

D.E. WILLIAMS, Respondent  
336 Fifth Ave.  
Salt Lake City, UT 84103  
(801) 355-1275

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

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IN THE MATTER OF D.E. WILLIAMS  
Respondent

Motion to Quash  
Docket No. SD-06-0024

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I, D.E. WILLIAMS, Respondent in the above captioned case hereby respectfully moves the Utah Division of Securities (“Division”) to Quash the ORDER TO SHOW CAUSE (“Order”) [Dated May 3, 2006] in said Matter on the following grounds:

1. The Statute of Limitations controlling Section 61-1-1 of the Utah Code is five years, and all allegations within the Order are alleged to have occurred more than five years prior to date of the filing of the Order. The Order is without legal basis in overreaching the statutory Limitation of Actions, and violates the Respondent’s right to Due Process.
2. The Order proposes a fine of \$250,000, which is far in excess of the statutory fine amounts stated in the Utah Code, and violates the Respondent’s right to Due Process.
3. The Division is aware, or should reasonably be aware, that Respondent is impecunious, and as such, is currently unable to pay even the interest on such a large proposed fine.

4. Failure of Respondent to pay a \$250,000 fine, or payments thereupon, would put Respondent in jeopardy of committing a Third Degree Felony under 61-1-21(1) of the Act under Utah Code.

5. The Order unlawfully puts the Respondent in Double-Jeopardy. The Respondent is currently charged with criminal securities fraud (three second degree felony charges) in Utah's Third District Court under essentially the same action as the Order. The parties, events, allegations of wrongdoing, etc are the same in the Order as in the Third District Case. Thus, the Respondent is in jeopardy of double felony convictions in two different State of Utah actions; with both actions relying on the same alleged misconduct. The Division's Order violates US law against double jeopardy, and violates the Respondent's right to Due Process, and right to be free of the Divisions unlawful actions which constitute Double Jeopardy.

6. The Respondent is being denied legal counsel in this matter in violation of Respondent's right to counsel under the US Constitution.

7. The Division's Order overreaches the provisions of section 61-1-20(1), as the Order demonstrates no timely need for the Division to act particularly in light of the fact that a parallel case is being prosecuted in District Court. There is no "cost savings" to duplicate actions. The Division's overreaching Order violates 61-1-20(1), and the Respondent's right to Due Process.

8. There is a Conflict of Interest involving David Sonnenreich, who worked with the Division for a number of years, and has filed a third parallel civil case involving

essentially the same matters and parties, and in which case Sonnenreich is seeking in excess of one million dollars, and is operating the case on a contingency plus fees basis.

This Conflict of Interest serves to deny Respondent Due Process as guaranteed under the US Constitution and applicable law.

For the above stated reasons, Respondent moves the Division to Quash the Order to Show Cause in the above captioned matter.

Respondent

D.E. Williams