DIVISION OF SECURITIES
KEITH WOODWELL, DIRECTOR
DEPARTMENT OF COMMERCE
P.O. BOX 146741
160 EAST 300 SOUTH
SALT LAKE CITY, UTAH 84114-6711
Telephone: (801) 530-6628

BEFORE THE DIVISION OF SECURITIES

OF THE DEPARTMENT OF COMMERCE

OF THE STATE OF UTAH

IN THE MATTER OF **DAVID S. SCOTT;** WILLIAM CLAYTON COX; and **CORPORATE FUNDING & INVESTMENTS, LLC,** RESPONDENTS	**RECOMMENDED ORDER ON MOTION FOR DEFAULT AS TO DAVID S. SCOTT AND CORPORATE FUNDING & INVESTMENTS, LLC** **CASE NOS.** SD-15-0038; SD-15-0040

BY THE PRESIDING OFFICER:

This adjudicative proceeding was initiated pursuant to an August 14, 2015 Notice of Agency Action and Order to Show Cause. On September 9, 2015, Respondent William Clayton Cox moved for a stay of the proceeding against him, pending the outcome of a criminal proceeding. This proceeding was stayed as to Defendant William Clayton Cox on September 14, 2015. However, the stay did not stay the proceeding as to Respondents David S. Scott and Corporate Funding & Investments, LLC. As of the date of this Order, Scott and Corporate Funding have not filed a Response to the Notice of Agency Action and Order to Show Cause. An

initial hearing was held on October 7, 2015 at 9:15 a.m. Scott and Corporate Funding failed to appear.

Because Scott and Corporate Funding have failed to file a Response and did not appear at the initial hearing, and because proper factual and legal bases exist, it is recommended that the Utah Securities Commission enter default judgment against Respondents David S. Scott and Corporate Funding & Investments, LLC. Utah Code Ann. § 63G-4-209(1) (2015).

RECOMMENDED ORDER

The Presiding Officer recommends that the Utah Securities Commission accept the allegations outlined in the Division's Order to Show Cause as true, and find:

1. That the investment opportunities offered and sold by Respondents Scott and Corporate Funding are securities under Utah Code Ann. § 61-1-13(1)(ee)(i);
2. That in connection with the offer and sale of securities, and in violation of Utah Code Ann. § 61-1-1(3), Respondents Scott and Corporate Funding engaged in an act, practice, or course of business that operated as a fraud or deceit upon a person;
3. That in connection with the offer and sale of securities, and in violation of Utah Code Ann. § 61-1-1(2), Respondents Scott and Corporate Funding directly or indirectly made false statements to investors;
4. That in connection with the offer and sale of securities, and in violation of Utah Code Ann. § 61-1-1(2), Respondents Scott and Corporate Funding directly or indirectly failed to disclose material information that was necessary in order to make representations made not misleading; and
5. That Respondents Scott and Corporate Funding's actions, which constitute one or more violations of Utah Code Ann. § 61-1 et seq., are grounds for sanction.

The Presiding Officer further recommends that the Utah Securities Commission enter a Default Order against Respondents Scott and Corporate Funding, requiring:

1. That Respondents Scott and Corporate Funding cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1 et seq.;
2. That Respondents Scott and Corporate Funding pay a fine of $83,500 to the Utah Division of Securities, subject to offset for a period of 30 days following the date of the Final Order on a dollar-to-dollar basis for any restitution paid to investors;
3. That, should Respondents Scott and Corporate Funding fail to provide proof of restitution payments to investors within the 30-day period following the date of the Final Order, the full $83,500 fine become immediately due and payable, and subject to collection; and
4. That Respondents Scott and Corporate Funding be permanently barred from associating with any broker-dealer or investment adviser licensed in Utah; from acting as an agent for any issuer soliciting investor funds in Utah; and from being licensed in any capacity in the securities industry in Utah.

Finally, the Presiding Officer recommends that, upon entering the Default Order, the Utah Securities Commission dismiss any further proceeding against David S. Scott and Corporate Funding & Investments, LLC in this case.

This Recommended Order shall be effective on the signature date below.

DATED this 7th day of October, 2015.

UTAH DEPARTMENT OF COMMERCE

Greg Soderberg

Greg Soderberg
Presiding Officer

CERTIFICATE OF DELIVERY

I hereby certify that on the 7th day of October, 2015, the undersigned hand delivered a true and correct copy of the foregoing RECOMMENDED ORDER ON MOTION FOR DEFAULT to the following:

Utah Securities Commission
c/o Keith Woodwell, Director, Utah Division of Securities
Heber M. Wells Building, 2nd Floor
Salt Lake City, UT

Greg Soderberg

DIVISION OF SECURITIES
KEITH WOODWELL, DIRECTOR
DEPARTMENT OF COMMERCE
P.O. BOX 146741
160 EAST 300 SOUTH
SALT LAKE CITY, UTAH 84114-6711
Telephone: (801) 530-6628

BEFORE THE DIVISION OF SECURITIES

OF THE DEPARTMENT OF COMMERCE

OF THE STATE OF UTAH

IN THE MATTER OF **DAVID S. SCOTT; WILLIAM CLAYTON COX;** and **CORPORATE FUNDING & INVESTMENTS, LLC,** RESPONDENTS	**ORDER ON MOTION FOR DEFAULT** **CASE NOS.** SD-15-0038; SD-15-0039; SD-15-0040

BY THE UTAH SECURITIES COMMISSION:

The Presiding Officer's October 7, 2015 Recommended Order On Motion For Default in this matter is hereby approved, confirmed, accepted, and entered by the Utah Securities Commission.

ORDER

Respondents David S. Scott and Corporate Funding & Investments, LLC are ordered to cease and desist from engaging in any further conduct in violation of Utah Code § 61-1 et seq.

Respondents David S. Scott and Corporate Funding & Investments, LLC are ordered to pay a fine of $83,500 to the Utah Division of Securities, subject to offset during the 30-day

period following the date of this Order on a dollar-to-dollar basis for any restitution paid to investors.

Should Respondents David S. Scott and Corporate Funding & Investments, LLC fail to provide proof of restitution payments to investors within the 30-day period following the date of this order, the full $83,500 fine becomes immediately due and payable, and subject to collection.

Respondents David S. Scott and Corporate Funding & Investments, LLC are permanently barred from associating with any broker-dealer or investment adviser licensed in Utah; from acting as an agent for any issuer soliciting investor funds in Utah; and from being licensed in any capacity in the securities industry in Utah.

All further proceedings against Respondents David S. Scott and Corporate Funding & Investments, LLC in this case are dismissed. This dismissal does not relieve Respondents David S. Scott and Corporate Funding & Investments, LLC from complying with the terms of the Default Order.

This Order shall be effective on the signature date below.

DATED this 3rd day of December, 2015

UTAH SECURITIES COMMISSION:

Lyle White

Gary Cornia

Erik Anthony Christiansen

David Russon

Brent Baker

NOTICE OF RIGHT TO ADMINISTRATIVE REVIEW

Agency review of this order may be obtained by filing a request for agency review with the Executive Director of the Department of Commerce, 160 East 300 South, Box 146701, Salt Lake City, Utah 84114-6701, within thirty (30) days after the date of this order. A motion to set aside the order may also be filed with the presiding officer. The agency action in this case was a formal proceeding. The laws and rules governing agency review of this proceeding are found in Section 63G-4-101 et seq. of the Utah Code, and Rule 151-4 of the Utah Administrative Code.

CERTIFICATE OF SERVICE

I hereby certify that on the 3rd day of December, 2015 the undersigned served a true and correct copy of the foregoing ORDER ON MOTION FOR DEFAULT by mailing a copy through first-class mail, postage prepaid, to:

DAVID S SCOTT
[redacted]

CORPORATE FUNDING & INVESTMENTS LLC
DAVID S SCOTT, REGISTERED AGENT
3960 HOWARD HUGHES PKWY STE 500
LAS VEGAS NV 89169

and caused a copy to be hand delivered to:

Tom Melton, Assistant Attorney General
Office of the Attorney General of Utah
Fifth Floor, Heber M. Wells Building
Salt Lake City, Utah

Utah Division of Securities
Second Floor, Heber M. Wells Building
Salt Lake City, Utah

LeAnn Clare

Division of Securities
Utah Department of Commerce
160 East 300 South
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**

IN THE MATTER OF: **VERONICA M. VALENZUELA and WEALTH MAKERS OF UTAH, LLC,** **Respondents.**	**STIPULATION AND CONSENT ORDER** **Docket No. SD-15-0028** **Docket No. SD-15-0030**

The Utah Division of Securities ("Division"), by and through its Director of Enforcement, Dave R. Hermansen, and Respondents Veronica M. Valenzuela ("Valenzuela") and Wealth Makers of Utah, LLC ("Wealth Makers" and collectively with Valenzuela, the "Respondents"), hereby stipulate and agree as follows:

1. Respondents were the subject of an investigation conducted by the Division into allegations that they violated certain provisions of the Utah Uniform Securities Act, Utah

Code Ann. § 61-1-1, *et seq.*, as amended (the "Act").

2. In connection therewith, the Division initiated an administrative action against Respondents, by issuing an Order to Show Cause ("OSC") and Notice of Agency Action ("NOAA"), both dated May 28, 2015. The Division alleges in that OSC that Respondents violated § 61-1-1 (securities fraud) of the Act while engaged in the offer and sale of securities in or from Utah.

3. Respondents now seek to enter into this Stipulation and Consent Order ("Order") in settlement of the Division's action.

4. Respondents hereby waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf. Respondents understand that by waiving a hearing, they are waiving the requirement that the Division prove the allegations against them by a preponderance of the evidence, waiving their right to confront and cross-examine witnesses who may testify against them, to call witnesses on their own behalf, and any and all rights to appeal the findings, conclusions, and sanctions set forth in this Order.

5. Respondents are represented by attorney Ronald C. Barker of Barker Law Office, LLC and are satisfied with his representation in this matter.

6. Respondents have read this Order, understand its contents, and submit to it voluntarily. No promises, threats, or other forms of inducement have been made by the Division, nor

by any representative of the Division, to encourage Respondents to enter into this Order, other than as set forth in this document.

7. Respondents acknowledge that this Order does not affect any enforcement action that may be brought by a criminal prosecutor or any other local, state, or federal enforcement authority.

8. Respondents admit the jurisdiction of the Division over them and over the subject matter of this action.

I. THE DIVISION'S FINDINGS OF FACT

THE RESPONDENTS

9. Valenzuela was, at all times relevant to the matters asserted herein, a resident of Utah. Valenzuela is currently a resident of California. Valenzuela has never been licensed in the securities industry in any capacity.

10. Wealth Makers is a Utah-based limited liability company that registered on or about January 4, 2008. Its current status with the Utah Division of Corporations is expired as of May 3, 2011. Valenzuela served as the Registered Agent for the company. Wealth Makers has never been licensed in the securities industry in any capacity.

GENERAL ALLEGATIONS

11. From approximately January 2009 to May 2009, while conducting business in or from

Utah, Respondents offered and sold securities in the form of investment contracts to at least two investors and collected a total of $335,000 in connection therewith.

12. Investment contracts are defined as securities under § 61-1-13 of the Act.

13. Respondents made material misstatements and omissions in connection with the offer and sale of securities to the investors identified herein.

INVESTOR D.S.
FIRST INVESTMENT

14. D.S. met Valenzuela through a mutual friend, and overtime the two became friends.

15. Beginning in or about fall of 2008, Valenzuela told D.S. about Wealth Makers and the hard money lending activities that she and her husband, Fred Johnson ("Johnson") were involved with.

16. In or about January 2009, Valenzuela solicited D.S. to provide funds to Wealth Makers so the company could extend hard money loans to outside borrowers.

17. In that same conversation, Valenzuela make representations to D.S., including, but not limited to, the following:

a. Wealth Makers would not transfer R.S.'s funds to outside borrowers but instead would keep funds in the Wealth Makers bank account as a backing asset;

b. Wealth Makers lent money to real estate investors that were flipping homes;

c. All loans were short-term loans and would be repaid in 30 days or less;

d. D.S. would earn 15% interest on her principal within 30 days;

e. Investing in the opportunity was safe and had no risks; and

f. Wealth Makers would use Johnson's $1 million line of credit to repay D.S. should the borrowers fail to repay Wealth Makers.

18. Based on Valenzuela's statements and representations, D.S. decided to invest in Wealth Makers.

19. On or about January 13, 2009, D.S. wired approximately $100,000 to Wealth Maker's Wells Fargo account, account number ending 6875.[1]

20. Shortly thereafter, Valenzuela and D.S. executed an investment contract, dated January 16, 2009, which identified Valenzuela as the borrower and D.S. as the lender.

21. On or about January 16, 2009, Valenzuela transferred D.S.'s funds to another Wealth Maker's Wells Fargo account, account number ending 0714.

22. On or about that same day, Valenzuela transferred D.S.'s funds to a Zions Bank account in the name of 3MS Enterprises, LLC.[2]

23. Over one month later, Wealth Makers and Valenzuela had not returned any interest or principal to D.S.

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1 Valenzuela and Johnson both had signature authority for this account at the time of D.S.'s first investment.
2 Neither Valenzuela nor Johnson was signatories or account holders for the 3MS Enterprises LLC account and it is unclear the connection between Respondents and 3MS Enterprises LLC.

24. At or about that same time, Valenzuela advised D.S. that contrary to her earlier representations, Valenzuela had to use S.D.'s funds for "trades" because the loan transactions were not moving as quickly as originally expected and she needed to generate other funds to repay investors.

25. Valenzuela assured D.S. that Wealth Makers would return 15% interest to D.S. each month until she had repaid D.S.'s entire principal

SECOND INVESTMENT

26. In or about April 2009, D.S. met Valenzuela at the Wealth Makers office where Valenzuela solicited D.S. to invest an additional $100,000 with Wealth Makers that would be used to facilitate another transaction.

27. At or around that same time, Valenzuela made the following representations to D.S., including, but not limited to:

a. The terms for the second investment opportunity would be the same as the first—a $100,000 investment in exchange for 15 % return on principal in about 30 days; and

b. Johnson would return D.S.'s funds from his $1 million line of credit if necessary.

28. Based on Valenzuela's statements and representations, D.S. decided to invest.

29. On or about May 1, 2009, D.S. wired approximately $100,000 to Wealth Makers' Wells Fargo account, account number ending 6875.

30. At or about the same time, D.S. memorialized the terms of the second investment on the original investment contract.

31. Shortly thereafter, Valenzuela advised D.S. that she had used D.S.'s funds as earnest money towards the purchase of a $5 million home in or about Salt Lake City, Utah, that Valenzuela planned on purchasing after a business deal was completed.

32. To date, Valenzuela and Wealth Makers have not returned any money to D.S. and she is still owed approximately $200,000 in principal alone.

INVESTOR R.B.
FIRST INVESTMENT

33. In or around August 2008, D.S. introduced Valenzuela to R.B.[3]

34. At or about that same time, R.B. met Valenzuela at her office in North Salt Lake City, Utah.

35. At that meeting, Valenzuela advised R.B. that his funds would be used as a guarantee for "bank trades" but the funds would never actually be removed from the Wealth Makers account.

36. Valenzuela made other representations to R.B., including, but not limited to the following:

3 D.S. had previously told R.B. about her investments with Wealth Makers.

a. Wealth Makers had an exclusive arrangement to help facilitate bank trades;

b. Inter-bank trades required a third party to facilitate that type of transaction;

c. R.B.'s funds would be held as escrow in the Wealth Makers bank account for 30 days as a guarantee for a specific bank trade;

d. Wealth Makers would return R.B. his funds, without interest, for any failed bank trade transactions;

e. The minimum investment amount for this opportunity was $100,000;

f. In exchange for $100,000, R.B. would receive his principal plus 15% interest in about 30 days;

g. Valenzuela would never lose control of R.B.'s funds; and

h. Valenzuela was looking for additional funds and had other potential investors that were interested in funding Wealth Makers.

37. Based on Valenzuela's statements and representations, R.B. decided to invest with Wealth Makers.

38. On or about October 30, 2008, R.B. transferred approximately $100,000 from his equity line account at Wells Fargo to Wealth Makers' Wells Fargo account, account number ending 3086.

39. At or about the same time, Valenzuela gave R.B. an executed investment contract, dated

October 29, 2008, that documented the terms of the investment opportunity.

40. On or about December 5, 2008, Wealth Makers wired about $115,000 to R.B.'s Wells Fargo account.

SECOND INVESTMENT

41. In or about January 2009, Valenzuela called R.B. and advised him that she needed $50,000 to fund another bank trade deal that was similar to the previous transaction.

42. R.B. replied that he could transfer about $15,000.

43. In response, Valenzuela made statements and representations to R.B., including, but not limited to, the following:

a. That in exchange for $15,000, R.B. would receive 15% interest on his principal within 30 days;

b. R.B.'s funds would remain in an escrow account; and

c. The opportunity was not closed, and R.B. could invest additional funds if he desired.

44. Based on Valenzuela's statements and representations, R.B. decided to invest with Wealth Makers.

45. On or about January 2, 2009, R.B. transferred approximately $15,000 to Wealth Makers' Wells Fargo account, account ending 6875.

THIRD INVESTMENT

46. On or about January 14, 2009, Valenzuela advised R.B. that he could still invest more funds in the same opportunity.

47. Based on Valenzuela's statements, R.B. decided to invest more funds with Wealth Makers.

48. At or about the same time, R.B. transferred $20,000 to Wealth Makers' Wells Fargo account, account number ending 6875.

49. On or about January 16, 2009, Valenzuela transferred R.B.'s funds to Zions Bank account in the name of 3MS Enterprises, LLC.

50. To date, neither Valenzuela nor Wealth Makers has returned any funds to R.B. and he is still owed approximately $35,000 in principal alone.

CAUSES OF ACTION

Securities Fraud under § 61-1-1(2) of the Act (Investor D.S.)

51. The Division incorporates and re-alleges paragraphs 1 through 50.

52. The investment contracts that Respondents offered and sold to D.S. are securities under § 61-1-13 of the Act.

53. In connection with the offer and sale of securities to D.S., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:

a. That D.S.'s funds would remain in the Wealth Makers account, when, in fact,

Respondents transferred her funds to multiple bank accounts and used a portion of her funds as earnest money towards a $5 million home;

b. The investment opportunity had no risk, when, in fact, all investments have some degree of risk; and

c. Valenzuela would use Johnson's $1 million credit line to return D.S.'s funds should the transactions fail, when, in fact, Valenzuela had no authority over the credit line and could not draw funds from the credit line.

54. In connection with the offer and sale of securities to investor D.S., Respondents, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make statements made not misleading:

a. That Valenzuela had filed for Chapter 7 bankruptcy in California on or about September 26, 2000;

b. That Valenzuela had filed for Chapter 13 bankruptcy in Utah on or about September 23, 2003;

c. That the credit line was in Johnson's name and Valenzuela had no authority over the credit line and could not access it;

d. The details and financial information about the individuals, groups, and/or entities that were borrowing funds from Wealth Makers for real estate deals;

e. The rate of return for the hard money loans made to the borrowers;

f. In regards to D.S.'s investments, that Respondents had already defaulted on R.B.'s second investment;

g. Details about the financial transactions in Hong Kong that Respondents participated in;

h. Some of all of the information typically provided in an offering circular, prospectus, or other related documentation about Respondents, such as:

i. Business and operating history,

ii. Information regarding the principals and/or officers involved in the operations,

iii. Financial statements,

iv. Risk factors,

v. Conflicts of interest,

vi. Suitability factors for the investment,

vii. Whether Respondents were licensed to sell securities in the state of Utah, and

viii. Whether the offering was registered, federally covered, or exempt from registration in the state of Utah.

Securities Fraud under § 61-1-1(2) of the Act
(Investor R.B.)

55. The Division incorporates and re-alleges paragraphs 1 through 50.

56. The investment contracts that Respondents offered and sold to D.S. are securities under § 61-1-13 of the Act.

57. In connection with the offer and sale of securities to R.B., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:

a. That R.B.'s funds would remain in an escrow account, when, in fact, Respondents transferred his funds to multiple bank accounts;

b. That Respondents would use R.B.'s funds to guarantee a bank trade, when, in fact, Respondents transferred his funds to multiple account and there is no evidence that any of R.B.'s funds were used to guarantee a bank trade;

c. That Wealth Makers had an exclusive arrangement to facilitate bank trades, when, in fact, there is no evidence to support this representation;

d. That a third party was required to facilitate inter-bank trade transactions, when, in fact, there is no evidence to support this representation; and

e. Valenzuela would use Johnson's $1 million credit line to return R.B.'s funds should the transactions fail, when, in fact, Valenzuela had no authority over the credit line and did have not access to the credit line.

58. In connection with the offer and sale of securities to investor R.B., Respondents, directly or indirectly, failed to disclose material information, including, but not limited to, the

following, which was necessary in order to make statements made not misleading:

a. That Valenzuela had filed for Chapter 7 bankruptcy in California on or about September 26, 2000;

b. That Valenzuela had filed for Chapter 13 bankruptcy in Utah on or about September 23, 2003;

c. That the credit line was in Johnson's name and Valenzuela had no authority over the credit line and could not access it; and

d. Some of all of the information typically provided in an offering circular, prospectus, or other related documentation about Respondents, such as:

i. Business and operating history,

ii. Information regarding the principals and/or officers involved in the operations,

iii. Financial statements,

iv. Risk factors,

v. Conflicts of interest,

vi. Suitability factors for the investment,

vii. Whether Respondents were licensed to sell securities in the state of Utah, and

viii. Whether the offering was registered, federally covered, or exempt from registration in the state of Utah.

Securities Fraud under § 61-1-1(3) of the Act

59. The Division incorporates and re-alleges paragraphs 1 through 50.

60. The investment contracts that Respondents offered and sold to D.S. and R.B. are securities under § 61-1-13 of the Act.

61. In connection with the offer and/or sale of securities to investors, D.S. and R.B., Respondents engaged in an act, practice, or course of business that operated or would operate as a fraud or deceit upon any person, including D.S. and R.B.

62. Without D.S.'s and R.B.'s consent, authorization, or knowledge, Respondents utilized invested funds for unauthorized purposes.

II. THE DIVISION'S CONCLUSIONS OF LAW

63. Based on the Division's investigative findings, the Division concludes that:

a. The investment opportunities offered and sold by Respondents are securities under § 61-1-13 of the Act.

b. Respondents violated § 61-1-1(2) of the Act by making untrue statements of material facts or omitting to state material facts in connection with the offer and sale of securities, disclosure of which were necessary in order to make representations made not misleading.

c. Respondents violated § 61-1-1(3) of the Act by engaging in an act, practice, or

course of business that operated or would operate as a fraud or deceit upon any person, including D.S. and R.B.

III. REMEDIAL ACTIONS & SANCTIONS

64. Respondents admit to the Division's findings of fact and conclusions of law.

65. Respondents agree to the imposition of a cease and desist order, prohibiting them from any conduct that violates the Act.

66. Respondents agree to be barred from (i) associating with any broker-dealer or investment adviser licensed in Utah; (ii) acting as an agent for any issuer soliciting investor funds in Utah; and (iii) from being licensed in any capacity in the securities industry in Utah.

67. Pursuant to Utah Code Ann. § 61-1-20(1)(f) and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, the Division imposes a joint and several fine of $2,500 against Respondents. The fine amount shall be paid directly to the Division at the time of the entry of this Order.

IV. FINAL RESOLUTION

68. Respondents acknowledge that this Order, upon approval by the Utah Securities Commission (the "Commission"), shall be the final compromise and settlement of this matter.

69. Respondents further acknowledge that if the Commission does not accept the terms of the

Order, it shall be deemed null and void and without any force or effect whatsoever.

70. The Division acknowledges that the Order precludes the Division from initiating any further administrative action or civil proceeding against Respondents based on the findings of facts admitted herein or based on the events and circumstances alleged in *John G. Robertson v. Veronica Valenzuela, et al.*, case number 150700242 (the "Robertson Case"), currently pending in Utah Second District Court. Respondents acknowledge that the Division is not precluded from investigating or initiating any action against Respondents for events or circumstances separate from those specifically admitted in this Order and specifically alleged in the Robertson Case.

71. Respondents acknowledge that the Order does not affect any civil or arbitration causes of action that third parties may have against them arising in whole or in part from their actions, and that the Order does not affect any criminal causes of action that may arise as a result of the conduct referenced herein. Respondents also acknowledge that any civil, criminal, arbitration or other causes of action brought by third parties against them have no effect on, and do not bar, this administrative action by the Division.

72. Respondents acknowledge that a willful violation of this Order is a third degree felony pursuant to § 61-1-21(1)(b) of the Act.

73. The 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 the Order in any way. The Order may be docketed in a court of competent jurisdiction. Upon entry of the Order, any further scheduled hearings are canceled.

Utah Division of Securities:

Date: 10-1-2015

By: _____
Keith Woodwell
Director
Utah Division of Securities

Respondents:

Date: 9-10-15

By: _____
Veronica Valenzuela

Approved:

_____
Christopher J. Hardy
Assistant Attorney General

B.W.

_____
Ronald C. Barker
Barker Law Office, LLC
Attorney for Respondents

Utah Division of Securities:

Date: 9-15-25

By: _____
Dave Hermansen
Director of Enforcement
Utah Division of Securities

Respondents:

Date: _____

By: _____
Veronica Valenzuela

Approved:

_____
Christopher J. Hardy
Assistant Attorney General

B.W.

_____
Ronald C. Barker
Barker Law Office, LLC
Attorney for Respondents

ORDER

IT IS HEREBY ORDERED THAT:

1. The Division has made a sufficient showing of Findings of Fact and Conclusions of Law to form a basis for this settlement.

2. Respondents cease and desist from violating the Act.

3. Respondents are barred from (i) associating with any broker-dealer or investment adviser licensed in Utah, (ii) acting as an agent for any issuer soliciting investor funds in Utah, and (iii) from being licensed in any capacity in the securities industry in Utah.

4. The Division imposes a joint and several fine of $2,500 against Respondents that shall be paid directly to the Division at the time of entry of this Order.

DATED this 3rd day of December 2015.

BY THE UTAH SECURITIES COMMISSION:

Brent Baker

Erik Christiansen

David Russon

Lyle White

Gary Cornia

Certificate of Mailing

I certify that on the 3rd day of December 2015, I mailed a true and correct copy of the fully executed Stipulation and Consent Order to:

VERONICA VALENZUELA
WEALTH MAKERS OF UTAH, LLC
C/O RONALD BARKER
BARKER LAW OFFICE, LLC
2870 SOUTH STATE STREET
SALT LAKE CITY, UTAH 84115

Executive Secretary

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

IN THE MATTER OF:	**STIPULATION AND CONSENT ORDER**
LPL FINANCIAL LLC, CRD#6413	Docket No. SD-15-0064
Respondent.	

The Utah Division of Securities ("Division"), by and through its Director of Compliance, Kenneth O. Barton, and LPL Financial LLC ("LPL") hereby stipulate and agree as follows:

WHEREAS, state regulators from multiple jurisdictions, led by Nevada, Maine and Texas, conducted a coordinated investigation of LPL to determine whether non-traded REIT sales transactions executed by LPL, during the time period beginning January 1, 2008 through December 31, 2013, violated state law;

WHEREAS, LPL has cooperated with state regulators conducting the investigation by responding to inquiries, providing documentary evidence, and identifying executed sales transactions ("Sales Transactions") that were sold in violation of (a) the prospectus standards of the specific REIT, (b) a state concentration limit, or (c) LPL's own guidelines for the sale of Alternative Investments, including but not limited to non-traded REITs;

WHEREAS, the investigation has identified Sales Transactions of non-traded REITs to investors in Utah, that were sold in excess of at least one of the above-stated prospectus standards, state concentration limits, or LPL's own guidelines, which Utah alleges constitutes a

failure to reasonably supervise under Section 61-1-6(2)(a)(ii)(J) of the Utah Uniform Securities Act ("Act");

WHEREAS, LPL has agreed to resolve the investigations through the offer of a multistate settlement which includes this Stipulation and Consent Order ("Order");

WHEREAS, LPL, as part of this settlement, agrees to comply with all state and federal securities laws; and

WHEREAS, LPL, without admitting or denying the findings of fact and conclusions of law contained herein, voluntarily consents to the entry of this Order, and waives any right to a hearing or to judicial review regarding this Order.

NOW THEREFORE, the Division hereby enters this Order.

I. FINDINGS OF FACT

1. LPL, CRD # 6413, is an entity currently registered as a broker-dealer firm in Utah. LPL is also an investment adviser registered with the Securities and Exchange Commission, and notice filed in Utah.

2. LPL's principal place of business is located at 75 State Street, 24th Floor, Boston, MA 02109. LPL currently maintains branch offices in Utah.

3. During the time period from and including January 1, 2008 through December 31, 2013, LPL offered multiple non-traded REITs through its branch offices in Utah.

4. Non-traded REITs are specifically identified by LPL as a form of "Alternative Investment."

5. Non-traded REITs generally carry significant investor risk in that they present liquidity risk and often have lengthy holding periods, restricted redemption options, and variable withdrawal periods determined by issuer specific programs.

Relevant Disciplinary History

6. On February 6, 2013, LPL entered into a Consent Order with the Commonwealth of Massachusetts regarding certain sales of non-traded REITs to Massachusetts residents ("MA Order") during the time period of January 1, 2006 through February 6, 2013.

7. Subsequent to the MA Order, LPL began a review of its Sales Transactions involving non-traded REITs to residents of jurisdictions other than Massachusetts, sold after October 1, 2010.

8. On January 28, 2014, LPL entered into an Acceptance, Waiver and Consent Agreement ("AWC") with the Financial Industry Regulatory Authority ("FINRA") which was accepted by FINRA on March 24, 2014. This FINRA AWC sets forth that LPL accepted and consented to findings, without admitting or denying the findings, that between January 1, 2008 and July 1, 2012, LPL violated NASD Rules 3010(a) and (b), 2110 and FINRA Rule 2010 by failing to implement an adequate supervisory system for the sale of alternative investments that was reasonably designed to achieve compliance with suitability requirements.

Identification of Sales Transactions that constitute a state law violation

9. Subsequent to the above referenced Massachusetts action, LPL began a review of its sales transactions from October 2010 to August 2013 to identify those Sales Transactions that exceeded one or more of the following:

a. the particular REIT's prospectus standards;

b. a state's concentration limits (if applicable); or

c. LPL's Alternative Investment Guidelines.

10. As a result of the multiple jurisdiction-coordinated investigation, LPL began a review of its sale transactions from January 1, 2008 through December 31, 2013 to identify those non-traded REIT Sales Transactions that exceeded one of the following:

a. the particular REIT's prospectus standards;

b. a state's concentration limits (if applicable); or

c. LPL's Alternative Investment Guidelines.

11. During the time period from and including January 1, 2008 through December 31, 2013, LPL processed over 2,000 transactions in various jurisdictions that were sold in excess of the REIT's prospectus standards, various state concentration limits or LPL's Alternative Investment Guidelines.

12. LPL's internal review of its non-traded REIT sales transactions identified the date, amount of transaction, account number, product, client name, client age, state of residence at the time of the transaction, annual income, net worth, liquid net worth, total alternative investments, total non-traded REIT investments, and percentage of total alternative investments to the investor's Liquid Net Worth.

13. Beginning in calendar year 2013, LPL began contacting certain states and identifying transactions that exceeded prospectus standards, state concentration limits or its own Alternative Investment Guidelines.

14. LPL agreed to cooperate with the multiple jurisdiction coordinated investigation from the beginning of the investigation. LPL provided extensive cooperation with the multiple jurisdiction investigation, including: (1) providing information about transactions irrespective of the jurisdiction in which transactions occurred; and (2) identifying Sales Transactions that exceeded state concentration limits, REIT prospectus standards, or LPL's Guidelines applicable to the sale of non-traded REITs.

II. CONCLUSIONS OF LAW

15. At all times relevant, and pursuant to Utah law, LPL was required to implement an adequate supervisory system regarding the sale of non-traded REITs pursuant to Section 61-1-

6(2)(a)(ii)(J) of the Act, and pursuant to the same, LPL was required to enforce its written procedures regarding the sale of non-traded REITs.

16. Based upon the above facts, from and including January 1, 2008 through December 31, 2013, LPL failed to implement an adequate supervisory system, pursuant to Section 61-1-6(2)(a)(ii)(J) of the Act,, regarding its sale, through Utah representatives, of non-traded REITs.

17 From and including January 1, 2008 through December 31, 2013, LPL failed to enforce its written procedures to supervise the activities of its registered representatives in violation of Section 61-1-6(2)(a)(ii)(J) of the Act.

18. As a result, under Section 61-1-6(2)(a)(ii)(J) of the Act, this Order and the following relief is appropriate and in the public interest.

III. ORDER

On the basis of the Findings of Fact, Conclusions of Law, and the consent of LPL to the entry of this Order,

IT IS HEREBY ORDERED:

1. LPL shall Cease and Desist from violation of the Act.

2. LPL shall offer to remediate[1] losses for all non-traded REITs sold by LPL to LPL clients, from and including January 1, 2008 through December 31, 2013, who were Utah residents at the time they purchased the non-traded REIT (regardless of whether the shares of the

[1] The term "remediation" or "remediate" with respect to the offers contemplated herein shall be based on a methodology as agreed to by the representative designated by the North American Securities Administrators Association that takes into account, singularly or in any combination, the following:

(i) non-traded REIT shares still held;

(ii) previously sold or redeemed non-traded REIT shares;

(iii) non-traded REITs that are now publicly traded themselves, or are now subsumed within a publicly traded security; and

(iv) non-traded REITs that have had a special or extraordinary capital distribution.

non-traded REIT are presently held in an LPL account or the individual or entity no longer resides in Utah) ("Utah Investors") that exceeded any of the following:

a. Those transactions made in which the principal invested amount exceeded the maximum percent concentration limitation imposed by certain non-traded REIT prospectuses;

b. Those transactions made which exceeded or were inconsistent with a non-traded REIT prospectus prescribed minimum net worth or annual income standards; or

c. Those transactions in which the principal invested amount exceeded LPL's Alternative Investment Guidelines, or those transactions which were processed inconsistent with LPL's policies and procedures, including LPL's Compliance Manual and Written Supervisory Procedures (a, b, and c referred to jointly as "Utah Investor Sales Transactions").

3. LPL shall create a team of individuals who are primarily dedicated to assisting Utah Investors with LPL's remediation of Utah Investor Sales Transactions ("Claim Team"). The Claim Team shall establish a dedicated phone number and be the central point of contact for any client or former client seeking information about a non-traded REIT Sales Transaction during the relevant time period, and for any Utah Investor making any inquiry or claim, until such time as LPL delivers the Report required in paragraph 14 and the representative or representatives designated by the North America Securities Administrators Association ("NASAA") (the "NASAA Representative") confirms that the Claim Team is no longer necessary.

4. LPL or its designee shall send an offer of remediation to eligible Utah Investors with Utah Investor Sales Transactions. ("Offer Letter") A draft of the Offer Letter, not unacceptable

to the NASAA Representative, shall be provided to the NASAA Representative within thirty (30) days of the execution of the Nevada Consent Order. The Offer Letter will be sent to the LPL address of record for all eligible Utah Investors, which shall be mailed to Utah Investors within fifteen (15) days of the later of the completion of the third party review set forth in paragraph 13 or the execution of this Order. The offer communicated in the Offer Letter shall remain open for ninety (90) days from the date of mailing. Within thirty (30) days of the mailing of the Offer Letter, LPL shall provide to Utah a list of all Utah Investors for whom LPL receives an offer as return to sender ("Undeliverable Utah Residents"). To the extent Utah has access to different mailing address information for Undeliverable Utah Investors, LPL agrees to mail a second Offer Letter to Utah Investors within 30 days of Utah providing such different address. Utah Investors who choose to accept the offer of remediation shall be required to sign a release in a form not unacceptable to the NASAA Representative, agreeing to waive any further claims against LPL or its agents relating to any violation set forth in this Order, giving rise to the offer of remediation, and agreeing to offset any additional claims relating to identified transactions by the amount received by this Order. In addition, Utah Investors who choose to accept the offer of remediation must agree to tender their existing shares in the non-traded REIT giving rise to the offer of remediation to LPL or its designee, as a precondition to receipt of payment by LPL.[2] The offer of remediation shall be in the form of a credit to an existing LPL account or a check as elected by existing LPL clients or a check for former LPL clients.

[2] As pertaining to any investor who may have a physical certificate(s) of the identified non-traded REITs, LPL will provide these Utah Investors additional time (not unacceptable to the Division) to locate all physical certificate(s).

5. All eligible Utah Investor Sales Transactions described above shall be given notice of and the opportunity to accept LPL's offer of remediation as set forth in the above paragraphs 2 and 4.

6. LPL shall provide to the Division the most recent contact information for each Utah Investor.

7. Within forty-five (45) days of the expiration of the offer communicated in the Offer Letter, LPL agrees to prepare, and submit to the Division, a report detailing the amount of funds reimbursed pursuant to this Order, which shall include:

a. Identification of all accepted offers; and

b. Dates, amounts, and methods of the transfer of funds for all payments of remediation.

8. Within one hundred and eighty (180) days of the date of the Offer, LPL agrees to prepare, and submit to the Division and the NASAA Representative, a report detailing the amount of funds reimbursed pursuant to the Order, which shall include:

a. Identification of all offers made;

b. Identification of all accepted offers;

c. Identification of all claims made to LPL;

d. Identification of any claim denied by LPL; and

e. Dates, amounts, and methods of the transfer of funds for all payments of remediation.

9. In accordance with the terms of the settlement of this multiple jurisdiction investigation, and taking into consideration LPL's efforts to remediate supervisory and systems issues and to self-report sales violations to certain jurisdictions, and LPL's cooperation in this matter, LPL shall pay as and for a civil penalty within ten (10) business days of the entry of this

Order, $18,293.16 the sum of which represents Utah's portion of the total civil penalty of One Million Four Hundred Twenty Five Thousand Dollars Even ($1,425,000.00) to be paid by LPL.

10. At the request of LPL, Utah may extend, for good cause shown, any of the procedural dates set forth above.

11. LPL agrees that it shall not seek or accept, directly or indirectly, reimbursement or indemnification, including, but not limited to, any payments made pursuant to any commercial insurance policy, with regard to the penalty amount that LPL shall pay pursuant to Paragraph 9 of this Order.

12. LPL and its designee agrees that it shall not claim, assert or apply for a tax deduction or tax credit with regard to any state, federal or local tax for the penalty amount that LPL shall pay pursuant to Paragraph 9 of this Order, unless otherwise required by law.

13. LPL shall retain an independent third party, not objectionable to the NASAA Representative. The third party will be responsible for analyzing the electronic data set provided by LPL of Sales Transaction data representing the executed sales of non-traded REITs by LPL from and including January 1, 2008 through December 31, 2013. The third party shall identify Utah Sales Transactions that violated (a) REIT prospectus standards, (b) a state concentration limit, or (c) LPL's own guidelines for the sale of Alternative Investments, and those transactions which were processed inconsistent with LPL's policies and procedures, including LPL's Compliance Manual and Written Supervisory Procedures. The Utah Investor Sales Transactions identified by the third party shall be sent to LPL and the NASAA representative no later than ninety (90) days from the date of Nevada's Administrative Consent Order. At the request of LPL, the NASAA Representative may extend this ninety (90) day requirement, for good cause

shown. This provision and the use of an independent third party does not relieve LPL of its obligations under Paragraph 2 of this Order.

14. LPL shall cause its Internal Audit department to confirm that the data provided to the third party is the most complete data set available reflecting executed non-traded REIT Sales Transactions during the relevant period and shall provide a notice to the NASAA Representative within ten (10) days of the delivery of the data to the third party.

The Internal Audit department shall also review and confirm that LPL has made offers relating to the Utah Investors Sales Transactions consistent with this Order. A report by the Internal Audit department of its review and confirmation that LPL has made offers consistent with this Order shall be sent to the NASAA Representative within ten (10) days of the completion of the Internal Audit department's report.

15. On or before October 15, 2015, LPL shall provide a written report to the NASAA Representative regarding: the supervisory system for the review of Alternative Investment transactions; the surveillance programs related to Alternative Investment transactions; and the systems for maintaining execution data related to Alternative Investments. Upon request, the NASAA Representative shall make a copy of the written report available to Utah.

16. This Order is not intended to subject LPL to disqualification under federal securities laws, rules or regulations thereunder, or the rules and regulations of any self-regulatory agency, nor the laws, rules or regulations of the various states and U.S. Territories, including without limitation, any disqualification from relying upon the registration exemption or the safe harbor provisions. In addition, this Order is not intended to be the basis for any such disqualifications.

17. LPL acknowledges that this Order, upon approval by the Utah Securities Commission ("Commission") shall be the final compromise and settlement of this matter. LPL

further acknowledges that if the Commission does not accept the terms of the Order, it shall be deemed null and void and without any force or effect whatsoever.

18. This Order constitutes the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect this Order in any way.

Utah Division of Securities

Dated this 25th day of November, 2015

By: _____

Kenneth O. Barton
Director of Compliance

CONSENT TO ENTRY OF ORDER

LPL Financial LLC, by and through its authorized representative, by signing below, agrees to the entry of this Order, and waives any right to a hearing or to judicial review.

LPL by and through its authorized representative states that no promise of any kind or nature whatsoever that is not reflected in this Order was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

David Bergers represents that he or she has been authorized to enter into this Order on behalf of LPL Financial LLC.

LPL Financial LLC

By: David Bergers

Title: General Counsel

Date: Dec. 1, 2015

BY ORDER OF THE UTAH SECURITIES COMMISSION:

The foregoing Stipulation and Consent Order is hereby accepted, confirmed, and entered by the Utah Securities Commission.

DATED this 3rd day of December, 2015

Brent Baker

Erik Christiansen

Gary Cornia

David A. Russon

Lyle White

Certificate of Service

I certify that on the 3rd day of December, 2015, I served the foregoing Stipulation and Consent Order by mailing a copy by U.S. Mail to:

Neal Sullivan
Sidley Austin LLP
1501 K Street, N.W.
Washington, DC 20005

and via e-mail: [redacted]

Executive Secretary

Division of Securities
Utah Department of Commerce
160 East 300 South
P.O. Box 146760
Salt Lake City, Utah 84114-6760
Telephone: 801 530-6600

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

IN THE MATTER OF:	**STIPULATION AND CONSENT ORDER**
JESSE S. HEATON, CRD#5347122; PEAK FINANCIAL GROUP, LLC; and MARK BENCH	**Docket No. SD-15-0042** **Docket No. SD-15-0043** **Docket No. SD-15-0045**
Respondents.	

The Utah Division of Securities ("Division"), by and through its Director of Compliance, Kenneth O. Barton and the Respondents, Jesse S. Heaton ("Heaton"), Peak Financial Group, LLC ("Peak"), and Mark Bench ("Bench") (collectively referred to at times hereinafter as "Respondents"), hereby stipulate and agree as follows:

1. Respondents have been the subject of an investigation by the Division into allegations that they violated the Utah Uniform Securities Act ("Act"), Utah Code Ann. §61-1-1, *et seq.*

2. On or about August 31, 2015, the Division initiated an administrative action against Respondents by filing an Order to Show Cause.[1]

3. Respondents hereby agree to settle this matter with the Division by way of this

[1]The Order to Show Cause also named an additional respondent, Sherrell Berrett ("Berrett"), CRD#20133. Berrett is not a party to this Stipulation and Consent Order.

Stipulation and Consent Order ("Order"). If entered, the Order will fully resolve all claims the Division has against Respondents pertaining to the Order to Show Cause.

4. Respondents admit that the Division has jurisdiction over them and the subject matter of this action.

5. Respondents hereby waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf.

6. Respondents have read this Order, understand its contents, and voluntarily agree to the entry of the Order set forth below. No promises or other agreements have been made by the Division, nor by any representative of the Division, to induce Respondents to enter into this Order, other than as described in this Order.

7. Respondents understand that they may be represented by counsel in this matter, understand the role that counsel would have in defending and representing their interests in this case, and hereby knowingly, freely and voluntarily waive their right to have counsel represent them in this proceeding.

I. FINDINGS OF FACT

8. On March 30, 2010, the Division initiated administrative actions against the Respondents by filing a Petition against Heaton, and filing an Order to Show Cause against Peak,[2]

[2]Peak is a defunct Utah limited liability company that was formed, owned and controlled by Heaton, Berrett, and Bench during the period relevant to this matter.

Berrett, and Bench.[3] Those actions were based upon Respondents' pooling of approximately $1,020,112 in monies from fifteen investors ("Peak fund"). The monies were then invested in various other investment opportunities chosen by Respondents.

9. In October 2010, based on Respondents' representations that the Peak fund's assets could be liquidated and would generate sufficient monies to fully repay investors, the Division agreed to resolve the administrative actions through a Stipulation and Consent Order ("2010 Order"). The 2010 Order required Respondents to liquidate the Peak fund, return all monies to investors, and provide supporting documentation for those actions to the Division.[4] The 2010 Order resolved all four 2010 matters.

10. In the 2010 Order, Respondents represented that the information they had provided to the Division as part of the Division's investigation was "accurate and complete." Leading up to the time the 2010 Order was entered, Respondents represented to the Division that there had been no losses in the Peak fund and that they could easily liquidate and return investors' monies.

11. Following entry of the 2010 Order, for various reasons ranging from the illiquid nature of investments made by Respondents, as well as bad investments and investments in several schemes that turned out to be fraudulent, Respondents have not been able to fully liquidate the Peak fund and return all monies to investors.

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[3]Administrative actions filed by the Division against licensees are generally filed as a Petition whereas actions against non-licensees are initiated by an Order to Show Cause. The Petition to Suspend, Censure and Fine against Heaton is Case No. SD-10-0012. The Orders to Show Cause against Peak, Berrett and Bench are Case Nos. SD-10-0013, 0014, 0015 (March 30, 2010).

[4]The 2010 Order resolved all four 2010 matters.

12. Heaton and Bench have repaid investors a portion of the funds based upon which individuals they solicited for the Peak fund. Monies still owed[5] are as follows:

	Investor Principal	Repaid Total	Still Owed
Heaton	$138,000	$97,125	$40,875
Bench	$375,000	$305,490	$74,150

II. CONCLUSIONS OF LAW

13. Respondents' failure to fully liquidate the Peak fund and return all monies to investors is a violation of the 2010 Order – an order of the Division – warranting relief under § 61-1-20(1) of the Act.

14. Respondents made materially false statements to the Division when representing that they were in a position to liquidate all investments, that such liquidation would generate sufficient funds to repay all investors, and in representing in the 2010 Order that "the information they have provided to the Division as part of the Division's investigation is accurate and complete," warranting sanctions under § 61-1-20(1) of the Act.

III. REMEDIAL ACTIONS/SANCTIONS

15. Respondents neither admit nor deny the Division's findings and conclusions, but consent to the sanctions below being imposed by the Division.

16. Respondents represent that the information they have provided to the Division as part of

[5]Berrett's investors' principal accounted for $507,112 of the total collected for the Peak fund, of which he repaid investors $84,900. It appears unlikely Berrett will make any further repayments to investors in this matter. Following a guilty plea for felony securities fraud in an unrelated matter, Case No. 131700877, on June 16, 2014 Berrett was ordered to pay restitution in the amount of $1,308,364.73. To date, Berrett has made no payments in that case. He is presently incarcerated at the Utah State Prison.

the Division's investigation is accurate and complete.

17. Respondents agree to cease and desist from violating the Act and to comply with the requirements of the Act in all future business in this state.

18. Respondents represent that they have reached settlement agreements with investors and will send documentation and proof of the settlement agreements to the Division on or before 30 days prior to the entry of this Order. Acceptable proof includes copies of settlement agreements, canceled checks and/or letters signed by the investors confirming that a final settlement of any claims has been reached.

19. Respondents agree that they will be barred from associating with any broker-dealer or investment adviser licensed in Utah, and from acting as an agent for any issuer soliciting investor funds in this state.

20. Pursuant to Utah Code Ann. Section 61-1-20, and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, the Division imposes fines as follows:

Heaton and Peak, jointly and severally: $2,500.00

Bench and Peak, jointly and severally: $2,500.00

The fines shall be paid in full to the Division within 30 days following entry of this Order.

IV. FINAL RESOLUTION

21. Respondents acknowledge that this Order, upon approval by the Utah Securities Commission, shall be the final compromise and settlement of this matter. Respondents acknowledge 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, Respondents expressly waive any

claims of bias or prejudgment of the Commission, and such waiver shall survive any nullification.

22. If Respondents materially violate any term of this Order, after notice and an opportunity to be heard before an administrative judge solely as to the issue of a material violation, Respondents consent to entry of an order in which:

a. Respondents admits the Division's Findings of Fact and Conclusions of Law as set forth in this Order; and

b. Respondents' fines shall be $20,000.00 each and become immediately due and payable.

The order may be issued upon ex parte motion of the Division, supported by an affidavit verifying the violation. In addition, the Division may institute judicial proceedings against Respondents 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 Respondents or to otherwise enforce the terms of this Order. Respondents further agree 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.

23. Respondents acknowledge that the Order does not affect any civil or arbitration causes of action that third-parties may have against them arising in whole or in part from their actions, and that the Order does not affect any criminal causes of action that may arise as a result of their conduct referenced herein. Respondents also acknowledge that any civil, criminal, arbitration or other causes of actions brought by third-parties against them have no effect on, and do not bar, this administrative action by the Division against them. If

Respondents materially violate this Order, however, the Findings of Fact and Conclusions of Law set forth in this Order are deemed admitted as described in paragraph 22 above, and may be introduced as evidence against Respondents in any arbitration, civil, criminal, or regulatory actions.

24. 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 05 day of November, 2015

Kenneth O. Barton
Director of Licensing and Compliance
Utah Division of Securities

Approved:

Thomas M. Melton
Assistant Attorney General
Counsel for Division

Dated this 16 day of OCT, 2015

Jesse S. Heaton
Peak Financial Group, LLC

Mark Bench
Peak Financial Group, LLC

Respondents materially violate this Order, however, the Findings of Fact and Conclusions of Law set forth in this Order are deemed admitted as described in paragraph 22 above, and may be introduced as evidence against Respondents in any arbitration, civil, criminal, or regulatory actions.

24. 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 9 day of November, 2015

Kenneth O. Barton
Director of Licensing and Compliance
Utah Division of Securities

Dated this 19 day of Oct, 2015

Jesse S. Heaton
Peak Financial Group, LLC

Approved:

Thomas M. Melton
Assistant Attorney General
Counsel for Division

Mark Bench
Peak Financial Group, LLC

ORDER

IT IS HEREBY ORDERED THAT:

1. The Division's Findings and Conclusions, which are neither admitted nor denied by the Respondents, are hereby entered.

2. Respondents shall cease and desist from violating the Act and comply with the requirements of the Act in all future business in this state.

3. Within thirty (30) days following entry of this Order, Respondents shall reach a settlement with any investors to whom principal monies are still owed, and shall send documentation and proof of the same to the Division. Acceptable proof includes copies of settlement agreements, canceled checks and/or letters signed by the investors confirming that a final settlement of any claims has been reached.

4. Respondents are barred from associating with any broker-dealer or investment adviser licensed in Utah, and from acting as an agent for any issuer soliciting investor funds in this state.

5. Pursuant to Utah Code Ann. Section 61-1-20, and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, the Division imposes fines as follows:

   Heaton and Peak, jointly and severally: $2,500.00;

   Bench and Peak, jointly and severally: $2,500.00.

   The fines shall be paid in full within thirty (30) days following entry of this Order.

BY THE UTAH SECURITIES COMMISSION:

DATED this 3rd day of December, 2015

Brent Baker

Erik Christiansen

Gary Cornia

David A. Russon

Lyle White

Certificate of Mailing

I certify that on the 3rd day of December, 2015, I mailed, by certified mail, a true and correct copy of the fully executed Stipulation and Consent Order to:

[redacted]

Certified Mail # 7015 0640 0006 5947 0585

[redacted]

Certified Mail # 7015 0640 0006 5947 0592

LeeAnn Crain

Executive Secretary