

Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
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**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF: TAYLOR DEAN OGDEN, AMERICAN PROSPERITY LLC, Respondents.	STIPULATION AND CONSENT ORDER Docket No. SD-22-0001 Docket No. SD-22-0002
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The Utah Division of Securities (“Division”), by and through its Director of Enforcement, Dave Hermansen, and Respondents Taylor Dean Ogden (“Ogden”) and American Prosperity LLC (“AP”) (together referred to herein as “Respondents”) hereby stipulate and agree as follows:

1. Respondents have been the subjects of an investigation by the Division into allegations that they violated the Utah Uniform Securities Act (“Act”), Utah Code Ann. §61-1-1 (securities fraud), §61-1-3(1), (2)(a) and (3) (unlicensed activity), and §61-1-7 (sale of unregistered security) while engaged in the offer and/or sale of securities in or from Utah.
2. On or about January 27, 2022, the Division initiated an administrative action against Respondents by filing an Order to Show Cause.

3. Respondents hereby agree 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 Respondents pertaining to the Order to Show Cause.
4. Respondents admit that the Division has jurisdiction over them and over the subject matter of this action.
5. Respondents hereby waive any right to a hearing to challenge the Division’s evidence and present evidence on their behalf.
6. Respondents have read this Order, understand its contents, and voluntarily agree to the entry of the Order as set forth below. No promises or other agreements have been made by the Division, nor by any representative of the Division, to induce Respondents to enter into this Order, other than as described in this Order.
7. Respondents are aware that they are able to obtain legal counsel to represent them in this matter and have elected not to obtain counsel.

FINDINGS OF FACT

THE RESPONDENTS

8. AP is a limited liability company registered with the Utah Division of Corporations and Commercial Code on March 28, 2014. Ogden is listed as the manager and registered agent of AP. Ogden last renewed AP’s entity registration on February 17, 2021. AP is an insurance company that offers life and health insurance. AP maintains the website www.americanprosperityllc.com and is currently an active entity in Utah.¹ AP has never been licensed with the Division, and has never recorded a securities registration, exemption from registration, or notice filing with the Division.

¹ AP’s entity documents list a principal address as 1438 S 235 W, Orem, Utah 84057.

9. Ogden resided in Utah during all times relevant to the allegations asserted herein, and was once licensed in Utah as a broker-dealer agent from 2000 through 2011 (examination Series 6 and Series 63). Ogden has not been licensed in the securities industry since 2011.²

RELATED ENTITY INFORMATION

10. Woodbridge Group of Companies, LLC (“Woodbridge”) is a Delaware limited liability company registered with the Delaware Division of Corporations on December 11, 2014. Woodbridge is an entity owned by Robert Shapiro (“Shapiro”) and purported to offer short-term commercial lending secured by commercial real estate.³ Woodbridge funded the commercial loans by offering investments called First Position Commercial Mortgage Loans.
11. In December 2017, the U.S. Securities and Exchange Commission (“SEC”) filed a complaint against Woodbridge and its affiliates, alleging that Shapiro conducted a nationwide Ponzi scheme that raised over \$1.22 billion from over 8,400 investors. In April 2019, Shapiro was indicted in U.S. District Court, Southern District of Florida, case number 19-20178-CR-Altonaga/Goodman. In connection with Shapiro’s operation of the Woodbridge Ponzi scheme, Shapiro was charged with conspiracy to commit mail fraud and wire fraud, conspiracy to commit money laundering, mail fraud, wire fraud, and evasion of payment of federal income taxes, all federal felonies. In August 2019, Shapiro entered into a plea agreement and was sentenced to 25 years in federal prison.

² Ogden is currently licensed as an insurance agent with the Utah Department of Insurance and holds active insurance licenses as a resident producer in accident, health or sickness, and life. The insurance licenses expire on March 31, 2023. Ogden’s Utah insurance license number is 122528.

³ Woodbridge engaged sales agents to sell two Woodbridge investment offerings. The two investment offerings were first position commercial mortgages, and fund investments.

GENERAL ALLEGATIONS

12. The Division's investigation of this matter revealed that from approximately March 2017 to October 2017, while conducting business in or from the state of Utah, Respondents offered and sold investment opportunities to at least five (5) Utah investors and two (2) Idaho investors, and raised approximately \$1,468,558 in connection therewith.
13. The investment opportunities offered and sold by Respondents are investment contracts or promissory notes, which are securities under §61-1-13 of the Act.
14. In connection with the offer and/or sale of securities, Respondents, either directly or indirectly, made material omissions and/or misrepresentations of material facts.
15. In connection with the offer and/or sale of securities, Ogden acted as an unlicensed agent.
16. In connection with the offer and/or sale of securities Ogden acted as an unlicensed investment adviser representative when he advised investors to remove their retirement funds from investment in the stock market and received compensation in connection therewith.
17. AP paid and employed Ogden as an agent to offer and sell Woodbridge securities to investors, when Ogden was not licensed in the securities industry to do so.
18. Respondents offered and/or sold securities that were not registered with the Division, did not qualify for an exemption from registration, and were not federal-covered securities for which any notice filing was made.
19. To date, the investors are still owed approximately \$1,455,208.40 in principal alone.

Woodbridge Investment

THE SOLICITATIONS

20. In or about March 2017, Ogden began soliciting investors to purchase Woodbridge.

Many of these investors were already Ogden's insurance clients.

21. All investors Ogden sold the Woodbridge investment to are considered vulnerable adults and were retired at the time of solicitation.
22. Ogden visited most investors in their homes and provided investors with brochures of the Woodbridge investment.
23. Several investors liquidated retirement accounts and used retirement funds to invest in Woodridge.
24. During the solicitations, Ogden made numerous statements and representations to investors in person regarding the investment opportunity in Woodbridge, including, but not limited to, the following:
 - a. That investor funds would be used for a commercial bridge loan;
 - b. Investor funds would be used to develop properties and profits would be generated by loan payments and property sales;
 - c. The investment would earn an annual return of 5% to 10%;
 - d. The investment would be secured by a first position lien on real property;
 - e. At least one investor would be invested in a golf course property located in South California;
 - f. Ogden would receive a referral fee for selling the loans, but that it would not come from investor funds;
 - g. Ogden's parents invested in Woodbridge;
 - h. Woodbridge was a great company and longtime producer; and,
 - i. Woodbridge had been in business for 25 years and had consistently paid returns.
25. Investors had no role in the investment opportunities, other than providing investment

funds.

26. Based on Ogden's statements and representations, from March 2017 to October 2017, investors invested \$1,468,558.40 in Woodbridge.

THE INVESTMENT AGREEMENT

27. In exchange for the investment in Woodbridge, some investors received a document entitled "Promissory Note", which outlined the investment amount and the promised rate of return.
28. The Promissory Notes were signed by the investor and a representative of Woodbridge.
29. The "Promissory Notes" obtained during the Division's investigation do not identify a property address purportedly used to collateralize the investment. Only general property descriptions were given.

WOODBIDGE FRAUDULENT CONDUCT: USE OF INVESTOR FUNDS

30. In 2017, Woodbridge paid Respondents \$73,333.92 in commissions for selling the Woodbridge investment.
31. Generally, after investor funds were sent to Woodbridge, Woodbridge used a portion of investor funds in the following manner:
- a. To pay sales commissions to sales agents of Woodbridge products;
 - b. To pay previous investors with funds from later investors; and
 - c. To fund Shapiro's personal lifestyle.⁴

OGDEN'S DECLARATION

32. During the course of the investigation, the Division obtained Ogden's declaration dated

⁴ According to the Securities and Exchange Commission complaint, case number 17-24624, filed against Shapiro, Woodbridge, and Woodbridge affiliates, Shapiro "*spent exorbitant amounts of investor money in alarming fashion, on items such as luxury automobiles, jewelry, country club memberships, fine wine, and chartering private planes.*" See also. U.S. District Court, Southern District of Florida, case number 19-20178-CR-Altonaga/Goodman.

September 27, 2020 from the Idaho Department of Finance, Division of Securities.

33. In the declaration, Ogden stated that in 2016, he was contacted by Woodbridge after an AP representative gave his contact information to Woodbridge.
34. Ogden stated that Woodbridge sent him marketing materials and brochures in December 2016.
35. According to Ogden, *“The attractive part about Woodbridge’s service was that I never had to offer anyone a loan product. I told people that there was a company which was paying a decent interest rate for a first lien position commercial bridge loan on commercial real estate properties.”*
36. Ogden acknowledged that after he referred investors to Woodbridge, Ogden would receive a *“loan fee”* from Woodbridge and didn’t keep copies of his client’s investment paperwork because after his referral, he was *“out of the picture”*.

MISSTATEMENTS AND OMISSIONS

37. In connection with the offer or sale of securities, Respondents made the following material misstatements to investors including, but not limited to, the following:
 - a. That all investor funds would be used to provide commercial bridge loans to purchase properties, when in fact, this claim was false;
 - b. Investors would hold a first lien position on the property that received the commercial bridge loan, when in fact, this claim was false and investors did not hold a first lien position on the properties allegedly financed by their investment; and,
 - c. Investors would receive a 5% to 10% annual return for their investment, when in fact, there was no reasonable basis to make this claim.
38. In connection with the offer or sale of securities, Respondents failed to disclose material

information to investors including, but not limited to, the following:

- a. That Respondents would receive approximately \$73,333 in commissions for selling the Woodbridge investment from the proceeds of investor funds;
- b. That Woodbridge had been the subject of numerous regulatory actions and/or investigations for its business practices including:
 - i. May 4, 2015, the state of Massachusetts issued an order against Woodbridge for selling unregistered securities;⁵
 - ii. July 17, 2015, the state of Texas issued an Emergency Cease and Desist Order against Woodbridge for violations of the Texas Securities Act;⁶
 - iii. October 4, 2016, the state of Arizona issued a Temporary Order to Cease and Desist against Woodbridge for violations of the Arizona Securities Act;⁷
- c. Respondents were not licensed to sell securities;
- d. Some or all of the information typically provided in an offering circular or prospectus relevant to the investment opportunity, such as:
 - i. Business and operating history;
 - ii. Financial statements;
 - iii. Information regarding principles involved in the company;
 - iv. Conflicts of interest;
 - v. Risk factors;
 - vi. Suitability factors for investment; and

⁵ See, Docket No. E-2015-0039. Commonwealth of Massachusetts, *In the Matter of: Woodbridge Mortgage Investment Fund 1, LLC, Woodbridge Mortgage Investment Fund 2, LLC, and Woodbridge Mortgage Investment Fund 3, LLC*.

⁶ See, Order No. ENF-15-CD0-1740. Texas State Securities Board.

⁷ See, Docket No. S-20988A-16-0354. Before the Arizona Corporation Commission.

- vii. Whether the securities offered were registered in the state of Utah.
39. To date, investors are owed at least \$1,455,208.40 in principal alone on their investments in Woodbridge.

CONCLUSIONS OF LAW

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

40. Based upon the Division's investigative findings, the Division concludes that the investment opportunities offered and sold by Respondents are promissory notes and/or investment contracts, which are securities under §61-1-13 of the Act.
41. In violation of § 61-1-1(2) of the Act, and in connection with the offer and/or sale of a security, Respondents directly or indirectly misrepresented material facts, as described above.
42. In violation of § 61-1-1(2) of the Act, and in connection with the offer and/or sale of a security, Respondents omitted material facts which were necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading as described above.

Unlicensed Activity under § 61-1-3(2)(a) of the Act

43. In violation of §61-1-3(2)(a) of the Act, AP, acting as a broker-dealer or issuer, employed Ogden, an unlicensed agent, to offer and sell Woodbridge securities on its behalf.

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

44. In violation of § 61-1-3(1) of the Act, Ogden was not licensed in the securities industry in any capacity when he offered and sold Woodbridge securities.

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

45. In violation of §61-1-3(3), Ogden was not licensed in the securities industry in any

capacity when he recommended that investors liquidate their retirement accounts from investment in the stock market to purchase the Woodbridge investment and received compensation in connection therewith, in violation of Section 61-1-3(3) of the Act.

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

46. In violation of § 61-1-7 of the Act, the Woodbridge investment was not registered with the Division, did not qualify for an exemption from registration, and was not a federal-covered security for which any notice filing was made before Respondents offered and sold the security in the state of Utah. It is unlawful for any person to offer or sell any security in this state unless it is registered, an exempted security or transaction, or is a federal-covered security for which notice filing has been made.

REMEDIAL ACTIONS / SANCTIONS

47. Respondents admit the Division's Findings of Fact and Conclusions of Law with respect to the licensing violations (employing an unlicensed agent, acting as an unlicensed agent and acting as an unlicensed investment adviser representative) and the sale of unregistered securities violation. The Respondents neither admit nor deny the Division's Findings of Fact and Conclusions of Law with respect to the securities fraud violation. The Respondents consent to the below sanctions being imposed by the Division.
48. Respondents represent that the information they have provided to the Division as part of its investigation is accurate and complete.
49. Respondents agree to cease and desist from violating the Act and to comply with the requirements of the Act in all future business in the state of Utah.
50. Respondents agree to be 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 the state of Utah; and from being licensed in any capacity in the securities industry in Utah.

51. Pursuant to Utah Code Ann. §61-1-20, and in consideration of the factors set forth in Utah Code Ann. §61-1-31, the Division imposes a total fine amount of \$15,000 (paid jointly and severally) against Respondents, and orders disgorgement of commissions in the amount of \$73,321.93 (paid jointly and severally). Respondents agree to pay \$4,000.00 of the fine to the Division within 30 days of entry of the final Order by the Utah Securities Commission. Respondents agree to pay the remaining amount of the fine plus disgorgement to the Division in quarterly payments of \$4,000.00 for a period of three years, beginning in the first quarter of 2023 on January 1, 2023, with a final lump sum payment of \$36,321.93 due within one month of the final quarterly payment. Any payments that Respondents make to the Division toward disgorgement of commissions will be sent to the Trustee of the Woodbridge Liquidation Trust, which was established pursuant to order of the United States Bankruptcy Court for the District of Delaware on October 26, 2018 in *In re: WOODBRIDGE GROUP OF COMPANIES, LLC, et al.*, case number 17-12560-KJC.

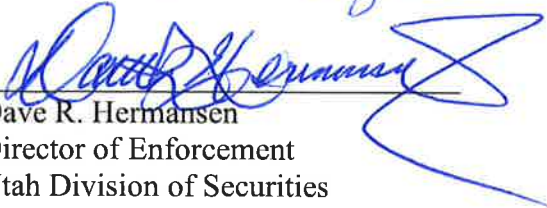
FINAL RESOLUTION

52. Respondents and the Division acknowledge that this Order, upon approval by the Commission, shall be the final compromise and settlement of this matter. Respondents acknowledge that the Commission is not required to approve this Order, in which case the Order shall be null and void and have no force or effect. In the event the Commission does not approve this Order, however, Respondents expressly waive any claims of bias or prejudgment of the Commission, and such waiver shall survive any nullification.

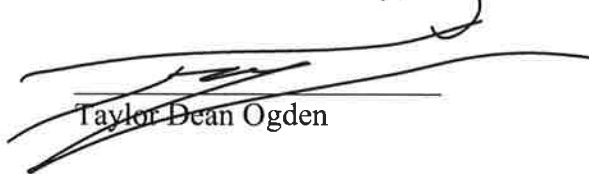
53. If Respondents materially violate any term of this Order, after notice and an opportunity to be heard before an administrative judge solely as to the issue of a material violation, Respondents consent to entry of an order in which the total fine amount is increased by 20% and becomes immediately due and payable, less any payments already made. Notice of the violation will be provided to Respondents at their last known address, and to their counsel if they have one. If Respondents fail to request a hearing, or fail to cure any missed fine payment, within ten (10) days following the notice, there will be no hearing and the order granting relief will be entered.
54. 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.
55. Respondents acknowledge that the Order does not affect any civil or arbitration causes of action that third-parties may have against them arising in whole or in part from their actions, and that the Order does not affect any criminal causes of action that may arise as a result of the conduct referenced herein. Respondents also acknowledge that any civil, criminal, arbitration or other causes of actions brought by third-parties against them have no effect on, and do not bar this administrative action by the Division against them.
56. 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 involving Respondents are canceled. The Order may be docketed in a court of competent jurisdiction.

Dated this 18 day of August 2022


Dave R. Hermansen
Director of Enforcement
Utah Division of Securities

Dated this 8 day of Aug 2022



Taylor Dean Ogden

American Prosperity LLC

By: 
Taylor Dean Ogden

Its: Manager

Approved:


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

ORDER

IT IS HEREBY ORDERED THAT:

1. The Division's Findings and Conclusions, which Respondents admit in part and neither admit nor deny in part, are hereby entered.
2. Respondents shall cease and desist from violating the Act and comply with the requirements of the Act in all future business in the state of Utah.
3. Respondents shall be 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 the state of Utah; and from being licensed in any capacity in the securities industry in Utah.
4. Pursuant to Utah Code Ann. §61-1-20, and in consideration of the factors set forth in Utah Code Ann. §61-1-31, Respondents shall pay a fine of \$15,000 to the Division, and disgorge commissions in the amount of \$73,321.93 to the Division, pursuant to the terms set forth in paragraph 51.

BY THE UTAH SECURITIES COMMISSION:

DATED this _____ day of _____, 2022

Lyndon Ricks
Lyndon Ricks (Aug 19, 2022 11:52 MDT)

Lyndon L. Ricks

Lyle White
Lyle White (Aug 18, 2022 15:30 MDT)

Lyle White

Peggy Hunt

Mark F. Zimbelman
Mark F. Zimbelman (Aug 19, 2022 12:18 MDT)

Mark Zimbelman

Brent Cochran

CERTIFICATE OF SERVICE

I certify that on the 22 day of August 2022, I mailed & emailed a true & correct copy of the **Stipulation and Consent Order** to:

Taylor Dean Ogden
1438 S. 235 W.
Orem, UT 84058

American Prosperity LLC
PO Box 970997
Orem, UT 84097

And emailed to:

Taylor Dean Ogden
taylor@taylorogden.com

Bruce Dibb, Administrative Law Judge
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bdibb@utah.gov

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Ashlee Buchholz, Administrative Assistant