

Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801)530-6980

BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

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| <p>IN THE MATTER OF:</p> <p>MICHAEL DUANE HEKKING, CRD#1647839, and MARK ROBERT SANSOM,</p> <p>Respondents.</p> | <p>STIPULATION AND CONSENT ORDER</p> <p>Docket No. SD-19-0043 Docket No. SD-19-0044</p> |
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The Utah Division of Securities (“Division”), by and through its Senior Enforcement Manager, Liz Blaylock, and Respondent Michael Duane Hekking (“Hekking”) hereby stipulate and agree as follows:

1. Hekking 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 Mark Robert Sansom (“Sansom,” and together with Hekking, “Respondents”) was settled by a Stipulation and Consent Order entered on August 10, 2023.
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. Hekking 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 Hekking pertaining to the OSC.
4. Hekking admits that the Division has jurisdiction over him and the subject matter of this action.
5. Hekking hereby waives any right to a hearing to challenge the Division’s evidence and present evidence on his behalf.
6. Hekking 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 Hekking to enter into this Order, other than as described in this Order.
7. Hekking is represented by attorney D. Gilbert Athay and is satisfied with the legal representation he has received.

I. FINDINGS OF FACT

8. Hekking resided in Salt Lake County, Utah during 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).
9. Sansom resided in Salt Lake County, Utah at all times relevant to the allegations asserted herein and has never been licensed in the securities industry.
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, 2010.¹ 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.²
17. The investors had no role in the investment opportunities, other than providing investment funds.

¹ 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 the date of this Order.

² 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.³
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;

³ Hekking represents the investors first contacted him to discuss the investments.

- 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; and
 - c. That investors would receive Via shares shortly after purchase, when in fact, this claim was false.
26. In connection with the offer and/or sale of securities, Hekking 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 in this matter.

II. CONCLUSIONS OF LAW

Misrepresentations and Omissions under § 61-1-1(2) of the Act

28. As described herein, in connection with the offer and/or sale of securities, Hekking directly or indirectly misrepresented material facts or omitted material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of Section 61-1-1(2) of the Act.

Act, Practice, or Course of Business Operating as a Fraud under § 61-1-1(3) of the Act

29. As described herein, in connection with the offer and/or sale of securities, Hekking directly or indirectly engaged in an act, practice, or course of business which operated as a fraud or deceit on investors, in violation of Section 61-1-1(3) of the Act, when Hekking repeatedly sold securities he knew were restricted securities that could not be transferred to investors.

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

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

III. REMEDIAL ACTION/SANCTIONS

31. Hekking neither admits nor denies the Division's Findings and Conclusions, but consents to the sanctions below being imposed by the Division.

32. Hekking 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.
33. Hekking agrees to be barred from associating with a broker-dealer or investment adviser licensed in Utah and from acting as an agent for any issuer raising funds in Utah. This does not preclude Hekking from managing his own personal assets and finances, from maintaining his own personal brokerage account, or from trading and owning stock that is in his own name.
34. 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 \$20,000.00 against Hekking, to be paid within one year following entry of this Order, with an initial payment of \$5,000.00 due within 30 days following entry of this Order.

IV. FINAL RESOLUTION

35. Hekking acknowledges that this Order, upon approval by the Commission, shall be the final compromise and settlement of this matter. Hekking 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, Hekking expressly waives any claims of bias or prejudgment of the Commission, and such waiver shall survive any nullification.
36. If Hekking 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, Hekking consents to entry of an order in which:
 - a. Hekking 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 Hekking's last known address and counsel. If Hekking 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 Hekking 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 Hekking or to otherwise enforce the terms of this Order. Hekking 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.

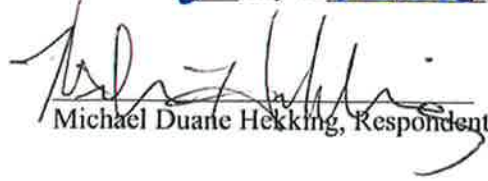
37. Hekking acknowledges that the Order does not affect any civil or arbitration causes of action that third-parties may have against him arising in whole or in part from his actions. Hekking also acknowledges that any civil, arbitration or other causes of actions brought by third-parties against him 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 9th day of November, 2023



Liz Blaylock
Senior Enforcement Manager
Utah Division of Securities

Dated this 31ST day of October, 2023



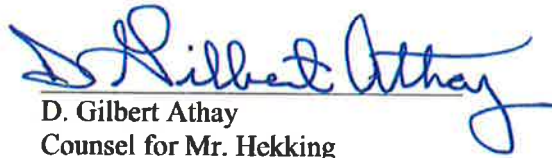
Michael Duarte Hekking, Respondent

Approved:



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

Approved:



D. Gilbert Athay
Counsel for Mr. Hekking

ORDER

IT IS HEREBY ORDERED THAT:

1. The Division's Findings and Conclusions, which Hekking neither admits nor denies, are hereby entered.
2. Hekking 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. Hekking is barred from associating with a broker-dealer or investment adviser licensed in Utah and from acting as an agent for any issuer raising funds in Utah. This does not preclude Hekking from managing his own personal assets and finances, from maintaining his own personal brokerage account, or from trading and owning stock that is in his own name.
4. Pursuant to Utah Code Ann. §61-1-20, and in consideration of the factors set forth in Utah Code Ann. §61-1-31, Hekking shall pay a fine of \$20,000.00 according to the terms set forth in paragraph 34.

BY THE UTAH SECURITIES COMMISSION:

DATED this day of 01/12/2024, _____


Dawn Dachenhausen


Dan Debry


Lyndon L. Ricks


Melanie Vartabeenan


Mark Zimbelman

Mark Zimbelman [Jan 12, 2024 12:55 MST]

Mark Zimbelman

CERTIFICATE OF MAILING

I certify that on the 17th day of January, _____ I sent a true and correct copy of the foregoing Stipulation and Consent Order to the following via email as indicated:

D. Gilbert Athay
dgathay@msn.com
Counsel for Hekking
Via email



Executive Secretary

