

Division of Securities
Utah Department of Commerce
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**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:

**STIPULATION AND CONSENT
ORDER**

DANIEL J. MATHESON, CRD#5076892

Docket No. SD-23-0010

Respondent.

The Utah Division of Securities ("Division"), by and through its Senior Compliance Manager, Kenneth O. Barton, and Respondent Daniel J. Matheson ("Matheson" or "Respondent") hereby stipulate and agree as follows:

1. Respondent has been the subject of an investigation by the Division into allegations that he violated the Utah Uniform Securities Act ("Act"), Utah Code Ann. § 61-1-1, et seq., as amended.
2. On or about January 26, 2023 the Division initiated an administrative action against Respondent by filing a Petition to Censure and Impose a Fine.
3. Respondent hereby agrees to settle this matter by way of this Stipulation and Consent Order ("Order"). If entered, the Order will fully resolve all claims the Division has against Respondent pertaining to the Petition.

4. Respondent admits that the Division has jurisdiction over him and the subject matter of this action.
5. Respondent hereby waives any right to a hearing to challenge the Division's evidence and present evidence on his behalf.
6. Respondent has read this Order, understands its contents, and voluntarily agrees to the entry of the Order as set forth below. No promises or other agreements have been made by the Division, nor by any representative of the Division, to induce Respondent to enter into this Order, other than as described in this Order.
7. Respondent is represented by Matt Lewis and Jeremy Adamson of the law firm of Kunzler, Bean and Adamson, and is satisfied with the legal representation he has received.

I. FINDINGS OF FACT

8. Matheson is a resident of Lehi, Utah, and has been a licensed investment adviser representative ("IAR") of Aspen Capital Management, LLC ("ACM"), CRD#226559, since September 2015. Matheson has worked in the securities industry since 2006 and has passed the FINRA Series 6, 63 and 65 exams. Between 2006 and 2011, Matheson was licensed in Utah as a broker-dealer agent with several different firms. Matheson has not been licensed to sell securities since July 2011.
9. ACM, a Utah limited liability company, is an investment adviser firm located at 1150 South Bluff Street, Suite 6, in St. George, Utah. ACM has been licensed as an investment adviser in Utah since September 2015. ACM is owned and managed by John R. Crosier ("Crosier"), CRD#2787111, and Chad E. Loveland ("Loveland"), CRD#2837851. According to ACM's Compliance Policies and Procedures Manual

(“Compliance Manual”), Crosier and Loveland are both responsible for general supervision of ACM and its representatives. Crosier is ACM’s Chief Compliance Officer and Loveland is ACM’s Chief Financial Officer.

10. Separate actions against ACM, Crosier, Loveland and others were filed contemporaneously with this action. Those actions are pending.¹
11. ACM, Crosier, Loveland and Matheson were previously the subjects of a Division regulatory action filed in March 2018. That action was resolved through a stipulation and consent order in November 2018 in which ACM, Crosier and Loveland paid a fine of \$25,000.00 and Matheson paid a fine of \$4,000.00.²

The Woodbridge Ponzi Scheme Sold by ACM Representatives

12. Woodbridge Group of Companies, LLC (“Woodbridge”) is a defunct Delaware limited liability company registered with the Delaware Division of Corporations on December 11, 2014. Woodbridge and numerous related entities were owned and controlled by Robert H. Shapiro (“Shapiro”) and purported to be in the business of short-term commercial lending secured by commercial real estate.
13. Woodbridge used a nationwide network of sales agents, including Respondent, Crosier, Loveland and others (at times referred to collectively herein as “ACM representatives”) to solicit investors to purchase Woodbridge investments in the form of promissory notes

¹ See Docket Nos. SD-23-0007, 0008, and 0009:

<https://db.securities.utah.gov/dockets/23000701.pdf>

² For more information see Docket Nos. SD-18-0003, 0004, 0005, and 0006:

<https://db.securities.utah.gov/dockets/18000312.pdf>

(“Woodbridge notes”) that were allegedly secured by real property.³ Investors were told their monies would be loaned to third-party borrowers and would earn interest of at least 6% annually. Woodbridge was a safe investment, so the story went, because real estate securing the loans could be foreclosed upon and sold in the event of borrower default. Finally, Woodridge notes were also safe, according to Woodbridge, because it allowed no more than 60% of a property’s appraised value to be encumbered by a loan.

14. In reality, Woodbridge operated as a Ponzi scheme.⁴ The Woodbridge notes were not secured, so investors never actually held any lien or legally enforceable interest on the properties. Woodbridge collapsed in December 2017 when it stopped making payments to investors and declared bankruptcy.⁵ According to a civil action filed by the United States Securities and Exchange Commission (“SEC”)⁶ Shapiro used a web of more than 275 limited liability companies he owned and controlled (“Shapiro entities”) to perpetrate the scheme. Despite receiving more than \$1 billion from investors, only \$13.7 million in interest income was generated by Woodbridge from truly unaffiliated third-party borrowers. Instead, nearly all of the so-called third-party borrowers were actually Shapiro entities with no revenue or bank accounts, which never paid any interest on the loans. Shapiro misappropriated investor monies for personal use, to fund a lavish

³ Woodbridge offered first-position commercial mortgage (“FPCM”) notes as well as “Mezzanine” notes which paid a higher interest rate. Both were purportedly secured by real estate.

⁴ A Ponzi scheme is an investment fraud where existing investors are paid purported returns with monies invested by later investors.

⁵ On December 4, 2017, Woodbridge filed a Chapter 11 bankruptcy in the United States Bankruptcy Court for the District of Delaware, Case No. 17-12560 (JKS).

⁶ See *SEC v. Robert H. Shapiro et al.*, Case Number 1:17-cv-24624, filed in the United States District Court for the Southern District of Florida.

lifestyle, pay interest to earlier investors and pay commissions to sales agents, including Respondent and other ACM investment adviser representatives.

15. In April 2019, Shapiro was indicted and charged with conspiracy to commit mail fraud and wire fraud, conspiracy to commit money laundering, mail fraud, wire fraud, and evasion of payment of federal income taxes, all of which are federal felony crimes.⁷ In August 2019, Shapiro entered into a plea agreement and was sentenced to 25 years in federal prison. In settling the SEC civil case, Woodbridge and Shapiro agreed to a court order to pay more than \$1 billion in restitution, civil penalties and interest.
16. The Division's examination into the sales of Woodbridge notes in Utah revealed that ACM representatives sold \$6,163,133 of Woodbridge investments to 55 investors. Most investors were Utah residents, and a majority of their monies came from qualified retirement funds such as IRAs or 401(k)s. Matheson made a total of 12 Woodbridge sales to seven investors, totaling \$1,000,000.00 and received \$36,708.33 in compensation for those sales. In selling Woodbridge investments, he misrepresented or omitted material facts, acted as an unlicensed agent and sold unregistered securities.
17. Respondent was previously the subject of an administrative action filed by the Idaho Department of Finance relating to his sale of Woodbridge notes to an Idaho investor.⁸ That matter was settled by an Agreement and Order in December 2018.

Woodbridge Notes

18. In sales materials Woodbridge promoted itself as a well-established, successful company with "35 years of real estate and investment experience." Most of the Woodbridge

⁷ See *United States v. Shapiro*, Case Number 19-20178-CR, filed in the United States District Court for the Southern District of Florida.

⁸ Docket No. 2017-7-15-M.

investments sold by ACM involved 18-month Mezzanine promissory notes paying at least 6.5% – and as much as 8.5% interest – paid monthly, with investors’ principal returned at the end of the term. In the event of a borrower default, the notes were allegedly secured by real property which was appraised at a value higher than the amount of the loan.

19. In practice, however, the notes were not secured by real property, making the Woodbridge notes unsecured promissory notes for which investors had no legal, enforceable interest in the event of borrower default. The Woodbridge notes are promissory notes and investment contracts, both of which are securities under Section 61-1-13 of the Act.

ACM’s Introduction to Woodbridge

20. Crosier told the Division he first learned about Woodbridge investments in or around 2013 when he received a telephone call from Kim Tavares (“Tavares”),⁹ who was an “Associate Consultant” for Woodbridge. Tavares communicated with Crosier by telephone and email and provided him with marketing information and brochures regarding Woodbridge products.
21. According to Crosier, Tavares told him that the Woodbridge product was “secured by real estate and that they were . . . 18 to 24-month loans that were short-term with, ah, a very healthy interest rate for the client and if there . . . there was compensation for me on that side.”

⁹ In 2018, counsel to the Debtors and Debtors in Possession in the Woodbridge bankruptcy filed an Adversary Proceeding (a lawsuit) against Tavares to recover monies paid to Tavares by Woodbridge “for activities that advanced the Ponzi scheme”. See *Woodbridge v. Tavares*, Case No. 18-50821 (KJC), United States Bankruptcy Court for the District of Delaware. In January 2019, a default judgement in the amount of \$472,957.56 was entered against Tavares.

ACM's "Due Diligence" on Woodbridge

22. In an interview with the Division, Crosier claimed to be "a very big researcher. I do a lot of research..." and is "very selective" with regard to investments. He told the Division "I don't have any confidence in the public market" and does not believe it is the safest place for his clients. Rather, he prefers alternative investments, mostly those that are related to real estate, which he said comprise 80 to 90% of the alternative products used by ACM. Crosier also said that he educates ACM representatives and trains them "very, very thoroughly."
23. Loveland explained ACM's approach to alternative investments:
...we're approached all the time by these private placement offerings and we always do our diligent ... due diligence on them before we'll bring any of them on board. Um, John [Crosier] or myself will go out to the meetings. Um, a lot of times, both of us will attend those due diligence meetings and, um, so we do quite a bit of due diligence when it comes to those companies before we ... we will offer them to our clients, so.
24. With respect to due diligence on Woodbridge, Crosier and Loveland attended no "due diligence meetings" and relied almost entirely on unverified claims made by Woodbridge, with a majority of that information coming from Tavares – a Woodbridge insider.
25. According to Crosier, he was skeptical of Woodbridge when Tavares first contacted him, so he asked to track the performance of a Woodbridge contract before he decided whether to sell it. Crosier and Tavares purportedly communicated over the course of 15 months as Crosier followed the performance of one particular contract, and after the investor received his payout, Crosier was satisfied that the investment was safe and began selling it to clients.

26. Crosier told the Division he was told over the phone by Tavares and three unidentified, out-of-state real estate attorneys – referred to Crosier by Tavares – that the Woodbridge investment products were not securities. Crosier did not see a written legal opinion from any attorney on the subject and never conducted his own analysis as to whether Woodbridge was a security.
27. Also according to Crosier, he spoke to two real-estate developers in Utah, and he performed an occasional Google search to confirm the real properties purportedly securing the Woodbridge investments existed. However, he never researched the ownership of any properties, and never confirmed that investors in fact held a recorded first-position lien.
28. Crosier introduced Woodbridge to Matheson and other ACM representatives and encouraged them to call Tavares to learn more. In January 2016, Crosier submitted a Woodbridge “Pass It On” form to Tavares listing Matheson and other ACM representatives and providing their contact information. The “Pass It On” program provided a referring agent such as Crosier with a portion of sales compensation for any Woodbridge sales made by those individuals.¹⁰
29. ACM’s other principal, Loveland, told the Division he relied on Crosier’s “due diligence” and representations that the Woodbridge investment was safe and that investors were protected by first-position liens on real property. Loveland did not perform even basic due diligence, telling the Division he never even heard Robert Shapiro’s name until the Woodbridge bankruptcy.

¹⁰ In a May 8, 2020 letter to the Division, Crosier denied referral fees and erroneously claimed “[t]here was [sic] no ‘Pass it on’ docs.” Crosier in fact received \$6,851 in “Pass It On” compensation from sales made by other ACM individuals.

30. In deciding to sell Woodbridge, Matheson relied on Crosier's purported due diligence and claim that Woodbridge was not a security, as well as information provided to him by Tavares, including two legal memoranda that claimed Woodbridge was not a security. Those memoranda concluded that the Woodbridge notes were not securities because they assumed that the Woodbridge investors were secured by a first-position lien against commercial property (which was not true).
31. Significantly, by the time ACM representatives were selling Woodbridge, the states of Massachusetts, Texas and Arizona had filed regulatory actions against Woodbridge for securities fraud, the sale of unregistered securities and unlicensed agent activities. As described further below, those actions, and the fact that Woodbridge was prohibited from doing business in those states, were never disclosed to ACM's investors.
32. Although they were told that the Woodbridge investment was not a security, ACM representatives never called the Division to ask that question. Interestingly, in November 2016 – a time when ACM representatives were actively selling Woodbridge – the Division conducted on-site examinations of ACM's St. George office and Matheson's office in Lehi, Utah. There was, however, no disclosure or any mention of Woodbridge notes as a product sold by ACM. ACM client files reviewed at that time contained no Woodbridge documents, which ACM representatives later told the Division were kept separate from ACM records. As described below, ACM representatives failed to make numerous, mandatory disclosures about Woodbridge – which were required regardless of whether it was a security.
33. ACM representatives, including Matheson, did not confirm many of the representations made by Tavares or any of the information in Woodbridge brochures or on its website.

They never requested audited financial statements for the company and did not otherwise attempt to verify claims about the company's purported success. Most significantly, ACM representatives never confirmed that the Woodbridge notes were secured by real property.

Red Flag: High Interest Rates and "Negotiable" Compensation to ACM Sales Agents

34. One of the glaring red flags about Woodbridge was that its "gross return" paid on investments was 12% of the invested amount. That amount would be split on a discretionary or negotiated basis between the ACM sales agent and each individual investor – a sales commission for the agent and the interest rate paid to the investor. By itself, at a time of very low interest rates¹¹ a return of 12% for a "safe" investment should have raised serious questions – both features being classic indicators of a Ponzi scheme.¹² Further, a payout of 12% meant Woodbridge would have to charge borrowers an even higher rate in order to make a profit from the transaction.
35. Loveland told the Division that Woodbridge interest rates were as high as 13%, and that in some cases when a project was completed, investors were paid an additional 2% on the "back end" of the investment, making the payout by Woodbridge an astonishing 15% – significantly increasing the interest rate the company would have to charge borrowers to make a profit.
36. Considering that ACM's "standard rate" as an investment adviser was 1% of a client's assets under management, Woodbridge offered significantly greater compensation than

¹¹ Between 2016 and 2017, for example, 30-year mortgage rates averaged between 3.65 and 3.99%. <https://www.freddiemac.com/pmms/pmms30>

¹² See https://www.sec.gov/oiea/investor-alerts-and-bulletins/ia_ponziseniors

ACM representatives would receive for advisory services. The sales commissions received by ACM representatives were as high as 5%, and in some cases even higher than that.¹³

ACM Representatives' False Filings with the Division

37. The vast majority of Woodbridge investors were existing ACM clients, to whom ACM representatives owed a fiduciary duty. Despite soliciting investors, selling Woodbridge investments and receiving transaction-based compensation while licensed as investment adviser representatives of ACM, ACM representatives filed false documents with the Division by failing to disclose those activities as required on their Form U4s.
38. To become licensed as an investment adviser representative in Utah, a person must electronically file Form U4, Uniform Application for Securities Registration or Transfer, with the Division through the Central Registration Depository ("CRD").¹⁴ Form U4 requires the disclosure of *all* business activities conducted by licensed individuals, irrespective of whether the activities are related to securities or advisory services:

13. OTHER BUSINESS

Enter "yes" or "no" to indicate **whether you currently are engaged in any other business, either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise.** Exclude non-*investment-related*¹⁵ activity that is exclusively charitable, civic,

¹³ In some cases, several months after a Woodbridge note was purchased it was "transferred" to another property and additional compensation was paid to the sales agent.

¹⁴ CRD is the online registration and licensing system operated by the Financial Industry Regulatory Authority ("FINRA") and used by members of the securities industry, including state and federal regulators. CRD contains licensee information that includes educational, employment and disciplinary history as well as information on any other business activities of licensees.

¹⁵ Form U4's Explanation of Terms states that "investment-related" means 'pertains to securities, commodities, banking, insurance, or real estate (including, but not limited to, acting as or being associated with a broker-dealer, issuer, investment company, investment adviser, futures sponsor, or savings association).'

religious, or fraternal, and is recognized as tax exempt. If you answer “yes” to this question, provide the following information:

- name and address of the other business
- the nature of the other business, including whether it is *investment-related*
- your position, title, or association with the other business, including your duties
- the start date of your relationship with the other business
- the approximate number of hours per month you devote to the other business
- the number of hours you devote to the other business during securities trading hours

(italics in original; emphasis added).

39. It is each individual’s responsibility to ensure Form U4 is accurate, complete, and promptly updated¹⁶ as necessary. Matheson failed to disclose his Woodbridge activities and did not provide the information required by *Item 13*,¹⁷ causing his U4 to contain false information.¹⁸
40. With regard to due diligence on relationships with third-parties such as Woodbridge, ACM’s Compliance Manual states that ACM “may not rely blindly upon the third party for information concerning the third party’s company in lieu of ACM conducting its own reasonable investigation.” (emphasis added). Respondents, however, did exactly that.

¹⁶ Form U4 states: “An individual is under a **continuing obligation to amend and update information required by Form U4 as changes occur.**” (emphasis added). In addition, Section 61-1-5(4) of the Utah Uniform Securities Act requires that “[i]f the information contained in any document filed with the division is or becomes inaccurate or incomplete in any material respect, the licensee...shall promptly file a correcting amendment...” (emphasis added).

¹⁷ Matheson’s Form U4 in fact reported he had no outside business activities, despite the fact that he was an insurance agent throughout the relevant period, doing business through a Utah limited liability company, True Wealth, LLC.

¹⁸ ACM’s Compliance Manual also required disclosure and details of outside business activities, but none of the ACM representatives disclosed Woodbridge as an outside business activity.

41. In addition:

...the presence of any “red flags” must alert ACM to the need for further inquiry. Red flags might arise from information that is publicly available or information that is discovered during the course of the investigation. When presented with red flags, ACM must do more than simply rely upon representations by the third party’s management or the due diligence report of the third party’s counsel. ACM’s responsibility to conduct a reasonable investigation will obligate it to follow up on any red flags it encounters during its inquiry as well as to investigate any substantial adverse information about the third party.

(emphasis added).

As described above, ACM representatives’ due diligence consisted of believing, without verifying, representations made by Woodbridge or related parties.

State Regulatory Actions

42. Between July 2016 and October 2017, Matheson made 12 Woodbridge sales totaling \$1,000,000 to seven investors. By the time he began selling Woodbridge in July 2016, regulatory actions had been filed against Woodbridge by the states of Massachusetts and Texas.¹⁹ In May 2015, Massachusetts issued a permanent cease and desist order against Woodbridge, after finding the notes to be unregistered securities, and that sales had been made through unlicensed agents. The order required a rescission offer to investors and imposed a \$250,000 fine against Woodbridge. In July 2015, Texas entered an emergency cease and desist order against Woodbridge based on its findings of securities fraud, the sale of unregistered securities, and sales by unlicensed agents.
43. By October 2016, yet another state, Arizona, issued a cease and desist order against Woodbridge for securities fraud, the sale of unregistered securities, and sales by unlicensed agents. Respondent failed to disclose any of those actions to investors.

¹⁹ Although Crosier and Loveland learned of the Massachusetts and Texas actions from Tavares, they failed to disclose them to Matheson.

Respondent's Woodbridge Sales

Client LJ

44. LJ is a Utah resident and was 62 years old and self-employed when he invested in Woodbridge. LJ describes himself as a fairly experienced investor. LJ had been a client of Matheson's for a few years. Matheson knew that LJ had previously lost monies due to two instances of financial fraud.
45. In the summer of 2016, Matheson introduced LJ to Woodbridge as an opportunity to place his retirement funds somewhere for a short period of time, keep the funds liquid, and receive a good interest rate.
46. Among other things, Matheson told LJ:
 - a. Woodbridge had been in business for 30 years;
 - b. Woodbridge provided a short-term investment opportunity, and annual returns of 6.5% (2016 investment) and 7.5% to 8.50% (2017 investments) with interest paid monthly;
 - c. Woodbridge used investor funds for construction loans to third-parties to remodel and sell property;
 - d. No more than 70% of the property value would be loaned;
 - e. The investment with Woodbridge was safe because the loans were secured by real property; and
 - f. In the event of default, the properties could be sold and investors would at least receive their principal back.

47. LJ told the Division he thought the only real risk in Woodbridge was a real estate market decline greater than 30% (due to loans purportedly being capped at 70% of their appraised value).
48. On or about July 26, 2016, LJ invested \$75,000 in a Woodbridge 12-month note paying 6.5% interest, using funds from his company's defined benefit retirement plan. Matheson received a 3.5% commission of \$2,625 for that investment. On or about March 21, 2017, LJ made a second investment of \$150,000 in a Woodbridge note paying 7.5% interest using retirement funds. Matheson received a 4.5% commission of \$6,750 for that investment.
49. When LJ's first note matured in September 2017, he talked to Matheson and unfortunately reinvested his \$75,000 in principal into a new note from which Matheson received a 4% commission of \$3,000. Matheson did not disclose any of his compensation to LJ.
50. LJ's interest payments stopped after October 2017. In or around December 2017, LJ called Matheson to ask why his interest payments from Woodbridge were late. Matheson informed LJ that Woodbridge was experiencing issues with cash flow and filed bankruptcy. Matheson described the bankruptcy as a reorganization and said Woodbridge would pay all of the company's creditors and continue operations and that investors would be made whole. It was only after receiving some documents from the bankruptcy court that LJ discovered the allegations of fraud against Woodbridge.
51. LJ had to delay his retirement because of the losses experienced from his Woodbridge investments.
52. LJ lost approximately \$212,635 in principal alone.

Omissions of Material Facts

53. In connection with the offer or sale of Woodbridge securities, Respondent directly or indirectly omitted to state material facts necessary in order to make his statements about Woodbridge, in light of the circumstances under which they were made, not misleading, including but not limited to:
- a. That prior to Respondent's sales of Woodbridge at least two states had found Woodbridge notes to be securities and prohibited Woodbridge from doing business in those states:
 - i. On May 4, 2015, Massachusetts issued a cease and desist order against Woodbridge, after finding the notes to be unregistered securities, the sales of which had been made by unlicensed agents. The order further required a rescission offer to investors and imposed a \$250,000 fine against Woodbridge;
 - ii. On July 17, 2015, Texas entered an emergency cease and desist order against Woodbridge based on findings of securities fraud, the sale of unregistered securities, and sales by unlicensed agents.
 - b. That Woodbridge notes were unregistered securities that did not qualify for an exemption from registration;
 - c. That Respondent was not licensed to sell Woodbridge notes;
 - d. That Respondent would receive a commission for Woodbridge sales and the amount of that commission;
 - e. Respondent would be compensated directly through Woodbridge, in violation of securities laws and industry rules;

- f. Relevant disclosures about Woodbridge, including its financial condition and significant liabilities;
- g. Respondent had not reviewed audited financial statements for Woodbridge and did not know its financial condition;
- h. That Respondent had no reasonable basis for the representations made to investors described above in paragraph 46;
- i. That the Woodbridge notes were unsecured;
- j. That investors' names were not recorded on the real properties;
- k. That investors held no legal or enforceable interest in the properties;
- l. That as a result of state regulatory actions, there was a growing list of states where Woodbridge could not do business;
- m. Some or all of the information typically provided in an offering circular or prospectus concerning Woodbridge, such as:
 - i. business and operating history;
 - ii. financial statements;
 - iii. information about principals involved in the company;
 - iv. conflicts of interest; and
 - v. suitability factors for investment;
- n. That purported interest payments were almost exclusively made by the monies from new investors;
- o. That the purported borrowers were really other Woodbridge entities controlled by Shapiro.

- p. For the investments made after October 4, 2016, that the State of Arizona had entered a cease and desist order against Woodbridge, Shapiro and others, based on findings of securities fraud, the sale of unregistered securities, and sales by unlicensed agents.
- q. For investments after April 27, 2017, that the Commonwealth of Pennsylvania had entered an order against Woodbridge imposing a fine of \$30,000 for selling securities in Pennsylvania through unlicensed agents;
- r. For investments after August 8, 2017, that the State of Michigan entered a cease and desist order against Woodbridge for sales of Woodbridge notes, after finding they were unregistered securities, as well as for omissions of material fact in connection with the offer and sale of the notes; and
- s. That investors' monies would be used to pay sales commissions, retained by Woodbridge for other purposes unrelated to what investors were told at the time of solicitation, including making payments to earlier investors, or misappropriated for personal use by Shapiro.

II. CONCLUSIONS OF LAW

Misrepresentations/Omissions under Section 61-1-1(2) of the Act

- 54. In connection with the offer and sale of Woodbridge securities, Respondent directly or indirectly misrepresented or omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading, including but not limited to the representations described in paragraph 46, and omissions described in paragraph 53.

Unlicensed Agent under Section 61-1-3(1) of the Act

55. It is unlawful under Section 61-1-3(1) for a person to transact business in this state as an agent unless the person is licensed. Matheson was not licensed as an issuer-agent or broker-dealer agent to sell Woodbridge at any time. Respondent acted as an unlicensed agent by conducting securities transactions through and receiving transaction-based compensation from Woodbridge, in violation of Section 61-1-3(1) of the Act.

Sale of Unregistered Securities under Section 61-1-7 of the Act

56. The Woodbridge investments offered and sold by Matheson are securities as defined under Section 61-1-13 of the Act. Section 61-1-7 of the Act prohibits the sale of securities unless they are “registered under this chapter,” “exempted under Section 61-1-14,” or “federal covered securit[ies] for which a notice filing has been made...”. The Woodbridge securities were not registered with the Division, do not qualify for any exemption from registration, and are not federal covered securities for which any notice filing was made, in violation of Section 61-1-7 of the Act.

False Filings with the Division under Section 61-1-16 of the Act

57. Respondent’s Form U4, a document filed with the Division, was false and materially misleading because it failed to disclose his activities with Woodbridge.

III. REMEDIAL ACTION/SANCTIONS

58. Respondent neither admits nor denies the Division’s Findings and Conclusions, but consents to the sanctions below being imposed by the Division.
59. Respondent agrees to cease and desist from violating the Act and to comply with the requirements of the Act in all future business in this state.

60. Respondent agrees to provide truthful testimony and cooperation to the Division, including production of documents and providing information informally without the necessity of a subpoena or other process, in any Division action involving ACM, Crosier and Loveland, and any individuals under investigation as a result of their affiliation with ACM.
61. Respondent agrees to disgorge compensation of \$33,708.33²⁰ to the Division, with an initial payment of \$10,000.00 due within 30 days of entry of the Order, and the remaining balance due within 12 months thereafter. Pursuant to Utah Code Ann. Section 61-1-6 and in consideration of the factors contained in Utah Code Ann. Section 61-1-31, the Division imposes a fine of \$20,000.00, to be paid within 12 months following the initial payment.

IV. FINAL RESOLUTION

62. Respondent acknowledges that this Order, upon approval by the Utah Securities Commission ("Commission"), shall be the final compromise and settlement of this matter. Respondent acknowledges that the Commission is not required to approve this Order, in which case the Order shall be null and void and have no force or effect. In the event the Commission does not approve this Order, however, Respondent expressly waives any claims of bias or prejudgment of the Commission, and such waiver shall survive any nullification.
63. If Respondent materially violates any term of this Order, after notice and an opportunity to be heard before an administrative law judge solely as to the issue of a material violation, Respondent consents to entry of an order in which:
- a. Respondent admits the Division's Findings and Conclusions as set forth in this

²⁰ Matheson previously disgorged \$3,000.00 to the State of Idaho in resolving that action.

Order; and

- b. Any unpaid amount of disgorgement or the fine becomes immediately due and payable.

Notice of the violation will be sent to Respondent's last known address. If Respondent fails to request a hearing within ten (10) days following notice there will be no hearing and the order granting relief will be entered. In addition, the Division may institute judicial proceedings against Respondent in any court of competent jurisdiction and take any other action authorized by the Act or under any other applicable law to collect monies owed by Respondent or to otherwise enforce the terms of this Order. Respondent further agrees to be liable for all reasonable attorneys' fees and costs associated with any collection efforts pursued by the Division, plus the judgment rate of interest.

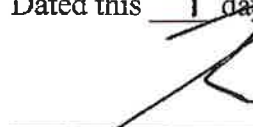
64. Respondent acknowledges that the Order does not affect any civil or arbitration causes of action that third-parties may have against him arising in whole or in part from his actions, and that the Order does not affect any criminal causes of action that may arise as a result of the conduct referenced herein. Respondent also acknowledges that any civil, criminal, arbitration or other causes of actions brought by third-parties against him have no effect on, and do not bar, this administrative action by the Division against him.
65. This Order constitutes the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect this Order in any way. Upon entry of the Order, any further scheduled hearings are canceled. The Order may be docketed in a court of competent jurisdiction.

Dated this 9th day of August, 2023



Kenneth O. Barton
Senior Compliance Manager
Utah Division of Securities

Dated this 9 day of August, 2023



Daniel J. Matheson

Approved:



Jennifer Korb
Stephen Gillies
Mark Holliday
Assistant Attorneys General
Utah Attorney General's Office
Counsel for Division

Approved:



Matt Lewis
Jeremy Adamson
Kunzler, Bean & Adamson
Attorneys for Respondent

ORDER

IT IS HEREBY ORDERED THAT:

1. The Division's Findings and Conclusions, which Respondent neither admits nor denies, are hereby entered.
2. Respondent shall cease and desist from violating the Act and comply with the requirements of the Act in all future business in the State of Utah.
3. Respondent shall provide truthful testimony and cooperation to the Division, including production of documents and providing information informally without the necessity of a subpoena or other process, in any Division action involving ACM, Crosier and Loveland, and any individuals under investigation as a result of their affiliation with ACM.
4. Respondent shall disgorge compensation of \$33,708.33 according to the terms in paragraph 61. Pursuant to Utah Code Ann. §61-1-6, and in consideration of the factors set forth in Utah Code Ann. §61-1-31, Respondent shall pay a fine of \$20,000.00 according to the terms in paragraph 61.

BY THE UTAH SECURITIES COMMISSION:

DATED this day of August 10th, 2023


Dawn Dachenhausen


Lyndon L. Ricks


Lyle White


Mark Zimbelman

Certificate of Mailing

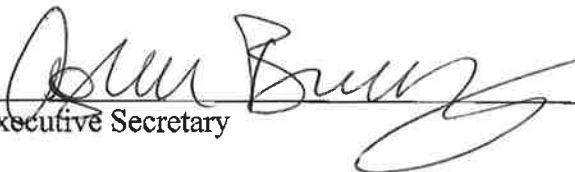
I certify that on the 11th day of August, 2023, I sent a true and correct copy of the Stipulation and Consent Order to:

Matt Lewis
Jeremy Adamson
KUNZLER, BEAN & ADAMSON
50 West Broadway, Suite 1000
Salt Lake City, UT 84101
Counsel for Respondent Daniel J. Matheson

via email: mlewis@kba.law

and via

Certified Mail # 7019 2970 0000 5343 4433


Executive Secretary