange Commission

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 22764 / July 30, 2013

Securities and Exchange Commission v. John M. Sensenig, Civil Action No. 13-cv-4378 (E.D. Pa.)

SEC Files Settled Charges Against John M. Sensenig, Founder and Owner of Conestoga Log Cabin Leasing, Inc. for Fraud and Unregistered Sales of Securities Violations

On July 29, 2013, the Securities and Exchange Commission ("Commission") filed a complaint against John M. Sensenig ("Sensenig"), in the United States District Court for the Eastern District of Pennsylvania alleging that Sensenig, a member of the Mennonite community and the founder and owner of Conestoga Log Cabin Leasing, Inc. and other affiliated companies, violated the antifraud and securities registration provisions of the federal securities laws.

The Commission's complaint alleges that from at least 1997 until 2009, Sensenig raised millions of dollars from more than 1,500 fellow members of the Amish and Mennonite communities through the offer and sale of Promissory Notes. Sensenig used the proceeds to finance a collection of start-up companies he founded and controlled, the largest of which was Conestoga Log Cabin Leasing, Inc. More than half of the funds raised by Sensenig were returned to investors. The complaint further alleges that Sensenig made material misrepresentations and omissions to investors including failing to disclose the use of proceeds, the risks associated with the investment, and remedial sanctions placed on him by a state securities regulator. The Commission further alleges that Sensenig failed to register the offering of the Promissory Notes although no exemption from registration applies. The complaint alleges that this conduct violated Sections 5(a), 5(c), 17(a)(2) and 17(a)(3) of the Securities Act of 1933 ("Securities Act").

Without admitting or denying the allegations in the complaint, Sensenig consented to the entry of a final judgment, subject to the court's approval, in which he is: (i) permanently enjoined from further violations of Sections 5 and 17(a) of the Securities Act, (ii) permanently enjoined from direct or indirect participation in any unregistered offerings of securities; (iii) ordered to pay a civil penalty in the amount of \$131,500; and (iv) ordered to surrender for cancellation all shares of stock he owns in two privately held companies formerly affiliated with Conestoga Log Cabin Leasing, Inc. The Commission is not seeking the imposition of a higher penalty in light of Sensenig's financial condition.

<http://www.sec.gov/litigation/litreleases/2013/lr22764.htm>