

Division of Securities  
Utah Department of Commerce  
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Salt Lake City, UT 84114-6760  
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BEFORE THE DIVISION OF SECURITIES  
OF THE DEPARTMENT OF COMMERCE  
OF THE STATE OF UTAH

IN THE MATTER OF:  MICHAEL DUANE HEKKING, and <b>MARK ROBERT SANSOM,</b>  Respondents.	STIPULATION AND CONSENT ORDER  Docket No. SD-2019-0043 <b>Docket No. SD-2019-0044</b>
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The Utah Division of Securities (“Division”), by and through its Senior Enforcement Manager, Liz Blaylock, and Respondent Mark Robert Sansom (“Sansom”) hereby stipulate and agree as follows:

1. Sansom 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. The Division’s administrative action against Respondent Michael Duane Hekking (“Hekking,” and together with Sansom, “Respondents”) is ongoing.
2. On or about December 5, 2019, the Division initiated an administrative action against Respondents by filing an Order to Show Cause. The Division filed a First Amended Order to Show Cause on February 27, 2023 (the “OSC”).

3. Sansom 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 Sansom pertaining to the OSC.
4. Sansom admits that the Division has jurisdiction over him and the subject matter of this action.
5. Subject to entry of this Order, Sansom hereby waives any right to a hearing to challenge the Division’s evidence and present evidence on his behalf.
6. Sansom 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 Sansom to enter into this Order, other than as described in this Order.
7. Sansom is represented by attorneys Paul Moxley and Jeffrey Trousdale of the law firm Cohne Kinghorn, P.C.

#### **I. FINDINGS OF FACT**

8. Sansom resided in Salt Lake County, Utah during all times relevant to the allegations asserted herein and has never been licensed in the securities industry.
9. Hekking resided in Salt Lake County, Utah at all times relevant to the allegations asserted herein and was once licensed in the securities industry (Series 7, Series 24, and Series 63 from 1987 – 1993).
10. Investors made their investment checks payable to Bombay Investments (“Bombay”), which has no known entity registration. The investment documents Sansom created and provided to investors through Hekking referenced the Bombay name with Sansom’s home address. Sansom had a Wells Fargo checking account under the name Bombay

(“Bombay Account”) having sole signatory authority. Sansom also registered Via Motors, Inc. stock certificates under the name “DBA Bombay Investments”.

11. Via Motors, Inc. (“Via”) is a Delaware corporation registered with the Delaware Division of Corporations on December 1, 2010.<sup>1</sup> Via acts as its own transfer agent.
12. The Division’s investigation of this matter revealed that from approximately February 2015 to November 2015, while conducting business in or from the state of Utah, Respondents offered and sold approximately 6,000 shares of restricted Via stock to at least three (3) Utah investors and raised approximately \$66,000 in connection therewith.
13. Stocks are securities under §61-1-13 of the Act.
14. In connection with the offer and sale of securities, Sansom drafted and signed documents titled “Agreement and Receipt of Money to purchase Shares of Via Motors, Inc.”

(“Agreement”) between Bombay and investors. Each Agreement provides:

We, Bombay Investments, hereby acknowledge receipt of [purchase price] dollars from [name of investor], which will be used to purchase [amount of shares] of Via Motors, Inc., at \$11.00 dollars per share. As a result, [name of investor] will receive [amount of shares], (free trading) equivalent to the shares offered by Via Motors, Inc., in their Initial Public Offering, for the [purchase price] dollars paid.

15. Sansom did not speak to investors directly regarding their purchases of Via stock.
16. Via did not have an Initial Public Offering (“IPO”) in the timeline promised by Hekking (described further below), and Respondents failed to deliver Via stock to investors.<sup>2</sup>
17. The investors had no role in the investment opportunities, other than providing investment funds.

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<sup>1</sup> Via’s entity documents filed with the Utah Division of Corporations and Commercial Code lists the entity’s contact address as 165 Mountain Way Dr, Orem, UT 84058. The entity’s status is listed as active as of September 18, 2019.

<sup>2</sup> In shareholder calls between 2013 and 2015, Via had discussed a potential IPO.

## **THE SOLICITATIONS AND INVESTMENTS**

18. Sansom owned shares of restricted Via stock.
19. Sansom and Hekking are long-time friends and business associates.
20. Hekking contacted investors to sell Via shares held by Sansom.
21. From February 2015 to November 2015, Hekking met with investors in person and/or over the phone to discuss investing in Via.
22. During the solicitations, Hekking made numerous statements to investors regarding purchasing Via stock, including, but not limited to, the following:
  - a. That Via would have an IPO in a few months but not later than September 2015;
  - b. That Via stock would have an IPO price of approximately \$20 per share; and
  - c. That investors could purchase Via shares through Hekking at a price of \$11 per share.
23. Based upon Hekking's instructions, investors wrote checks made payable to "Bombay Investments". The checks were deposited into the Bombay Account in Salt Lake County, Utah totaling approximately \$66,000 to purchase Via stock from Respondents.
24. Hekking accepted the investment checks from investors and provided the checks to Sansom for deposit into the Bombay Account.

## **MISSTATEMENTS AND OMISSIONS**

25. In connection with the offer and/or sale of securities, Hekking made material misstatements to investors including, but not limited to, the following:
  - a. That Via would have an IPO no later than September 2015, when in fact, this claim was false;
  - b. That investors could purchase Via shares through Hekking for \$11 per share and

could sell the shares for approximately \$20 after the IPO, when in fact, this claim was false as the shares were restricted and were not even able to be purchased by the investors; and

- c. That investors would receive Via shares shortly after purchase, when in fact, this claim was false considering the shares were restricted and were not able to be transferred to investors.

26. In connection with the offer and/or sale of securities, Respondents failed to disclose material information to investors including, but not limited to, the following:

- a. That Via shares could not be registered and transferred to investors who purchased shares because the shares were restricted;
- b. That Respondents were not licensed to sell securities;
- c. That the owner of the Via shares was Sansom and Sansom would remain the owner of the shares even after the investor's purchase of the shares;
- d. That investors would not receive Via stock certificates as promised, but rather a purchase order for their investment; and
- e. Some or all of the information typically provided in an offering circular or prospectus concerning Via relevant to the investment opportunity, such as:
  - i. Business and operating history;
  - ii. Financial statements;
  - iii. Information regarding principals involved in the company;
  - iv. Conflicts of interest;
  - v. Risk factors;
  - vi. Suitability factors for investment; and

- vii. Whether the securities offered were registered in the state of Utah.
27. The investors never received the 6,000 Via shares they purchased from Respondents, but eventually received return of their principal years later and after the filing of the original Order to Show Cause.

## **II. CONCLUSIONS OF LAW**

### **Unlicensed Activity under § 61-1-3(1) of the Act**

28. 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. Sansom was not licensed in the securities industry in any capacity when Respondents offered and sold securities to investors, in violation of Section 61-1-3(1) of the Act.

## **III. REMEDIAL ACTION/SANCTIONS**

29. Sansom neither admits nor denies the Division's Findings and Conclusions, but consents to the sanctions below being imposed by the Division.
30. Sansom 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.
31. Sansom agrees to provide truthful testimony to the Division and the Utah Securities Commission (the "Commission") and shall cooperate with the Division with respect to its administrative action against Hekking.
32. Sansom may engage in the sale of securities in Utah if, and only if: (i) he obtains, and at the time of such sale maintains, a license to sell and/or broker the sales of securities as required by the laws of Utah; or (ii) the sale(s) of such security(ies) are exempt from licensing or registration pursuant to Utah Code Ann. Section 61-1-14, provided, however, that prior to any such sale(s), Sansom shall submit a request for an advisory opinion to

the Division pursuant to Utah Code Ann. Section 61-1-25(5), and receive confirmation from the Division and the Commission that an applicable exemption under Utah Code Ann. Section 61-1-14 applies to the proposed transaction.

33. Pursuant to Utah Code Ann. Section 61-1-20 and in consideration of the factors contained in Utah Code Ann. Section 61-1-31, the Division imposes a fine of \$14,000.00 against Sansom, to be paid within thirty (30) days of the entry of this Order.
34. Nothing in this Order is intended to form the basis for any disqualification under the laws of any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands; under the rules or regulations of any securities or commodities regulator or self-regulatory organizations; or under the federal securities laws, including but not limited to, Section 3(a)(39) of the Securities Exchange Act of 1934 and Regulation A and Rules 504 and 506 of Regulation D under the Securities Act of 1933. Furthermore, nothing in this Order is intended to form the basis for disqualification under the FINRA rules prohibiting continuance in membership or disqualification under the SRO rules prohibiting continuance in membership. This Order is not intended to be a final order based upon violations of any Utah statute, rule, or regulation that prohibits fraudulent, manipulative or deceptive conduct. To the extent that anything in this Order is construed to form the basis for disqualification under Section 3(a)(39) of the Securities Exchange Act of 1934 and Regulation A and Rules 504 and 506 of Regulation D under the Securities Act of 1933 or FINRA or SRO rules, there is good cause that disqualification is not necessary under the circumstances.

#### IV. FINAL RESOLUTION

35. Sansom acknowledges that this Order, upon approval by the Commission, shall be the final compromise and settlement of this matter. Sansom 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, Sansom expressly waives any claims of bias or prejudgment of the Commission, and such waiver shall survive any nullification.
36. If Sansom 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, Sansom consents to entry of an order in which:
- a. Sansom admits the Division's Findings and Conclusions as set forth in this Order; and
  - b. Any unpaid amount of the fine becomes immediately due and payable.
- Notice of the violation will be sent to Sansom's last known address and counsel. If Sansom 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 Sansom 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 Sansom or to otherwise enforce the terms of this Order. Sansom 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.
37. Sansom 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.



Sansom also acknowledges that any civil, 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.

38. 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 1 day of August, 2023



Liz Blaylock  
Senior Enforcement Manager  
Utah Division of Securities

Dated this 27 day of July, 2023



Mark/Robert Sansom, Respondent

Approved:



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

Approved:



Paul Moxley  
Jeffrey Trousdale  
Cohne Kinghorn  
Counsel for Mr. Sansom

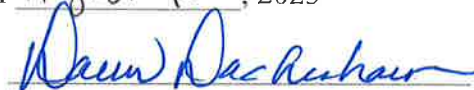
**ORDER**

**IT IS HEREBY ORDERED THAT:**

1. The Division's Findings and Conclusions, which Sansom neither admits nor denies, are hereby entered.
2. Sansom 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. Sansom shall provide truthful testimony to the Division and the Commission and shall cooperate with the Division with respect to its administrative action against Respondent Michael Duane Hekking.
4. Sansom may engage in the sale of securities in Utah pursuant to the terms set forth in paragraph 32.
5. Pursuant to Utah Code Ann. §61-1-20, and in consideration of the factors set forth in Utah Code Ann. §61-1-31, Sansom shall pay a fine of \$14,000.00 according to the terms set forth in paragraph 33.

**BY THE UTAH SECURITIES COMMISSION:**

DATED this day of August 10<sup>th</sup>, 2023

  
Dawn Dachenhausen

  
Lyndon L. Ricks

  
Lyle White

  
Mark Zimbelman

CERTIFICATE OF MAILING

I certify that on the 11<sup>th</sup> day of August 2023, I sent a true and correct copy of the foregoing Stipulation and Consent Order to the following via email and/or regular mail, as indicated:

Mark Robert Sansom, Respondent  
C/o Counsel, Paul Moxley and Jeffrey Trousdale  
COHNE KINGHORN

[pmoxley@ck.law](mailto:pmoxley@ck.law)

[jtrousdale@ck.law](mailto:jtrousdale@ck.law)

*Via email*

A handwritten signature in black ink, appearing to read "Paul Moxley", written over a horizontal line.