



STATE OF UTAH
DEPARTMENT OF COMMERCE | DIVISION OF SECURITIES
SECURITIES COMMISSION | GIANI HEARING ROOM
PENDING MEETING MINUTES | October 13, 2022 | 9:00 AM - 10:30 AM

PARTIES

SECURITIES COMMISSION

Lyle White	Chair
Peggy Hunt	Co-Chair
Lyndon Ricks	Commissioner
Mark Zimbelman	Commissioner
Dawn Dachenhausen	In-Coming Commissioner
Brent Cochran	Outgoing Commissioner

DIVISION OF SECURITIES

Bryan Cowley	Manager of Licensing and Registration
Ken Barton	Manager of Compliance
Liz Blaylock	Senior Investigator for Enforcement
Francswai Grayson	Communications and Outreach Specialist
Ashlee Buchholz	Administrative Assistant
Aaron Burgoyne	Investigative Accountant
Trista Lopez	Administrative Office Specialist
Hunter Richards	Enforcement Investigator

ASSISTANT ATTORNEY GENERALS AND ADMINISTRATIVE JUDGE

Jen Korb	Counsel for Division
Stephen Gilles	Counsel for Division
Judge Bruce Dibb	Administrative Judge

OTHER ATTENDEES

Jamie Argyle	Grant Applicant
Trent Christenson	Grant Applicant
Katie Cochran	Public



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WELCOME AND CALL TO ORDER

9:01 AM

Chairman White commenced the Securities Commission meeting.

1. APPROVAL OF August 18, 2022 MINUTES

Chairman White noted that an acronym was used in the August minutes and he wanted the full title used. Commissioner Ricks made a motion to approve the minutes with that correction and Commissioner Zimbelman seconded the motion.

✓ The motion approved unanimously.

DIRECTOR'S REPORT | Ken Barton

9:02 AM

- Ken Barton excused Director Sterzer who was unable to attend the meeting.
- Mr. Barton expressed appreciation on behalf of the Division to Commissioner Brent Cochran for his service on the Securities Commission and presented him a plaque. Commission Chair Lyle White also expressed appreciation on behalf of the Commission for Commissioner Cochran's service.
- Ken Barton introduced the new in-coming commissioner, Dawn Dachenhausen and subsequently Judge Dibb administered the oath of office.
- Ken Barton, on behalf of the Division of Securities, presented the Director's report highlighting Liz Blaylock for the multiple awards she has received for her work and outstanding service to the State of Utah. Commission Chair Lyle White also congratulated Liz on her work.

SECTION REPORTS

9:10 AM

Licensing and Registration | Bryan Cowley

- Mr. Cowley highlighted the work of Nadene Adams in her role in the Licensing and Corporate Finance Section and announced her upcoming retirement. Nadene was recognized as a fantastic public servant whose integrity, work ethic and can-do attitude had endeared her to all of the staff at the Division.

Compliance | Ken Barton

- Rolling 12 month Exam Statistics: The Compliance Section has opened 102 examinations and closed 58 exams during the last twelve months. Of the 101 exams opened 31 were cause exams initiated by an investor complaint or regulatory referrals, 22 were routine full exams, 35 were Special Licensee Exams, 10 were investment adviser licensing application examinations, and 3 were Vulnerable Adult firm reports warranting further Utah Division of Securities ("Division") investigation. Of the 58 examinations closed during the period, 54 were closed by exit deficiency letter with no additional agency action.
- The rolling 12-month total for Protecting Vulnerable Adults from Financial Exploitation Act reports as of September 29th was 30.



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Enforcement | Liz Blaylock

- Sr. Investigator Blaylock reported that the filing of new complaints are steady. The Division is receiving about six complaints per month with approximately 25 in the queue pending assignment. Eight new investigations were assigned to investigators last month bringing the total number of open investigations to approximately 60.
- The newly hired enforcement analyst is working on a backlog of Order's to Show Cause and is making progress. The Division has an estimated eight cases in the queue for an administrative enforcement action.
- Enforcement has approximately 17 Criminal cases in varying stages of prosecution. Those awaiting trials have been getting continuances by the courts. Current trials scheduled for February, March and April 2023.
- With the section's four new hires this year and three other investigators in or approaching their 2nd year in this role, training has been at the forefront. The enforcement section has a scheduled training every month and have been benefiting from the many on demand and virtual trainings available.
- The enforcement section hired Hunter Richards as an enforcement investigator. Hunter comes from the compliance Department at Zions Bancorporation and was previously employed as a Federal Law Enforcement Officer with the Federal Reserve System. Hunter has undergraduate degrees in National Security Studies and Criminal Justice and is currently finishing his Masters in Forensic Accounting & Fraud Examination at West Virginia University.

Communication and Outreach | Francswai Grayson

- Since the last Securities Commission meeting, the Division began building the infrastructure for many projects that are expected to be launched at the beginning of 2023. One of the Division's primary goals in expanding its outreach efforts is to build a brand so that the public knows who we are and what resources we offer. A part of that strategy is based on marketing efforts such as building social media platforms, and creating ad campaigns to run on outlets like social media, TV, radio, billboards, and reaching a broader audience. In furtherance of those goals, the Division has been working with marketing groups. While the Division is building and restructuring outreach goals, it is also engaged in in-person outreach events. This appears to be the year that more folks are willing to attend in-person events. Some events are still offering both virtual and in-person options. This month the Division accepted 10 engagements that include roadshows and presentations, while in September we accepted eight engagements. The Division is balancing both participating at outreach events while also building new initiatives.
- Since the last Commission meeting, the Division attended 15 outreach events and distributed 1,256 Utah Investor Guide books during those events. Year to date we have attended 39 outreach initiatives, and distributed at least 2,616 Utah Investor Guides.
- Some of the events the Division participated in over the past two months include:
 - A two-day Utah Women in the Money conference. The Women in the Money conference is an annual financial empowerment conference hosted by the Utah State Treasurers Office as an initiative of the Utah Financial Empowerment Coalition. The conference is sponsored by public and private organizations that collaborate to host seminars with a focus on providing financial literacy resources to women in Utah.
 - An international delegation panel discussion hosted by the Utah Office of the Attorney General. The panel included delegates from Portuguese-speaking African countries including: Angola, Mozambique, Guinea-Bissau, SaoTome/Principe and Cape Verde. The purpose of the panel was to share best practices and discuss the role of government regulation in combating fraud.



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- A two-day WeRoc conference. WeROC is an initiative of VentureCapital.org and is a woman focused entrepreneurship program that helps women gain access to capital.
- The Division also presented at several URS events, senior centers, and other community events.
- Some of the events the Division will participate in this month include:
 - Present during the Financial Planning Association Symposium
 - Present at the Securities Bar Section Conference
 - Utah Governor Latino Town Hall
- Lastly, this month the Division began its securities fraud course taught through the Osher Institute at the University of Utah. Students in the course are enthusiastic and the Division has been asked to provide the course for the spring 2023 semester. Over the next several months for the remainder of the year, the Division will be working on our social media platform proposal, communication plan, grant proposals to fund some of our initiatives, branding, marketing, and the strategic relationships we will develop over the next year. Some of those include Division hosted programming for licensees throughout the state, partnerships with faith-based groups with a specific focus on affinity fraud, and a partnership to train local law enforcement regarding how to address complaints they receive related to securities fraud.

GRANT REQUESTS

10:10 AM

- VentureCapital.org Trent Christiansen
Commissioner Hunt made a motion to approve the request and Commissioner Ricks second the motion. The motion to approve a \$25,000 grant was approved.
- Junior Achievement of Utah Jamie Argyle
Commissioner Ricks made a motion to approve the request and Commissioner Hunt seconded the motion. The motion to approve a \$5,000 grant was approved.

2. EDUCATION FUND EXPENDITURE REQUEST

10:21 AM

Aaron Burgoyne

Mr. Burgoyne presented the investor education fund report and expenditure request for the period covering July 1, 2022 through September 30, 2022.

- ✓ Commissioner Hunt made a motion to approve and Commissioner Zimbelman seconded the motion. The Commission unanimously approved the education fund expenditure request.

CONSIDERATION AND APPROVAL OF PROPOSED ORDER(S)

10:26 AM

In the matter of Dirk Ewing SD-21-0021



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Stipulation and Consent Order Presented by Jen Korb

The Order required Mr. Ewing to cease and desist from violating the Utah Uniform Securities Act, be barred from licensure, disgorge \$68,756.64 in commissions, and pay a fine of \$20,000.

✓ Commissioner Ricks made a motion to approve and Commissioner Zimbelman seconded the motion. The Commission unanimously approved the Stipulation and Consent Order.

In the matter of Troy William Graf, SD-22-0008

The Order required Mr. Graf to cease and desist from violating the Utah Uniform Securities Act, be barred from licensure, and pay a fine of \$27,000.

✓ Commissioner Ricks made a motion to approve and Commissioner Dachenhausen seconded the motion. The Commission approved the Stipulation and Consent Order with Commissioner Hunt abstaining.

MEETING ADJOURNED

10:42 AM

The next scheduled Securities Commission meeting is January 12, 2023

APPROVED:

CHAIRMAN WHITE

DATE