

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

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

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IN THE MATTER OF  
EDWARD J. EYRING,  
RESPONDENT

**RECOMMENDED ORDER ON MOTION  
FOR DEFAULT**

Case no. SD-15-0053

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**BY THE PRESIDING OFFICER:**

This adjudicative proceeding was initiated on November 9, 2015 pursuant to a Notice of Agency Action and Order to Show Cause. Respondent was required to file a response to the Division's Order to Show Cause within 30 days of the Order to Show Cause. As of the date of this Order, Respondent has not filed a response.

An initial hearing was held on January 6, 2016. Respondent failed to appear. As of the date of this Order, Respondent has made no effort to participate in these proceedings.

Given the foregoing, the Presiding Officer finds that, pursuant to Utah Code § 63G-4-209(1)(b) and (c), proper factual and legal bases exist for entering a Default Order against Respondent.

## **RECOMMENDED ORDER**

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

1. That the investment opportunities offered and sold by Respondent 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(2), Respondent directly or indirectly failed to disclose material information that was necessary in order to make representations made not misleading; and
3. That Respondent's actions, which constitute one or more violations of Utah Code Ann. § 61-1 et seq., are grounds for sanction under the Act.

The Presiding Officer further recommends that the Utah Securities Commission enter a Default Order against Respondent, requiring:

1. That Respondent cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1 et seq.;
2. That Respondent pay a fine of \$519,125 to the Utah Division of Securities, with \$103,825 of the fine due and payable in full upon receipt of the Final Order and the remaining \$415,300 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 Respondent fail to provide proof of restitution payments to investors within the 30-day period following the date of the Final Order, the full \$519,125 fine become immediately due and payable, and subject to collection; and

4. That Respondent Edward J. Eyring 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 proceedings in this case.

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

DATED this 8 day of January, 2016.

UTAH DEPARTMENT OF COMMERCE

  
\_\_\_\_\_  
Greg Soderberg  
Presiding Officer

#### CERTIFICATE OF DELIVERY

I hereby certify that on the 8 day of January, 2016, 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

  
\_\_\_\_\_

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

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

---

IN THE MATTER OF  
EDWARD J. EYRING,  
RESPONDENT

**ORDER ON MOTION FOR DEFAULT**

Case No. SD-15-0053

---

**BY THE UTAH SECURITIES COMMISSION:**

The Presiding Officer's Recommended Order on Motion for Default in this matter is hereby approved, confirmed, accepted, and entered by the Utah Securities Commission.

**ORDER**

Respondent is hereby ordered to cease and desist from engaging in any further conduct in violation of Utah Code § 61-1 et seq.

Respondent is hereby ordered to pay a fine of \$519,125 to the Utah Division of Securities. Of this total fine, \$103,825 is due and payable immediately upon receipt of this Final Order. The remaining \$415,300 is 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 Respondent fail to provide proof of restitution payments to investors within the 30-day period following the date of this order, the full \$519,125 fine becomes immediately due and payable, and subject to collection.

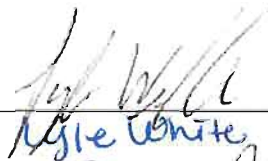
Respondent Edward J. Eyring is hereby permanently barred from associating with any broker-dealer or investment adviser licensed in Utah; from acting as an agent for any issuer soliciting investor funds in Utah; and from being licensed in any capacity in the securities industry in Utah.

All further proceedings in this case are dismissed. This dismissal does not relieve Respondent from complying with the terms of the Default Order.

This Order shall be effective on the signature date below.

DATED this 28th day of January 2016.

**UTAH SECURITIES COMMISSION:**



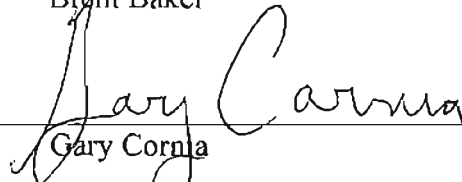
Nyle White



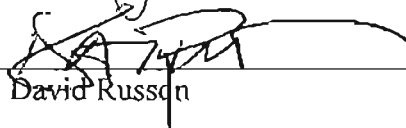
Erik Anthony Christiansen



Brent Baker



Gary Cornia



David Russon

**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 24th day of December, 2016 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:



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

  
\_\_\_\_\_  
Sheldon Crane

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

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

---

IN THE MATTER OF

MARTIN W. MACEY; and SUREMARK  
WORLDWIDE, LLC,

RESPONDENTS

**RECOMMENDED ORDER ON MOTION  
FOR DEFAULT**

Case nos. SD-15-0062; SD-15-0063

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**BY THE PRESIDING OFFICER:**

This adjudicative proceeding was initiated on November 24, 2015 pursuant to a Notice of Agency Action and Order to Show Cause. Respondents were required to file a response to the Division's Order to Show Cause within 30 days of the Order to Show Cause. As of the date of this Order, Respondents have not filed a response.

An initial hearing was held on January 6, 2016. Respondents failed to appear. As of the date of this Order, Respondents have made no effort to participate in these proceedings.

Given the foregoing, the Presiding Officer finds that, pursuant to Utah Code § 63G-4-209(1)(b) and (c), proper factual and legal bases exist for entering a Default Order against Respondents.

## **RECOMMENDED ORDER**

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

1. That the investment opportunities offered and sold by Respondents 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(2), Respondents directly or indirectly made false statements to investors;
3. That in connection with the offer and sale of securities, and in violation of Utah Code Ann. § 61-1-1(2), Respondents directly or indirectly failed to disclose material information that was necessary in order to make representations made not misleading;
4. That Respondents offered and sold securities that were not registered by the Division or exempt from registration, in violation of Utah Code Ann. § 61-1-7; and
5. That Respondents' actions, which constitute one or more violations of Utah Code Ann. § 61-1 et seq., are grounds for sanction under the Act.

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

1. That Respondents cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1 et seq.;
2. That Respondents pay a fine of \$200,000 to the Utah Division of Securities, with \$40,000 of the fine due and payable in full upon receipt of the Final Order and the



remaining \$160,000 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 fail to provide proof of restitution payments to investors within the 30-day period following the date of the Final Order, the full \$200,000 fine become immediately due and payable, and subject to collection; and
4. That Respondent Martin W. Macey 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 proceedings in this case.

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

DATED this 8 day of January, 2016.

UTAH DEPARTMENT OF COMMERCE

  
\_\_\_\_\_  
Greg Soderberg  
Presiding Officer

CERTIFICATE OF DELIVERY

I hereby certify that on the 8 day of January, 2016, 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



A handwritten signature in blue ink, appearing to read "Greg Selinger", is written over a horizontal line. The signature is cursive and somewhat stylized.

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

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

---

IN THE MATTER OF

MARTIN W. MACEY; and SUREMARK  
WORLDWIDE, LLC,

RESPONDENT

**ORDER ON MOTION FOR DEFAULT**

Case Nos. SD-15-0062; SD-15-0063

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**BY THE UTAH SECURITIES COMMISSION:**

The Presiding Officer's Recommended Order on Motion for Default in this matter is hereby approved, confirmed, accepted, and entered by the Utah Securities Commission.

**ORDER**

Respondents are hereby ordered to cease and desist from engaging in any further conduct in violation of Utah Code § 61-1 et seq.

Respondents are hereby ordered to pay a fine of \$200,000 to the Utah Division of Securities. Of this total fine, \$40,000 is due and payable immediately upon receipt of this final order. The remaining \$160,000 is 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 fail to provide proof of restitution payments to investors within the 30-day period following the date of this order, the full \$200,000 fine becomes immediately due and payable, and subject to collection.


Respondent Martin W. Macey is hereby 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 in this case are dismissed. This dismissal does not relieve Respondents from complying with the terms of the Default Order.

This Order shall be effective on the signature date below.


DATED this 28<sup>th</sup> day of January 2016

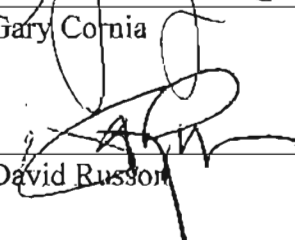
**UTAH SECURITIES COMMISSION:**

  
\_\_\_\_\_  
Kyle White

  
\_\_\_\_\_  
Erik Anthony Christiansen

  
\_\_\_\_\_  
Brent Baker

  
\_\_\_\_\_  
Gary Cornia

  
\_\_\_\_\_  
David Russon

**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 20th day of January, 2016 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:



Suremark Worldwide, LLC  
6900 S. 900 E.  
Midvale, Utah 84047

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

  
\_\_\_\_\_

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

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

---

IN THE MATTER OF  
JOHN RYAN,  
RESPONDENT

**RECOMMENDED ORDER ON MOTION  
FOR DEFAULT**

Case no. SD-15-0056

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**BY THE PRESIDING OFFICER:**

This adjudicative proceeding was initiated on November 20, 2015 pursuant to a Notice of Agency Action and Order to Show Cause. Respondent was required to file a response to the Division's Order to Show Cause within 30 days of the Order to Show Cause. As of the date of this Order, Respondent has not filed a response.

An initial hearing was held on January 6, 2016. Respondent failed to appear. As of the date of this Order, Respondent has made no effort to participate in these proceedings.

Given the foregoing, the Presiding Officer finds that, pursuant to Utah Code § 63G-4-209(1)(b) and (c), proper factual and legal bases exist for entering a Default Order against Respondent.

## RECOMMENDED ORDER

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

1. That the investment opportunities offered and sold by Respondent 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(2), Respondent directly or indirectly made false statements to investors;
3. That in connection with the offer and sale of securities, and in violation of Utah Code Ann. § 61-1-1(2), Respondent directly or indirectly failed to disclose material information that was necessary in order to make representations made not misleading; and
4. That Respondent's actions, which constitute one or more violations of Utah Code Ann. § 61-1 et seq., are grounds for sanction under the Act.

The Presiding Officer further recommends that the Utah Securities Commission enter a Default Order against Respondent, requiring:

1. That Respondent cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1 et seq.;
2. That Respondent pay a fine of \$118,941.04 to the Utah Division of Securities, with \$23,788.24 of the fine due and payable in full upon receipt of the Final Order and the remaining \$95,152.80 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 Respondent fail to provide proof of restitution payments to investors within the 30-day period following the date of the Final Order, the full \$519,125 fine become immediately due and payable, and subject to collection; and
4. That Respondent John Ryan 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 proceedings in this case.

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

DATED this 8 day of January, 2016.

UTAH DEPARTMENT OF COMMERCE

  
\_\_\_\_\_  
Greg Soderberg  
Presiding Officer



CERTIFICATE OF DELIVERY

I hereby certify that on the 8 day of January, 2016, 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



A handwritten signature in blue ink, reading "Greg Sodubey", is written over a horizontal line.

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

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

---

IN THE MATTER OF  
JOHN RYAN,  
RESPONDENT

**ORDER ON MOTION FOR DEFAULT**

Case No. SD-15-0056

---

**BY THE UTAH SECURITIES COMMISSION:**

The Presiding Officer's Recommended Order on Motion for Default in this matter is hereby approved, confirmed, accepted, and entered by the Utah Securities Commission.

**ORDER**

Respondent is hereby ordered to cease and desist from engaging in any further conduct in violation of Utah Code § 61-1 et seq.

Respondent is hereby ordered to pay a fine of \$118,941.04 to the Utah Division of Securities. Of this total fine, \$23,788.24 is due and payable immediately upon receipt of this final order. The remaining \$95,152.80 is 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 Respondent fail to provide proof of restitution payments to investors within the 30-day period following the date of this order, the full \$18,941.04 fine becomes immediately due and payable, and subject to collection.

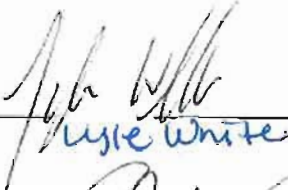
Respondent John Ryan is hereby permanently barred from associating with any broker-dealer or investment adviser licensed in Utah; from acting as an agent for any issuer soliciting investor funds in Utah; and from being licensed in any capacity in the securities industry in Utah.

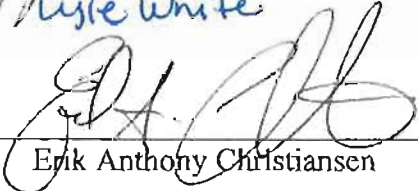
All further proceedings in this case are dismissed. This dismissal does not relieve Respondent from complying with the terms of the Default Order.


This Order shall be effective on the signature date below.

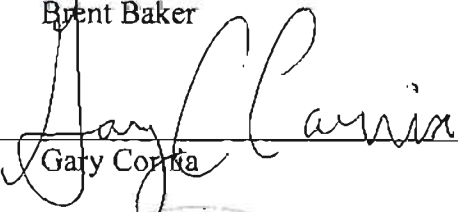
DATED this 20<sup>th</sup> day of January, 2016

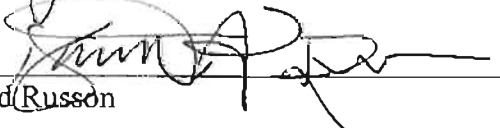
**UTAH SECURITIES COMMISSION:**

  
\_\_\_\_\_  
Julie White

  
\_\_\_\_\_  
Erik Anthony Christiansen

  
\_\_\_\_\_  
Brent Baker

  
\_\_\_\_\_  
Gary Corfca

  
\_\_\_\_\_  
David Russon

**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 20th day of January 2016 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:



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

  
\_\_\_\_\_

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

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

---

IN THE MATTER OF

BRETT A. THOMPSON; and VENTURE  
LEVERAGE GROUP, LLC,

RESPONDENTS

**RECOMMENDED ORDER ON MOTION  
FOR DEFAULT**

Case nos. SD-15-0057; SD-15-0058

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**BY THE PRESIDING OFFICER:**

This adjudicative proceeding was initiated on November 20, 2015 pursuant to a Notice of Agency Action and Order to Show Cause. Respondents were required to file a response to the Division's Order to Show Cause within 30 days of the Order to Show Cause. As of the date of this Order, Respondents have not filed a response.

An initial hearing was held on January 6, 2016. Respondents failed to appear. As of the date of this Order, Respondents have made no effort to participate in these proceedings.

Given the foregoing, the Presiding Officer finds that, pursuant to Utah Code § 63G-4-209(1)(b) and (c), proper factual and legal bases exist for entering a Default Order against Respondents.

## **RECOMMENDED ORDER**

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

1. That the investment opportunities offered and sold by Respondents 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(2), Respondents directly or indirectly made false statements to investors;
3. That in connection with the offer and sale of securities, and in violation of Utah Code Ann. § 61-1-1(2), Respondents directly or indirectly failed to disclose material information that was necessary in order to make representations made not misleading; and
4. That Respondents' actions, which constitute one or more violations of Utah Code Ann. § 61-1 et seq., are grounds for sanction under the Act.

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

1. That Respondents cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1 et seq.;
2. That Respondents pay a fine of \$10,250 to the Utah Division of Securities, with \$1,250 of the fine due and payable in full upon receipt of the Final Order and the remaining \$9,000 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 fail to provide proof of restitution payments to investors within the 30-day period following the date of the Final Order, the full \$10,250 fine become immediately due and payable, and subject to collection; and
4. That Respondent Brett A. Thompson 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 proceedings in this case.

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

DATED this 8 day of January, 2016.

UTAH DEPARTMENT OF COMMERCE

  
\_\_\_\_\_  
Greg Soderberg  
Presiding Officer

CERTIFICATE OF DELIVERY

I hereby certify that on the 8 day of January, 2016, 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

  
\_\_\_\_\_

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

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

---

IN THE MATTER OF

BRETT A. THOMPSON; and VENTURE  
LEVERAGE GROUP, LLC,

RESPONDENT

**ORDER ON MOTION FOR DEFAULT**

Case Nos. SD-15-0057; SD-15-0058

---

**BY THE UTAH SECURITIES COMMISSION:**

The Presiding Officer's Recommended Order on Motion for Default in this matter is hereby approved, confirmed, accepted, and entered by the Utah Securities Commission.

**ORDER**

Respondents are hereby ordered to cease and desist from engaging in any further conduct in violation of Utah Code § 61-1 et seq.

Respondents are hereby ordered to pay a fine of \$10,250 to the Utah Division of Securities. Of this total fine, \$1,250 is due and payable immediately upon receipt of this final order. The remaining \$9,000 is 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 fail to provide proof of restitution payments to investors within the 30-day period following the date of this order, the full \$10,250 fine becomes immediately due and payable, and subject to collection.


Respondent Brett A. Thompson is hereby 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 in this case are dismissed. This dismissal does not relieve Respondents from complying with the terms of the Default Order.

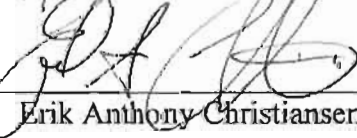
This Order shall be effective on the signature date below.

DATED this 28<sup>th</sup> day of January, 2016

**UTAH SECURITIES COMMISSION:**



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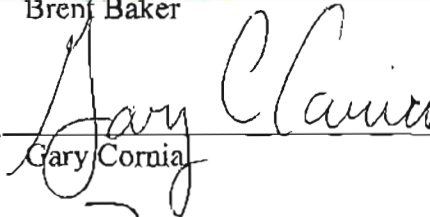
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Erik Anthony Christiansen



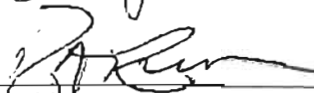
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Brent Baker



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Gary Cornia



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David Russon

**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 20th day of December, 2016 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:



Venture Leverage Group, LLC  
Brett A. Thompson  
3520 Brookside Rd. Ste. 141  
Stockton, CA 95219

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

  
\_\_\_\_\_

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

CHARLES SCOT ROUNTREE; and HIGH  
FLY'N ZIP LINES, LLC,

RESPONDENTS

**RECOMMENDED DEFAULT ORDER**

Case nos. SD-15-0026; SD-15-0027

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**BY THE PRESIDING OFFICER:**

This adjudicative proceeding was initiated on May 27, 2015 pursuant to a Notice of Agency Action and Order to Show Cause. Respondents filed a Response on July 13, 2015, and an initial hearing was held. At the initial hearing, the matter was set for a hearing before the Commission on December 3, 2015. However, Respondents did not appear at the December 3, 2015 Commission Meeting for the hearing.

Given the foregoing, proper factual and legal bases exist for entering a Default Order against Respondents. Utah Code Ann. § 63G-4-209(1)(b)

## RECOMMENDED ORDER

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

1. That the investment opportunities offered and sold by Respondents 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(2), Respondents directly or indirectly made false statements to investors;
3. That in connection with the offer and sale of securities, and in violation of Utah Code Ann. § 61-1-1(2), Respondents directly or indirectly failed to disclose material information that was necessary in order to make representations made not misleading; and
4. That Respondents' actions, which constitute one or more violations of Utah Code Ann. § 61-1 et seq., are grounds for sanction under the Act.

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

1. That Respondents cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1 et seq.;
2. That Respondents pay a fine of \$92,812.25 to the Utah Division of Securities, with \$18,562.25 of the fine due and payable in full upon receipt of the Final Order and the remaining \$74,250 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 fail to provide proof of restitution payments to investors within the 30-day period following the date of the Final Order, the full \$92,812.25 fine become immediately due and payable, and subject to collection; and
4. That Respondent Charles Scot Rountree 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 proceedings in this case.

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

DATED this 26<sup>th</sup> day of January, 2016.

UTAH DEPARTMENT OF COMMERCE

  
\_\_\_\_\_  
Greg Soderberg  
Presiding Officer

#### CERTIFICATE OF DELIVERY

I hereby certify that on the 26 day of January, 2016, 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

  
\_\_\_\_\_

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

CHARLES SCOT ROUNTREE; and HIGH  
FLY'N ZIP LINES, LLC,

RESPONDENTS

**ORDER ON MOTION FOR DEFAULT**

Case Nos. SD-15-0026; SD-15-0027

---

**BY THE UTAH SECURITIES COMMISSION:**

The Presiding Officer's Recommended Order on Motion for Default in this matter is hereby approved, confirmed, accepted, and entered by the Utah Securities Commission.

**ORDER**

Respondents are hereby ordered to cease and desist from engaging in any further conduct in violation of Utah Code § 61-1 et seq.

Respondents are hereby ordered to pay a fine of \$92,812.25 to the Utah Division of Securities. Of this total fine, \$18,562.25 is due and payable immediately upon receipt of this final order. The remaining \$74,250 is 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 fail to provide proof of restitution payments to investors within the 30-day period following the date of this order, the full \$92,812.25 fine becomes immediately due and payable, and subject to collection.

Respondent Charles Scot Rountree is hereby 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.

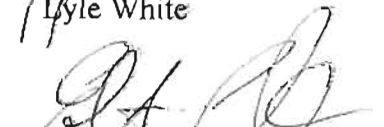
All further proceedings in this case are dismissed. This dismissal does not relieve Respondents from complying with the terms of the Default Order.


This Order shall be effective on the signature date below.

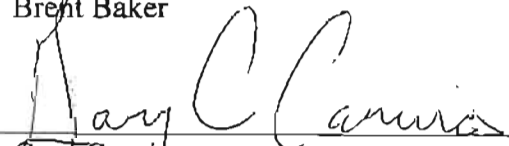
DATED this 28<sup>th</sup> day of December, 2016

**UTAH SECURITIES COMMISSION:**

  
\_\_\_\_\_  
Lyle White

  
\_\_\_\_\_  
Erik Anthony Christiansen

  
\_\_\_\_\_  
Brent Baker

  
\_\_\_\_\_  
Gary Comia

  
\_\_\_\_\_  
David Russon

**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 29<sup>th</sup> day of January, 2016 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:

CHARLES SCOT ROUNTREE  
HIGH FLY'N ZIP LINES, LLC  
C/O J. THOMAS BOWEN  
jensendirect@gmail.com  
jtbowen@bowenatty.com

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

  
\_\_\_\_\_



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:**

**RONALD J. RICHTER,**

**Respondent.**

**STIPULATION AND CONSENT  
ORDER**

**Docket No. SD-14-0034**

---

The Utah Division of Securities (“Division”), by and through its Director of Enforcement, Dave R. Hermansen, and Ronald J. Richter (“Richter”), (“Richter” or “Respondent”) hereby stipulate and agree as follows:

1. Respondent was the subject of an investigation conducted by the Division into allegations that he violated certain provisions of the Utah Uniform Securities Act, Utah Code Ann. § 61-1-1, *et seq.*, as amended (the “Act”).
2. On or about August 20, 2014, the Division initiated an administrative action against Respondent, through the issuance of an Order to Show Cause and Notice of Agency Action. The Order to Show Cause alleged that Respondent violated § 61-1-1 (securities

fraud) of the Act, while engaging in the offer and sale of securities in or from Utah.

3. Respondent now seeks to enter into this Stipulation and Consent Order (“Order”) in settlement of the Division’s action.
4. Respondent hereby waives any right to a hearing to challenge the Division’s evidence and present evidence on his behalf. Respondent understands that by waiving a hearing, he is waiving the requirement that the Division prove the allegations against him by a preponderance of the evidence, waiving his right to confront and cross-examine witnesses who may testify against him, to call witnesses on his own behalf, and any and all rights to appeal the findings, conclusions and sanctions set forth in this Order.
5. Respondent is represented by attorney Kevin Timken of Kruse Landa Maycock & Ricks, LLC, and is satisfied with his representation in this matter.
6. Respondent has read this Order, understands its contents and submits 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 him to enter into this Order, other than as set forth in this document.
7. Respondent acknowledges 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. Respondent admits the jurisdiction of the Division over him and over the subject matter of this action.

## **I. THE DIVISION'S FINDINGS OF FACT**

### **THE RESPONDENT**

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

### **GENERAL ALLEGATIONS**

10. From approximately May to June 2011, Respondent offered and sold investment opportunities, in or from Utah, to at least one investor and collected a total of \$80,000 in connection therewith.
11. The investments pitched to these investors involved either the sale of German war bonds or an investment through HA Corp. International, LTD ("HA Corp.").<sup>1</sup> The investment with HA Corp. was presented as a way to get an offshore trust fund transferred into the United States. Both schemes promised handsome returns in a short amount of time.
12. The investment opportunities offered and sold by Respondent are investment contracts.
13. Investment contracts are defined as securities under § 61-1-13 of the Act.
14. Respondent made material misstatements and omissions in connection with the offer and sale of securities to the investor identified below.
15. To date, the investor has not received any payments from Respondent and is owed \$80,000 in principal alone.

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<sup>1</sup> HA Corp. was represented to be a business entity out of Dubai. However, a search of the Dubai Chamber of Commerce business directory did not yield any results.

## INVESTOR G.W.

### FIRST OFFER AND SALE OF SECURITIES

16. In or about 2010, Respondent became acquainted with an investment scheme involving Ann Delvechio (“Delvechio”), Geoffrey Watson (“Watson”), and HA Corp. Respondent invested funds with Delvechio, and has subsequently lost those funds. Respondent has been identified as a victim in a pending criminal action against Delvechio.
17. With respect thereto, Delvechio claimed to have an offshore trust fund worth millions of dollars, and Delvechio and Watson, through HA Corp., were attempting to raise funds to pay the taxes and fees necessary to release Delvechio’s money into the United States.
18. According to the pitch, Delvechio would also need approvals from Homeland Security and the International Monetary Fund prior to transferring the funds.
19. By May 2011, Respondent was assisting Delvechio and Watson in locating additional funding for the scheme.
20. To that end, Richter, who had known investor G.W. for several years,<sup>2</sup> introduced G.W. to Jeffrey Miller (“Miller”) and the investment opportunity.
21. Together, Richter and Miller told G.W. that Delvechio needed an additional \$100,000 to pay for the transfer.
22. Once the funds were released, the venture would earn a return of up to \$100 million.

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<sup>2</sup> G.W., a resident of Utah, first met Richter in or about 2006. Since that time, Richter has served as G.W.’s business partner in a mining-related venture and as G.W.’s landlord. The investor identified as G. W. died in or about June 2015.

23. In exchange for his investment, G.W. would receive \$1 million within one to seven days.
24. Based on these statements, G.W. decided to invest in the enterprise.
25. G.W. provided funds to Richter and Miller in the form of cash and cashier's checks.<sup>3</sup>
26. G.W. did not receive any documentation in exchange for this investment.
27. Additionally, he did not receive any payments from Richter or Miller in accordance with their arrangement.

#### SECOND OFFER AND SALE OF SECURITIES

28. During this same time period, Richter approached G.W. with a second investment opportunity.
29. He represented that he was in the process of selling historical German war bonds and needed funds to help pay for the costs associated with such efforts.
30. In connection therewith, Richter showed G.W. a document, which appeared to be a photocopy of a World War II German bond.
31. Richter also claimed to be working with at least one other associate to negotiate the bonds.
32. In exchange for both of the investments, Richter stated he would pay G.W. \$5 million, rather than the \$1 million promised in the HA Corp. deal.
33. Richter then drafted and signed a document dated June 1, 2011, that set forth the terms of

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<sup>3</sup> G.W. provided his funds to Richter over several payments. Richter and/or his brother, Patrick Richter accompanied G.W. to various credit unions on different occasions to withdraw portions of G.W.'s funds. Because a large portion of G.W.'s initial investment was provided in cash, and close in time period to the second investment, it is unclear exactly how much of G.W.'s total \$80,000 investment was intended to go toward the HA Corp. scheme versus the second investment in the German war bonds.

their arrangement and included the following representations:

- a. Richter had been working on the German bond deal for the past six months;
  - b. He needed an additional \$25,000 to finalize the fees on the deal;
  - c. In exchange for \$25,000, plus the funds invested in the HA Corp. deal, Richter would pay G.W. \$5 million upon sale of the bonds; and
  - d. Richter expected the bonds to sell within forty-five days.
34. Based on these statements, G.W. decided to invest in the enterprise.
35. G.W. provided his funds to Richter in cash and cashier's checks.
36. In combination with his first investment, G.W. invested a total of \$80,000 with Richter,
37. To date, he has not received any payments in connection therewith.

#### **FIRST CAUSE OF ACTION**

##### **Securities Fraud under § 61-1-1 of the Act**

38. The Division incorporates and re-alleges paragraphs 1 through 37.
39. The investment contract offered and sold by Respondent is a security under § 61-1-13 of the Act.
40. In connection with the first offer and sale of a security to investor G.W., Respondent, directly or indirectly, made false statements, including, but not limited to, the following:
- a. In exchange for G.W.'s investment, he would receive \$1 million within one to seven days; when in fact, Respondent had no reasonable basis to make that statement.
41. In connection with the offer and sale of a security to investor G.W, Respondent, 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. Specific information regarding the custodian of the funds, including the name, location, and financial statements for such person or entity;
- b. Specific background information related to the individuals managing the investment, including business background, licenses, employment, and disciplinary information; and
- c. With respect to the investment, some or all of the information typically provided in an offering circular or prospectus, such as:
  - i. Business and operating history;
  - ii. Background information;
  - iii. Financial statements;
  - iv. Risk factors;
  - v. Conflicts of interest;
  - vi. Suitability factors for the investment;
  - vii. Whether Respondent was 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.

## SECOND CAUSE OF ACTION

### Securities Fraud under § 61-1-1 of the Act

42. The Division incorporates and re-alleges paragraphs 1 through 37.
43. The investment contract offered and sold by Respondent is a security under § 61-1-13 of the Act.
44. In connection with the first offer and sale of a security to investor G.W., Respondent, directly or indirectly, made false statements, including, but not limited to, the following:
  - a. In exchange for G.W.'s investment, he would receive \$5 million upon sale of the German war bonds; when in fact, Respondent had no reasonable basis to make that statement.
45. In connection with the offer and sale of a security to investor G.W, Respondent, 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. Information regarding the authenticity and appraisal of the bonds, the source and history of the bonds and the existing market for the bonds; and
  - b. With respect to the investment, some or all of the information typically provided in an offering circular or prospectus, such as:
    - i. Business and operating history;
    - ii. Background information;
    - iii. Financial statements;



- iv. Risk factors;
- v. Conflicts of interest;
- vi. Suitability factors for the investment;
- vii. Whether Respondent was 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.

## **II. THE DIVISION'S CONCLUSIONS OF LAW**

46. Based on the Division's investigative findings, the Division concludes that:
- a. The investment opportunities offered and sold by Respondent are securities under § 61-1-13 of the Act.
  - b. Respondent violated § 61-1-1(2) of the Act by making untrue statements of material facts and/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.

## **III. REMEDIAL ACTIONS/SANCTIONS**

47. Respondent neither admits nor denies the Division's findings of fact and conclusions of law.
48. Respondent agrees to the imposition of a cease and desist order, prohibiting him from any conduct that violates the Act.

49. Respondent agrees to be barred from (i) associating<sup>4</sup> 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. Noting in this Stipulation and Consent Order shall be construed to prohibit any entity for which Respondent is an officer or director from offering or selling securities under the Securities Act of 1933 or any applicable exemption from registration.

50. Pursuant to § 61-1-20(1)(f) of the Act and in consideration of the guidelines set forth in Utah Administrative Code Rule R164-31-1, the Division imposes a total fine of \$16,000 against Respondent due and payable as follows:

- a. \$4,000 due within 10 days of the entry of the Order; and
- b. \$500 per month for 24 months thereafter.

51. If the Division finds that Respondent materially violated any term of this Order, thirty days after notice and an opportunity to be heard before an administrative officer solely as to the issue of a material violation, Respondent consents to a judgment ordering the unpaid balance of the fine immediately due and payable.

52. Failure to comply with the payment provisions in the Order included in paragraph 50 above may result in the referral of the fine to the State Office of Debt Collection.

53. For the entire time the fine remains outstanding, Respondent agrees to notify the Division

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<sup>4</sup>“Associating” includes, but is not limited to, acting as an agent of, receiving compensation directly or indirectly from, or engaging in any business on behalf of a broker-dealer, agent, investment adviser, or investment adviser representative licensed in Utah. “Associating” does not include any contact with a broker-dealer, agent, investment adviser, or investment adviser representative licensed in Utah incidental to any personal relationship or business not related to the sale or promotion of securities or the giving of investment advice in the State of Utah.

of any change in mailing address, within thirty days from the date of such change.

#### **IV. FINAL RESOLUTION**

54. Respondent acknowledges that this Order, upon approval by the Utah Securities Commission (the "Commission"), shall be the final compromise and settlement of this matter.
55. Respondent 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.
56. If Respondent materially violates any term of this Order, thirty days after notice and an opportunity to be heard before an administrative judge solely as to the issue of a material violation, Respondent consents to entry of an order in which Respondent admits the Division's Findings of Fact and Conclusions of Law as set forth in this Order. The Order may be issued upon motion of the Division, supported by an affidavit verifying the violation. In addition, the Division may institute judicial proceedings against Respondent in any court of competent jurisdiction and take any other action authorized by the Act, or under any other applicable law, to collect monies owed by Respondent or to otherwise enforce the terms of this Order. Respondent further agrees to be liable for all reasonable attorneys' fees and costs associated with any collection efforts pursued by the Division, plus the judgment rate of interest.
57. Respondent acknowledges that the Order does not affect any civil or arbitration causes of action that third parties may have against him arising in whole or in part from his actions,

and that the Order does not affect any criminal causes of action that may arise as a result of the conduct referenced herein. Respondent also acknowledge that any civil, criminal, arbitration or other causes of action brought by third parties against him have no effect on, and do not bar, this administrative action by the Division. If Respondent materially violates this Order, however, the Findings of Fact and Conclusions of Law set forth in this Order are deemed admitted as described in paragraph 46 above, and may be introduced as evidence against Respondent in any arbitration, civil, criminal, or regulatory actions.

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

59. 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:

12-18-2015

By:

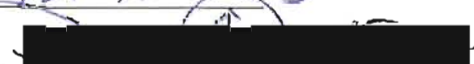
  
Dave R. Hermansen  
Director of Enforcement

Respondent:

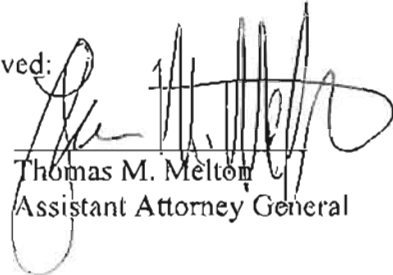
Date:

12-11-2015

By:

  
Ronald J. Richter  
Respondent

Approved:

  
Thomas M. Melton  
Assistant Attorney General

  
Kevin Timken  
Attorney for Respondent

## ORDER

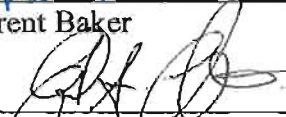
### IT IS HEREBY ORDERED THAT:


1. The Division has made a sufficient showing of Findings of Fact and Conclusions of Law to form a basis for this settlement.
2. Respondent cease and desist from violating the Act.
3. Respondent is 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 total fine of \$16,000 against Respondent. The fine amount is due as follows:
  - a. \$4,000 due within 10 days of entry of the Order; and
  - b. \$500 per month for 24 months thereafter.
5. If Respondent materially violates any term of this Order, the unpaid balance of the fine amount shall be imposed and become due immediately.
6. For the entire time the fine remains outstanding, Respondent must notify the Division of any change in mailing address, within thirty days from the date of such change.

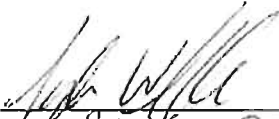
DATED this 28<sup>th</sup> day of January 2016.


**BY THE UTAH SECURITIES COMMISSION:**

  
\_\_\_\_\_  
Brent Baker

  
\_\_\_\_\_  
Erik Christensen

  
\_\_\_\_\_  
David Russon

  
\_\_\_\_\_  
Lyle White

  
\_\_\_\_\_  
Gary Cornia

**Certificate of Mailing**

I certify that on the 29<sup>th</sup> day of December 2016, I mailed a true and correct copy of the fully executed Stipulation and Consent Order to:

Ronald J. Richter  
c/o Kevin Timken  
Kruse Landa Maycock & Ricks, LLC  
136 e. South Temple, Ste. 2100  
Salt Lake City, Utah 84145  
ktimken@klmrlaw.com

  
\_\_\_\_\_  
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

---

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

---

**IN THE MATTER OF:**

**BRET CARTWRIGHT and  
EXCEPTIONAL REALTY,**

**Respondents.**

**STIPULATION AND CONSENT  
ORDER**

**Docket No. SD-15-0036  
Docket No. SD-15-0037**

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The Utah Division of Securities ("Division"), by and through its Director of Enforcement, Dave R. Hermansen, Bret Cartwright ("Cartwright"), and Exceptional Realty ("Cartwright" and Exceptional Realty, collectively "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. On or about August 12, 2015, the Division initiated an administrative action against Respondents, through the issuance of an Order to Show Cause and Notice of Agency

Action. The Order to Show Cause alleged that Respondents violated § 61-1-1(2) (Securities Fraud) of the Act, while engaging 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 Mark Pugsley of Ray, Quinney & Nebeker 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 them 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. Cartwright was, at all times relevant to the matters asserted herein, a resident of the state of Utah. Cartwright has never been licensed in the securities industry in any capacity.
10. Exceptional Realty was a Utah Limited Liability Company registered on February 26, 2009. Marvin Cartwright was listed as the Manager. Exceptional Realty's status is expired as of May 21, 2012.

### **GENERAL ALLEGATIONS**

11. From approximately July 2010 through October 2010, while conducting business in or from Utah, Respondents offered and sold at least three investment opportunities to Utah investors, and collected a total of approximately \$10,063.09 in connection therewith.
12. Cartwright told investors the funds would be used to flip houses.
13. Cartwright promised a 10% return on their investment for every month he had their money.
14. The investment opportunities offered and sold by Respondents to investors, for approximately \$10,063.09, are investment contracts.
15. Investment contracts are defined as securities under § 61-1-13 of the Act.
16. Respondents made material misstatements and omissions in connection with the offer and

sale of securities to the investors identified below.

17. The investors received two payments from Respondents, totaling \$5,700.00.
18. To date, the investors are still owed approximately \$4,363.09 in principal alone.

**INVESTOR N.N. AND M.N.  
(HUSBAND AND WIFE)**

19. N.N. worked with Cartwright for approximately three years at Mountain West Mortgage in West Jordan, Utah, where she worked as a mortgage broker.
20. Over time, N.N. and Cartwright became friends and their families would get together socially.

**FIRST  
INVESTMENT**

21. In or around July or August 2010, Cartwright overheard N.N. discussing the large sum of money she and her husband were receiving from the refinance on their home.
22. Shortly thereafter, Cartwright approached N.N. at work and told her he was going to start flipping houses again.
23. Cartwright stated he had been in the house flipping business before the market crashed in 2008 and had been very successful and made a lot of money.
24. Cartwright then showed N.N. a home located in Kearns, Utah listed on the MLS system and told her he needed additional money to flip the house.
25. Cartwright said he was working with a hard money lender who funded most of his

projects, but he needed an additional \$3,500<sup>1</sup>.

26. During this meeting, Cartwright made the following representation to N.N. about the investment opportunity:
  - a. That \$3,500 was needed to flip the house;
  - b. Cartwright said he would pay her a 10% return for every month he had her money;  
and
  - c. Cartwright said he expected he would be able to fix up the house and sell it within a few months.
27. N.N. was hesitant to invest without first speaking to her husband.
28. Cartwright and N.N. had multiple conversations about the investment.
29. During one such conversation, Cartwright said he would put a lien on the property and/or put N.N. and her husband on the title if it would make her husband feel better.
30. Cartwright told N.N. on many occasions that he had done this before and had made a lot of money which assured N.N. that everything would work out.
31. Based on Cartwright's representations, N.N. decided to invest.
32. On August 6, 2010, N.N. gave Cartwright a cashier's check in the amount of \$3,500 made payable to Meridian Title Co. listing herself and her husband as remitter.
33. Later, Cartwright asked N.N. to reissue the cashier's check without any explanation.
34. On August 16, 2010, N.N. gave Cartwright the reissued cashier's check in the amount of

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<sup>1</sup> N.N. believes Cartwright already owned the house and needed the additional money for remodeling.

\$3,500 made payable to Bonneville Superior Title Co. listing Empire Financial, LLC, as the remitter<sup>2</sup>.

35. N.N. did not receive any documentation from Cartwright memorializing the investment.
36. Cartwright used N.N.'s \$3,500 investment to purchase a house in Sandy, Utah.

## **SECOND INVESTMENT**

37. Shortly after the first investment, Cartwright approached N.N. about needing an additional \$5,000 for a house in West Valley City, Utah.
38. Cartwright showed N.N. the MLS listing for the West Valley City house.
39. Cartwright made the following representation to N.N. about the investment opportunity:
  - a. That \$5,000 was needed to flip the house;
  - b. Cartwright said he would pay her a 10% return for every month he had her money;  
and
  - c. Cartwright said he expected he would be able to fix up the house and sell it within a few months.
40. Based on Cartwright's representations, N.N. decided to invest.
41. On September 8, 2010, N.N. gave Cartwright a cashier's check in the amount of \$5,000 payable to Exceptional Realty, LLC.
42. N.N. did not receive any documentation from Cartwright memorializing the investment.

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<sup>2</sup> Empire Financial, LLC is a Utah Limited Liability Company owned by Cartwright.

43. A review of Cartwright's Exceptional Realty bank records shows the check was never deposited and most likely was cashed.

### **THIRD INVESTMENT**

44. In or around October 2010, Cartwright asked N.N. for an additional \$1,563.09.

45. Cartwright said he needed that specific amount of money for a project related to his house flipping business.

46. Cartwright said he would pay N.N. a 10% return on the money borrowed.

47. Based on Cartwright's representations, N.N. decided to invest.

48. On October 28, 2010 gave Cartwright a cashier's check in the amount of \$1,563.09 made payable to First American Title with remitter listed as Empire Financial, LLC as per Cartwright's instructions.

49. N.N. did not receive any documentation from Cartwright memorializing the investment.

50. N.N. invested a combined total of \$10,063.09.

51. In or around April or May 2011, she received two checks from Cartwright totaling \$5,700 which represented the principal and interest on one of the investments.

52. N.N. and M.N. are still owed approximately \$4,363.09 in principal alone.

### **FIRST CAUSE OF ACTION**

#### **Securities Fraud under § 61-1-1(2) of the Act (First Investment)**

53. The Division incorporates and re-alleges paragraphs 1 t through 52.

54. The investment contracts offered and sold by Respondents are securities under § 61-1-13 of the Act.
55. In connection with the offer and sale of a security to investors, 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. Cartwright had filed for Chapter 7 bankruptcy in 2003;
  - b. Cartwright had over \$57,000 in outstanding judgments against him;
  - c. Cartwright had an administrative action pending with the Utah Division of Real Estate for allegations of participating in a fraudulent real estate transaction; and
  - d. With respect to the investment, some or all of the information typically provided in an offering circular or prospectus, such as:
    - i. Business and operating history
    - ii. Financial statements;
    - iii. Information regarding principals involved in the company;
    - iv. Risk factors;
    - v. Conflicts of interest;
    - vi. Suitability factors for the investment;
    - vii. Whether Respondent was 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.



SECOND CAUSE OF  
ACTION

**Securities Fraud under § 61-1-1(2) of the  
Act  
(Second  
Investment)**

56. The Division incorporates and re-alleges paragraphs 1 through 52.
57. The investment contracts offered and sold by Respondents are securities under § 61-1-13 of the Act.
58. In connection with the offer and sale of a security to investors, Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
- a. That the investment money was needed to flip a house in West Valley City, Utah.
- However, there is no evidence to support this statement and it appears the \$5,000 investment check was cashed.
59. In connection with the offer and sale of a security to investors, 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. Cartwright had filed for Chapter 7 bankruptcy in 2003;
- b. Cartwright had over \$57,000 in outstanding judgments against him;
- c. Cartwright had an administrative action pending with the Utah Division of Real Estate for allegations of participating in a fraudulent real estate transaction; and

- d. With respect to the investment, some or all of the information typically provided in an offering circular or prospectus, such as:
- i. Business and operating history
  - ii. Financial statements;
  - iii. Information regarding principals involved in the company;
  - iv. Risk factors;
  - v. Conflicts of interest;
  - vi. Suitability factors for the investment;
  - vii. Whether Respondent was 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.

**THIRD CAUSE OF  
ACTION**

**Securities Fraud under § 61-1-1(2) of the  
Act  
(Third  
Investment)**

60. The Division incorporates and re-alleges paragraphs 1 through 52.
61. The investment contracts offered and sold by Respondents are securities under § 61-1-13 of the Act.
62. In connection with the offer and sale of a security to investors, 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. Cartwright had filed for Chapter 7 bankruptcy in 2003;
  - b. Cartwright had over \$57,000 in outstanding judgments against him;
  - c. Following a hearing at the Utah Division of Real Estate, Cartwright's sales agent license was placed on probation for two years and he was ordered to pay \$1,000 penalty as a result of a finding that he knowingly participated in a real estate transaction where a fraudulent, inflated invoice was used; and
  - d. With respect to the investment, some or all of the information typically provided in an offering circular or prospectus, such as:
    - i. Business and operating history
    - ii. Financial statements;
    - iii. Information regarding principals involved in the company;
    - iv. Risk factors;
    - v. Conflicts of interest;
    - vi. Suitability factors for the investment;
    - vii. Whether Respondent was 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.

I. 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 and/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.

III. REMEDIAL ACTIONS/SANCTIONS

64. Respondents neither admit nor deny the Division's findings of fact and conclusions of law.
65. Respondent agrees to the imposition of a cease and desist order, prohibiting them from any conduct that violates the Act.
66. Respondents agree not seek licensure or apply to be licensed by the Division as a broker-dealer agent, investment adviser or investment adviser representative, nor licensure as an agent for any issuer soliciting funds in the State of Utah without prior consultation with the Division.
67. Pursuant to § 61-1-20(1)(f) of the Act and in consideration of the guidelines set forth in Utah Administrative Code Rule R164-31-1, the Division imposes a total fine of \$7,363.09 against Respondents, to be offset by payments of restitution to the investors in the amount of \$4,363.09. \$2,200 of the fine amount shall be due and payable within 30 days of the entry of the Order to the investors, \$2,163.09 shall be paid within 90 days of the date of the Order to the investors and proof of the offset of payment of

restitution to the investors shall be provided to the Division's counsel. The balance of \$3,000.00 shall be paid to the Division within 180 days of the date of the Order.

68. If the Division finds that Respondents materially violated any term of this Order, thirty days after notice and an opportunity to be heard before an administrative officer solely as to the issue of a material violation, Respondents consent to a judgment ordering the unpaid balance of the fine immediately due and payable.
69. Failure to comply with the payment provisions in the Order included in paragraph 67 above may result in the referral of the fine to the State Office of Debt Collection.
70. For the entire time the fine remains outstanding, Respondents agree to notify the Division of any change in mailing address, within thirty days from the date of such change.

#### **IV. FINAL RESOLUTION**

71. Respondents acknowledge that this Order, upon approval by the Utah Securities Commission (the "Commission"), shall be the final compromise and settlement of this matter.
72. 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.
73. If Respondents materially violate any term of this Order, thirty days 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 Respondents admit the Division's Findings of Fact and Conclusions of Law as set forth in this Order. The Order may be issued upon 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.

74. Respondents acknowledge 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 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. 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 63 above, and may be introduced as evidence against Respondent in any arbitration, civil, criminal, or regulatory actions.

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

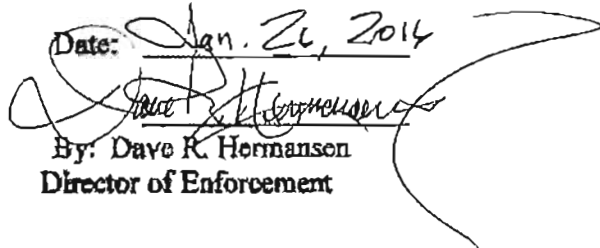
76. The Order constitutes the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect the Order in any 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:

Respondents:

Date:

Jan. 26, 2014



By: Dave R. Hermansen  
Director of Enforcement

Date:

1/26/2016

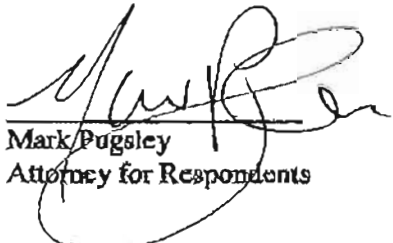


Bret Cartwright  
Exceptional Realty

Approved:

Tom Melton on behalf of:

Thomas M. Melton  
Assistant Attorney General



Mark Pugsley  
Attorney for Respondents

DATED this 28<sup>th</sup> day of January 2016

**BY THE UTAH SECURITIES COMMISSION:**



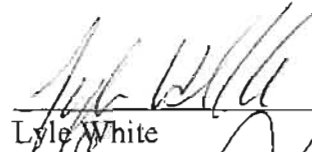
Brent Baker



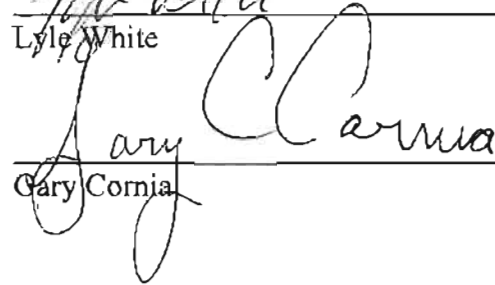
Erik Christiansen



David Russon



Lyle White



Gary Cornia



**CERTIFICATE OF MAILING**

I, LeeAnn Clark, hereby certify that on the 29<sup>th</sup> day of January 2016, I mailed a true and correct copy of the fully executed Stipulation and Consent Order to:

MARK W. PUGSLEY  
RAY QUINNEY AND NEBECKER  
36 SOUTH STATE STREET, SUITE 1400  
SALT LAKE CITY, UT 84111  
COUNSEL FOR RESPONDENT

Brett Cartwright  
13618 South Vestry Road  
Draper, UT 84020

  
\_\_\_\_\_  
LeeAnn Clark  
Administrative Secretary

Division of Securities  
Utah Department of Commerce  
160 East 300 South, 2<sup>nd</sup> 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**

<p>IN THE MATTER OF:</p> <p>BENJAMIN MICHAEL PETERSEN, <b>BRETT ALLEN PETERSEN</b>, MONARCH GLOBAL, LLC, and ATLAS MANAGEMENT GROUP, LLC,</p> <p>Respondents.</p>	<p>STIPULATION AND CONSENT ORDER</p> <p>Docket No. SD-15-0031 <b>Docket No. SD-15-0032</b> Docket No. SD-15-0033 Docket No. SD-15-0034</p>
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The Utah Division of Securities (“Division”), by and through its Director of Enforcement, Dave R. Hermansen, and Brett Allen Petersen (“Brett” and/or “Respondent”) hereby stipulate and agree as follows:

1. Respondent was the subject of an investigation conducted by the Division into allegations that he violated certain provisions of the Utah Uniform Securities Act, Utah Code Ann. § 61-1-1, *et seq.*, as amended (the “Act”).
2. On or about May 28, 2015, the Division initiated an administrative action against Respondent, through the issuance of an Order to Show Cause and Notice of Action.
3. The Order to Show Cause alleged that Respondent violated §§ 61-1-1(2) and 61-1-1(3)

(Securities Fraud) of the Act, while engaged in the offer and sale of securities in or from Utah.

4. Respondent now seeks to enter into this Stipulation and Consent Order (“Order”) in settlement of the Division’s action.
5. Respondent hereby waives any right to a hearing to challenge the Division’s evidence and present evidence on his behalf. Respondent understands that by waiving a hearing, he is waiving the requirement that the Division prove the allegations against him by a preponderance of the evidence, waiving his right to confront and cross-examine witnesses who may testify against him, to call witnesses on his own behalf, and any and all rights to appeal the findings, conclusions and sanctions set forth in this Order.
6. Respondent is represented by attorney Jared Parrish of Ray, Quinney & Nebeker and is satisfied with his representation in this matter.
7. Respondent has read this Order, understands its contents and submits 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 him to enter into this Order, other than as set forth in this document.
8. Respondent acknowledges 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.
9. Respondent admits the jurisdiction of the Division over him and over the subject matter of this action.

I. **THE DIVISION’S FINDINGS OF FACT**

THE RESPONDENTS

10. Benjamin Michael Petersen (“Ben”) was, at all times relevant to the matters asserted herein, a resident of the state of Utah. Ben has never been licensed in the securities industry in any capacity.
11. Brett Allen Petersen (“Brett”) was, at all times relevant to the matters asserted herein, a resident of the state of Utah. Brett has passed the Series 7, 66, and 63 exams. A review of FINRA CRD<sup>1</sup> CE shows Brett was employed at Fidelity Brokerage Services, LLC from 06-1998 – 10/2002, Strategic Adviser, Inc. from 01-2001 – 10/2002 and at Horner, Townsend & Kent, Inc. from 11-2002 – 11/2003. He has not been licensed in the securities industry since 2003.
12. Atlas Management Group, LLC (“AMG”) is a Utah-based limited liability company that incorporated on or about May 12, 2008. Its current status with the Utah Division of Corporations is expired as of August 30, 2011. Ben served as registered agent for the company. AMG has never been licensed in the securities industry in any capacity.
13. Monarch Global, LLC (“Monarch”) is a Utah-based limited liability company that incorporated on or about April 30, 2009. Its current status with the Utah Division of Corporations is expired as of August 9, 2010. Rhees J. Stantyn served as the registered agent for the company. Monarch has never been licensed in the securities industry in any capacity.

#### **GENERAL ALLEGATIONS**

14. From approximately June 2008 to June or July 2009, while conducting business in or from Utah, Respondents offered and sold three investment opportunities to at least two investors and collected a total of approximately \$395,000 in connection therewith.

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<sup>1</sup> CRD is a computerized database maintained by the Financial Industry Regulatory Authority (“FINRA”). CRD contains employment, licensing and disciplinary information on broker-dealers, agents, investment advisers, and investment adviser representatives.

15. The investment opportunities, offered and sold by Respondents are investment contracts.
16. Investment contracts are defined as securities under § 61-1-13 of the Act.
17. Respondents made material misstatements and omissions in connection with the offer and sale of securities to the investors identified below.
18. At the time of the filing of the Division's Order to Show Cause in May 2015, the total amount of losses to investors was approximately \$395,000 in principal alone.
19. As of the filing of this Order, a total of \$521,285.78 has been paid to some investors by a court appointed Receiver in *State of Nevada v. American United Title and Escrow, et al.*, Case No. A-12-66248-B, filed in the District Court of Nevada, Clark County.

#### **INVESTOR G.D.**

20. In or around May 2009, G.D. was working on a week to week basis, as Marketing and Education Director, for Half-Day, a Utah DBA in Murray, Utah.
21. Ben was also working at Half-Day in a position superior to G.D.<sup>2</sup>
22. On or about May 15, 2009, Ben approached G.D. about an investment opportunity with Monarch.
23. Ben told G.D. the opportunity involved investing in a Bank Trading Deal, or Medium Term Note ("MTN") which was associated with a gold mine in Eastern Oregon called the "Buffalo Mine".
24. Monarch would arrange funding for the MTN through a hard money lender with the objective being to raise funds for Half-Day.
25. Specifically, Ben made the following verbal representations to G.D. regarding the investment:

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<sup>2</sup> Ben and Brett were partners at Half-Day which included two additional partners not named in this OSC. Half-Day was not affiliated or involved with Monarch nor any of Ben's and Brett's other business dealings.

- a. The trade deal was fail safe;
  - b. The trade was backed and protected by a UCC-1 filing against Buffalo Mine;
  - c. A portion of the UCC-1 filing would act as collateral for G.D. should the trade fail for any reason;
  - d. In exchange for his investment, G.D. would receive a return of \$500,000 plus his principal investment within ten to thirty days of the MTN passing compliance; and
  - e. Should the trade not be completed for any reason, G.D. would be able to sell his claim on the UCC-1 filing on the open market for several times over the promised \$500,000.
26. G.D. was asked to use the equity in his home to provide funding for the investment.
27. On or about June 16, 2009, G.D. received two e-mails from one of Ben's associates, regarding the Buffalo Mine.
28. The e-mails were also sent to Ben and contained the following information including attachments:
- a. Attached you will find several interesting readings and facts about this gold mine;
  - b. You will receive a lien against it as collateral until your cashier's check has been received by you on your payout;
  - c. Once you've received your payout the lien will be null and void;
  - d. Mario Capelleri & Amcor Capital Agreement (attachment);
  - e. Gemworks Mining, Inc. (attachment);
  - f. Buffalo Mine Summary (attachment);
  - g. Buffalo Mine Working Pictures (attachment); and
  - h. Geological Report on Buffalo Mine.
29. On or around this same date, G.D. and his wife, met with Ben and Brett at the Mountain

Side Title office in Salt Lake County, Utah.

30. At this meeting, G.D. received a signed contract from Ben and Brett entitled, Memorandum of Contract (“MOC”).
31. The contract was also signed by Jared Stantyn, Bradley Labrum and Andrew Mullen.
32. The MOC included written statements including, but not limited to, the following:
  - a. G.D. to provide collateral of property to [Monarch and Joint Ventures] to solidify \$500M proof of funds account;
  - b. G.D. not liable to pay any of the mortgage payments on said loan that is being added to G.D.’s property that was signed on or about June 15, 2009;
  - c. [Monarch and Joint Ventures] will be liable to make all mortgage payments on said loan until loan is paid in full. [Monarch and Joint Ventures] responsible for making payments are: Jared Stantyn, Bradley Labrum, Andrew Mullen, Ben and Brett;
  - d. Loan needs to be recorded by June 17, 2009; and
  - e. A verbal mutual agreement was made on June 12, 2009.
33. Based on the above statements, G.D. obtained a refinance loan on his residence for \$160,000.
34. After loan costs were deducted, G.D. invested the remaining amount, \$140,959.60 with Monarch.
35. G.D. endorsed the \$140,959.60 check to Ben which Ben then deposited into AMG Management Group, LLC’s account ending 6531 held at Zions Bank.
36. On or about June 17, 2009, Ben wired \$139,000 to American United Title and Escrow<sup>3</sup>.
37. In exchange for his investment, G.D. received a signed and notarized copy of the MOC.

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<sup>3</sup> American United title and Escrow, LLC had its assets seized by the Nevada Attorney General for alleged fraud.

38. Approximately one or two mortgage payments were made; however, no additional payments were made on the mortgage resulting in the foreclosure of G.D.'s home.
39. As of the filing of the Division's Order to Show Cause in May 2015, G.D. was still owed approximately \$140,959.60 in principal alone.
40. As of the date of this Order, G.D. has been paid a total of \$167,759.47 by the court appointed Receiver in *State of Nevada v. American United Title and Escrow, et al.*, Case No. A-12-66248-B, filed in the District Court of Nevada, Clark County.

#### **INVESTOR D.S.**

41. In or around March 2009, D.S. was working as an independent currency trader.
42. During this time, D.S. had a book of high dollar clients for whom he was trading.

#### **FIRST INVESTMENT**

43. In or around May 2009, Ben and Brett contacted D.S. by telephone regarding an investment opportunity.
44. Ben and Brett asked D.S. if any of his clients would be interested in investing anywhere from \$50,000 to \$200,000 in a high yield instrument which was backed by a UCC-1 filing.
45. In or around June 2009, Ben and Brett again contacted D.S. by telephone regarding the investment opportunity.
46. During this conversation, Ben and Brett made statements regarding the investment including, but not limited to, the following:
  - a. That they had access to a high yield investment;
  - b. The investment involved ownership in a gold mine in Oregon;
  - c. That they had invested their own money into the deal;
  - d. Brett's mother had invested retirement funds into the deal;



- e. The investment had a quick turnaround in which the principal would be returned with interest within 45 to 90 days;
  - f. The instrument was backed by a UCC-1 filing on the gold mine; and
  - g. There was no way they could lose any money.
47. On or about June 15, 2009, D.S. met with Brett at Monarch's office in South Jordan, Utah.
48. During this meeting, D.S. received a contract from Brett entitled Memorandum of Contract (MOC).
49. D.S. signed the contract at this meeting.
50. The MOC included written statements including but not limited to the following:
- a. D.S. to provide cash in the amount of \$200,000 to [AMG and/or Assigns] to solidify \$500M proof of funds account;
  - b. D.S. will receive principal of \$200,000 plus interest of \$500,000 from [AMG and/or Assigns];
  - c. D.S. to receive funds within 15 banking days of compliance release from [AMG and/or Assigns];
  - d. D.S. will have a \$1M interest through [AMG and/or Assigns] against Buffalo Gold Mine in the form of a UCC-1 filing;
  - e. D.S. to provide \$200,000 by June 17, 2009;
  - f. A verbal mutual agreement was made on June 15, 2009.
51. Based on the above statements, D.S. invested \$200,000 in Monarch.
52. On June 17, 2009, D.S. wired \$200,000 to the American United Title & Escrow, LLC account ending 8591 held at Bank of America.
53. In exchange for his investment, D.S. received a signed copy of the MOC.

54. As of the filing of the Division's Order to Show Cause in May 2015, D.S. was owed approximately \$200,000 in principal alone.

#### SECOND INVESTMENT

55. In or around June or July 2009, a couple of weeks after D.S.' first investment, Brett contacted D.S. by telephone concerning an opportunity to invest additional funds in the Monarch deal.
56. During this conversation, Brett made statements about the investment opportunity with Monarch including, but not limited to the following:
- a. The investment deal was short approximately \$50,000; and
  - b. They were in jeopardy of losing the entire investment.
57. Later, D.S. received a signed contract from Brett entitled Memorandum of Contract (MOC).
58. The MOC included written statements including but not limited to the following:
- a. D.S. to provide cash in the amount of \$55,000 to [AMG and/or Assigns] to solidify \$500M proof of funds account;
  - b. D.S. will receive principal of \$55,000 plus interest of \$500,000 from [AMG and/or Assigns] upon release from escrow this contract will become active;
  - c. D.S. to receive said funds within 15 banking days of compliance release from [AMG and/or Assigns];
  - d. D.S. will have a \$500,000 interest through [AMG and/or Assigns] against Buffalo Gold Mine in the form of a UCC-1 filing;
  - e. D.S. to provide \$55,000 by July 13, 2009;
  - f. A verbal mutual agreement was made on July 12, 2009;

59. Based on the above statements, D.S. decided to invest an additional \$55,000;
60. On July 13, 2009, D.S.'s wired \$55,000 to American United Title and Escrow, LLC;
61. D.S. never received any payments from Monarch or AMG on his investments; and
62. As of the filing of the Division's Order to Show Cause in May 2015, D.S. was owed a total of approximately \$55,000 in principal alone.
63. As of the date of this Order, D.S. has been paid a total of \$307,760.17 by the court appointed Receiver in *State of Nevada v. American United Title and Escrow, et al.*, Case No. A-12-66248-B, filed in the District Court of Nevada, Clark County.

#### CAUSES OF ACTION

##### **Securities Fraud under § 61-1-1 of the Act (Investor G.D.)**

64. The Division incorporates and re-alleges paragraphs 1 through 63.
65. The investment contracts offered and sold by Brett are securities under § 61-1-13 of the Act.
66. In connection with the offer and sale of securities to investor G.D., Brett, directly or indirectly, made false statements, including, but not limited to, the following:
- a. The Monarch investment is fail-safe. There is no reasonable basis to make such a statement;
  - b. G.D. would receive a return of \$500,000 plus his principal investment within thirty days of MTN passing compliance. There was no reasonable basis to make such a statement; and
67. In connection with the offer and sale of a security to investor G.D, Brett, 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. Brett had filed for Chapter 7 Bankruptcy on February 26, 2009; and
- b. With respect to investment in Monarch, some or all of the information typically provided in an offering circular or prospectus, such as:
  - i. Business and operating history;
  - ii. Background information;
  - 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 of the Act  
(Investor D.S. – First Investment)**

68. The Division incorporates and re-alleges paragraphs 1 through 63.
69. The investment contract offered and sold by Brett is a security under § 61-1-13 of the Act.
70. In connection with the offer and sale of a security to investor D.S., Brett, directly or indirectly, made false statements, including, but not limited to, the following:
  - a. There was no way the money could be lost. There is no reasonable basis to make such a statement; and
  - b. The investment had a quick turnaround and the principal investment, with interest, would be returned within 45 to 90 days. There was no reasonable basis to make such a statement.

71. In connection with the offer and sale of a security to investor D.S., Brett, 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. Brett had filed for Chapter 7 Bankruptcy on February 26, 2009; and
  - b. With respect to investment in Monarch, some or all of the information typically provided in an offering circular or prospectus, such as:
    - i. Business and operating history;
    - ii. Background information;
    - 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 of the Act  
(Investor D.S. – Second Investment)**

72. The Division incorporates and re-alleges paragraphs 1 through 63.
73. The investment contract offered and sold by Brett is a security under § 61-1-13 of the Act.
74. In connection with the offer and sale of a security to investor D.S., Brett, directly or indirectly, made false statements, including, but not limited to, the following:
- a. There was no way the money could be lost. There is no reasonable basis to make such a statement; and

- b. D.S. would receive a return of his principal plus interest in the amount of \$500,000 within 15 banking days of compliance release from AMG and/or Assigns. There was no reasonable basis to make such a statement.
75. In connection with the offer and sale of a security to investor D.S., Brett, 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. Brett had filed for Chapter 7 Bankruptcy on February 26, 2009;
  - b. With respect to investment in Monarch, some or all of the information typically provided in an offering circular or prospectus, such as:
    - i. Business and operating history;
    - ii. Background information;
    - 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.

## **II. THE DIVISION'S CONCLUSIONS OF LAW**

76. Based on the Division's investigative findings, the Division concludes that:
- a. The investment opportunities offered and sold by Respondent are securities under § 61-1-13 of the Act.

- b. Respondent violated § 61-1-1(2) of the Act by making untrue statements of material facts and/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. Respondent violated § 61-1-1(3) of the Act by engaging in an act, practice, or course of business that operated as a fraud in connection with the offer and sale of securities.

### **III. REMEDIAL ACTIONS/SANCTIONS**

- 77. Respondent admits to the Division's findings of fact and conclusions of law.
- 78. Respondent agrees to the imposition of a cease and desist order, prohibiting him from any conduct that violates the Act.
- 79. Respondent agrees that he 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.
- 80. Pursuant to § 61-1-20(1)(f) of the Act and in consideration of the guidelines set forth in Utah Administrative Code Rule R164-31-1, the Division imposes a total fine of \$7,500.00 against Respondent. The fine amount shall be due and payable within 15 days of the entry of the Order.
- 81. If the Division finds that Respondent materially violated any term of this Order, thirty days after notice and an opportunity to be heard before an administrative officer solely as to the issue of a material violation, Respondent consents to a judgment ordering the unpaid balance of the fine immediately due and payable.
- 82. Failure to comply with the payment provisions in the Order included in paragraph 80

above may result in the referral of the fine to the State Office of Debt Collection.

83. For the entire time the fine remains outstanding, Respondent agrees to notify the Division of any change in mailing address, within thirty days from the date of such change.

#### **IV. FINAL RESOLUTION**

84. Respondent acknowledges that this Order, upon approval by the Utah Securities Commission (the "Commission"), shall be the final compromise and settlement of this matter.
85. Respondent 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.
86. If Respondent materially violates any term of this Order, thirty days after notice and an opportunity to be heard before an administrative judge solely as to the issue of a material violation, Respondent consents to entry of an order in which Respondent admits the Division's Findings of Fact and Conclusions of Law as set forth in this Order. The Order may be issued upon motion of the Division, supported by an affidavit verifying the violation. In addition, the Division may institute judicial proceedings against Respondent in any court of competent jurisdiction and take any other action authorized by the Act, or under any other applicable law, to collect monies owed by Respondent or to otherwise enforce the terms of this Order. Respondent further agrees to be liable for all reasonable attorneys' fees and costs associated with any collection efforts pursued by the Division, plus the judgment rate of interest.
87. Respondent acknowledges that the Order does not affect any civil or arbitration causes of action that third parties may have against him arising in whole or in part from 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. Respondent also acknowledges that any civil, criminal, arbitration or other causes of action brought by third parties against him have no effect on, and do not bar, this administrative action by the Division. Respondent acknowledges that a willful violation of this Order is a third degree felony pursuant to § 61-1-21(1) (b) of the Act.

88. 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:

By: Dave R. Hermansen  
Director of Enforcement

Respondent:

Date:

Brett Allen Petersen

Approved:

Thomas M. Melton  
Assistant Attorney General

Jared Parrish  
Attorney for Respondent

## 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. Respondent cease and desist from violating the Act.
3. Respondent is 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 total fine of \$7,500 against Respondent. The fine amount shall be due and payable within 15 days of the entry of this Order.
5. If Respondent materially violates any term of this Order, the unpaid balance of the fine amount shall be imposed and become due immediately.


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6. For the entire time the fine remains outstanding, Respondent must notify the Division of any change in mailing address, within thirty days from the date of such change.

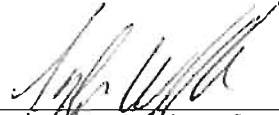
DATED this 28<sup>th</sup> day of January, 2016.

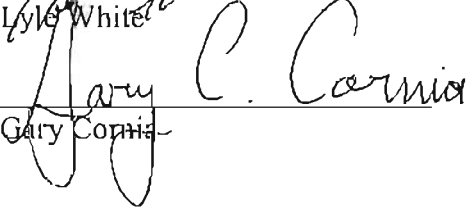
**BY THE UTAH SECURITIES COMMISSION:**

  
\_\_\_\_\_  
Brent Baker

  
\_\_\_\_\_  
Erik Christiansen

  
\_\_\_\_\_  
David Russon

  
\_\_\_\_\_  
Lyle White

  
\_\_\_\_\_  
Gary Cornia

Certificate of Mailing

I certify that on the 20<sup>th</sup> day of January, 2016, I mailed a true and correct copy of the fully executed Stipulation and Consent Order to:

Brett Allen Petersen  
c/o Jared Parrish  
Ray, Quinney & Nebeker  
36 S. State Street, Ste. 1400  
Salt Lake City, Utah 84111  
[jparrish@rqn.com](mailto:jparrish@rqn.com)

  
\_\_\_\_\_  
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

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

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**IN THE MATTER OF:**

**STIPULATION AND CONSENT ORDER**

**SHERRELL BERRETT, CRD#20133**

**Docket No. SD-15-0044**

**Respondent.**

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The Utah Division of Securities (“Division”), by and through its Director of Compliance, Kenneth O. Barton, and the Respondent Sherrell Berrett (“Berrett” or “Respondent”), hereby stipulate and agree as follows:

1. Respondent has been the subject of an investigation by the Division into allegations that he violated the Utah Uniform Securities Act (“Act”), Utah Code Ann. § 61-1-1, *et seq.*
2. On or about August 31, 2015, the Division initiated an administrative action against Respondent and others by filing an Order to Show Cause.<sup>1</sup>
3. Respondent hereby agrees to settle this matter with the Division by way of this Stipulation and Consent Order (“Order”). If entered, the Order will fully resolve all claims the Division has against Respondent pertaining to the Order to Show Cause.

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<sup>1</sup>For additional information, see <http://securities.utah.gov/dockets/15004301.pdf>

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

#### I. FINDINGS OF FACT

8. On March 30, 2010, the Division initiated administrative actions ("2010 Actions") against Berrett, Peak Financial Group, LLC ("Peak"), Jesse S. Heaton ("Heaton"), and Mark Bench ("Bench") (collectively referred to at times as "Peak Respondents").
9. Peak is a defunct limited liability company that was formed, owned and controlled by Berrett, Heaton, and Bench during the period relevant to this matter.

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10. The 2010 Actions were based upon Peak 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 Peak Respondents.
11. In October 2010, based on Peak 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 2010 Actions through a Stipulation and Consent Order

("2010 Order"). The 2010 Order required Peak Respondents to liquidate the Peak fund, return all monies to investors, and provide supporting documentation for those actions to the Division.

12. In the 2010 Order, Peak 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, the Peak 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.
13. Following entry of the 2010 Order, for various reasons ranging from the illiquid nature of investments made by Peak Respondents, as well as bad investments and investments in several schemes that turned out to be fraudulent, Peak Respondents were unable to fully liquidate the Peak fund and return all monies to investors.
14. Berrett, Heaton and Bench have repaid investors a portion of the funds based upon which individuals they solicited for the Peak fund.
15. Berrett's investors' principal accounted for \$507,112 of the total collected for the Peak fund, of which Berrett has repaid investors \$84,900. Berrett's investors are still owed principal in the amount of \$422,212. Berrett submitted to the Division signed releases of liability from three investors for monies still owed to them by Berrett, reducing the amount owed to \$78,528.
16. 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.

## II. CONCLUSIONS OF LAW

17. Respondent's failure to fully liquidate the Peak fund and return all monies to his investors is a violation of the 2010 Order – an order of the Division – warranting relief under § 61-1-20(1) of the Act.
18. Respondent made materially false statements to the Division when representing that he was in a position to liquidate all investments, that such liquidation would generate sufficient funds to repay his investors, and in representing in the 2010 Order that “the information [Berrett] 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

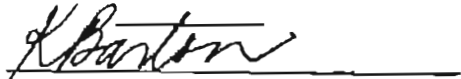
19. Respondent admits the Division’s Findings and Conclusions and consents to the sanctions below being imposed by the Division.
20. Respondent agrees to cease and desist from violating the Act and to comply with the requirements of the Act in all future business in this state.
21. Respondent agrees that he 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.
22. 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 a fine in the amount of \$88,578. The fine shall be paid in full within one hundred eighty (180) days following entry of this Order.



#### IV. FINAL RESOLUTION

23. Respondent acknowledges that this Order, upon approval by the Utah Securities Commission, shall be the final compromise and settlement of this matter. Respondent acknowledges that the Commission is not required to approve this Order, in which case the Order shall be null and void and have no force or effect. In the event the Commission does not approve this Order, however, Respondent expressly waives any claims of bias or prejudgment of the Commission, and such waiver shall survive any nullification.
24. Respondent acknowledges that the Order does not affect any civil or arbitration causes of action that third-parties may have against him arising in whole or in part from his actions, and that the Order does not affect any criminal causes of action that may arise as a result of the conduct referenced herein. Respondent also acknowledges that any civil, criminal, arbitration or other causes of actions brought by third-parties against him have no effect on, and do not bar, this administrative action by the Division against him.
25. 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 20 day of January, 2016



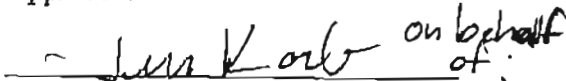
Kenneth O. Barton  
Director of Licensing and Compliance  
Utah Division of Securities

Dated this 19 day of JANUARY, 2016



Sherrell Berrett

Approved:



on behalf of:

Thomas M. Melton  
Assistant Attorney General  
Counsel for Division

Approved:



Nathan A. Crane  
Counsel for Respondent

ORDER

IT IS HEREBY ORDERED THAT:

1. The Division's Findings and Conclusions, which are admitted by the Respondent, are hereby entered.
2. Respondent shall cease and desist from violating the Act and comply with the requirements of the Act in all future business in this state.
3. 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, Respondent shall pay a fine of \$88,578. The fine shall be paid in full within one hundred eighty (180) days following entry of this Order.
4. Respondent is 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.

BY THE UTAH SECURITIES COMMISSION:

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2016

\_\_\_\_\_  
Brent Baker

\_\_\_\_\_  
Erik Christiansen

\_\_\_\_\_  
Gary Cornia

*Jay Carwin*

**ORDER**

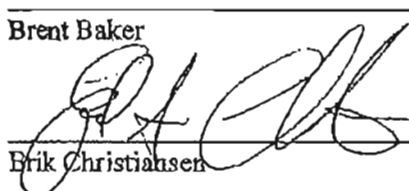
IT IS HEREBY ORDERED THAT:

1. The Division's Findings and Conclusions, which are admitted by the Respondent, are hereby entered.
2. Respondent shall cease and desist from violating the Act and comply with the requirements of the Act in all future business in this state.
3. 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, Respondent shall pay a fine of \$88,578. The fine shall be paid in full within one hundred eighty (180) days following entry of this Order.
4. Respondent is 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.

**BY THE UTAH SECURITIES COMMISSION:**

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2016

\_\_\_\_\_  
Brent Baker

  
\_\_\_\_\_  
Erik Christiansen

\_\_\_\_\_  
Gary Cornia

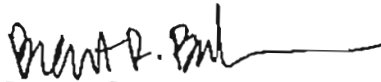
**ORDER**

**IT IS HEREBY ORDERED THAT:**

1. The Division's Findings and Conclusions, which are admitted by the Respondent, are hereby entered.
2. Respondent shall cease and desist from violating the Act and comply with the requirements of the Act in all future business in this state.
3. 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, Respondent shall pay a fine of \$88,578. The fine shall be paid in full within one hundred eighty (180) days following entry of this Order.
4. Respondent is 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.

**BY THE UTAH SECURITIES COMMISSION:**

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2016



\_\_\_\_\_  
Brent Baker

\_\_\_\_\_  
Erik Christlansen

\_\_\_\_\_  
Gary Cornia

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David A. Russon

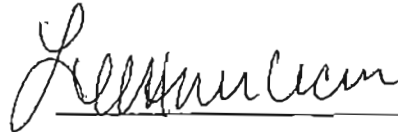
*Gregory Lederberg on behalf of*  
Lyle White

Certificate of Mailing

I certify that on the 3<sup>rd</sup> day of February, 2016, I mailed a true and correct copy

of the fully executed Stipulation and Consent Order to:

Nathan A. Crane  
SNOW CHRISTENSEN & MARTINEAU  
10 Exchange Place, 11<sup>th</sup> Floor  
Salt Lake City, UT 84111  
Counsel for Respondent



Executive Secretary