

August 10, 2006
Jeffrey L. Mowen
125 East Main Street, Suite 411
American Fork, Utah, 84003
Telephone: (801) 427-1390
Defendant

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

In the Matter of :)	
)	ANSWER
Jeffrey Lane Mowen;)	
And Elizabeth Mowen, aka Elizabeth Ward)	
)	Docket no. SD-06-0037
)	Docket no. SD-06-0038
)	
)	Director: Wayne Klein

STATEMENT OF RELIEF THAT RESPONDENT SEEKS

Respondent Jeffrey Lane Mowen seeks a finding of no cause of action against him and request that the Administrative Action against him be dismissed.

STATEMENT OF THE FACTS

- a) Respondent Mowen did never approach C.W. or J.C. as an investment advisor.
- b) Respondent Mowen did not at any time approach C.W. or J.C. to enter in to any investment scheme with him.
- c) Respondent Mowen did never encourage or pray upon C.W. or J.C. to liquidate any IRA monies for the purpose of investing with him as an investment advisor in any investment scheme of any kind.
- d) Respondent Mowen & Respondent Ward and C.W. & J.C.'s primary business relationship was based on their respective Isagenix distributorships.
- e) Respondent Ward was approached by C.W. many times to have access to Mowen for the stated purpose to pray upon him to assist her in her financial affairs, Ward denied to assist her each an every time.
- f) Respondent Ward finally, no longer wanting to 'deny' C.W.'s numerous advances, provided Respondent Mowen's contact details to C.W. for the sole purpose of approaching him 'to pick his brain', but never for any purpose that may be deemed as entering in to any investment scheme of any kind.

- g) Respondent Mowen was approached by C.W. many times to assist her in her financial affairs, Mowen denied to assist her each an every time, specifically telling C.W. that he was not a registered or licensed investment advisor and did not provide any such services.
- h) Respondent Mowen was approached by C.W. & other of C.W.'s associates who had become a part of Mowen's downline organization, many times to give her monies for various causes related to her involvement with a certain 'Klemmer & Associates' scheme, Mowen denied giving C.W. his own monies with her each an every time as it was outside of their Isagenix business relationship.
- i) Respondent Mowen's certain other associates, who had been introduced to C.W. by Mowen, were approached by C.W. & other of C.W.'s associates who had become a part of Mowen's downline organization, many times to give her monies for various causes related to her involvement with a certain 'Klemmer & Associates' scheme, Mowen's certain other associates denied giving C.W. their own monies with her each an every time as it was outside of their Isagenix business relationship.
- j) Respondent Mowen was approached by other of C.W.'s associates, who had become a part of Mowen's downline organization, many times to invest his monies with them, Mowen denied to invest his own monies with them each an every time as it was outside of their Isagenix business relationship.
- k) Respondent Mowen was approached by C.W. many times to invest his monies with her for the purposes of acquiring a specific property adjacent her primary residence, Mowen denied to invest his own monies with her each and every time as it was outside of their Isagenix business relationship.
- l) Respondent Mowen was approached by C.W. many times utilizing / leveraging their 'friendship' in order to have Mowen assist her in any way shape or form with this very important financial affair of C.W., even to the point that finally she was in tears to pray upon Mowen to do this for her as a once single mother who had raised her now estranged children, hoping to give them each a building lot to repair their now estranged relationship.
- m) Respondent Mowen having been approached by C.W. in such an emotional manner, Mowen as a product of single parent home by his single mother, did in deed 'buckle' meaning he changed his previous 'NO' answers to her pleas and did agree to find a way to assist her in a legal, ethical and moral manner.
- n) Respondent Mowen and C.W., having now been joined by J.C., formed a mutually agreed upon real estate partnership, only after a significant number of urging requests and invitations by both C.W. & now by J.C., to assist her / them in forming a real estate partnership, initially for the primary purpose of acquiring an adjacent property to her primary residence, and then on to other meaningful real estate projects.
- o) Respondent Mowen and C.W. & J.C.'s real estate partnership was a separate business arrangement from their primary business relationship based on their respective Isagenix distributorships.

- p) Respondent Mowen and C.W. & J.C. divided responsibilities for their newly formed partnership; C.W. would provide initial operating capital of \$200k to the partnership, Mowen would manage the partnership monies for growth, and J.C. would source and manage the real estate projects of the partnership.
- q) Respondent Mowen prior to the formalizing of the real estate partnership, inadvertently punctuated, even disclosing his non investment advisor status, including specific facts of his 'unique' personal status as per certain emails created by his estranged wife, sent directly to a select group of family, friends and business associates which included C.W. and J.C. literally within days of any monies provided to the partnership by C.W.
- r) Respondent Mowen prior to the formalizing of the real estate partnership, had an in-depth conversation with C.W., specifically verbally disclosing to her the facts of his 'unique' personal status as per these certain emails created literally within days of any monies provided to the partnership by C.W.
- s) Respondent Mowen prior to the formalizing of the real estate partnership, had an in-depth conversation with J.C., specifically verbally disclosing to him the facts of his 'unique' personal status as per these certain emails created literally within days of any monies provided to the partnership by C.W.
- t) Respondent Mowen and C.W. & J.C. did indeed form their partnership in light of these many conversations & disclosures, each of them did begin to effect their respective responsibilities; C.W. did provide said monies to the partnership, Mowen did begin to manage such monies for the partnership under his charged responsibilities, and J.C. did begin to manage the first real estate project of the partnership.
- u) Respondent Mowen and C.W. & J.C. had many conversations as to the highest and best use of this first real estate project. J.C. presented several alternatives which included such schemes as a wedding chapel, RV Park, etc. C.W., in order to get her 'way' she embarrassed and humiliated J.C. in front of Mowen recounting his severe lack of money management skills and fiscal responsibility, citing his several bankruptcies, failed business ventures, etc. Mowen felt extremely uncomfortable with her tactic.
- v) Respondent Mowen and C.W. & J.C. decided on the highest and best use of their first real estate project. Mowen agreed fundamentally with C.W. to the exclusion of J.C. that a simple acquisition, subdividing of the project, and reselling of the home would be the best strategy, versus the alternatives presented by J.C. which included additional capital and the running of a business versus a basic real estate project. It was apparent to Mowen that although C.W. had accomplished her 'ends', utilizing such harsh means, that J.C. was extremely upset with Mowen's decision, mistaking it as 'taking sides' with C.W. against him, that J.C. warned Mowen that he would 'regret' doing this

to him. This worried and upset Mowen that his resentment may turn to some form of revenge as J.C. spoke often of these personal issues in connection with certain 'Klemmer & Associates' workshops he attended.

- w) Respondent Mowen and C.W. & J.C. mutually agreed that the first project would require a total of \$300k and that the partnership monies would not be accessed by the partnership until such time as Mowen had managed the monies for growth under his responsibilities of the partnership up to this amount.
- x) Respondent Mowen and C.W. & J.C. mutually agreed at the intense insistence of C.W. that; C.W. would have a special privilege in keeping two building lots for her 'estranged' children in special consideration of her providing the initial monies for the real estate partnership, that Respondent Mowen would manage the net proceeds from the first real estate project for growth for second & ongoing real estate projects of the partnership, receiving no consideration or fees for this, and J.C. would source the second & ongoing real estate projects of the partnership receiving no consideration or fees for this.
- y) Respondent Mowen prior to the increase of the partnership monies to the pre-agreed amount of \$300k, within the first several months of forming the real estate partnership, only having an increase of \$37k, both C.W. & J.C. jointly and individually attempted to coerce Respondent Mowen to prematurely acquire the first project, pressuring Respondent Mowen to provide the balance of the monies needed from his own financial resources.
- z) Respondent Mowen reminded C.W. and J.C. of their mutually agreed strategy, now under the charge of Respondent Mowen's responsibilities within their real estate partnership, once again declined their pressured requests that Mowen provide the balance of monies to their first real estate project.
- aa) Respondent Mowen was confronted by both C.W. & J.C. jointly and individually, applying severe pressure, even threatening Respondent Mowen to 'buckle' to their demands, meaning that Respondent Mowen better do as they demanded 'or else' they would cause problems for Respondent Mowen.
- bb) Respondent Mowen was truly upset about their tactics, but chose to remain steadfast in his responsibilities and mutually agreed upon commitments and decisions to their real estate partnership.
- cc) Respondent Mowen entered in to such real estate partnership in good faith and conscious with C.W. and J.C., never imaging that there would be any adversarial efforts initiated by his partners to his own personal and professional peril and detriment.
- dd) Respondent Mowen has been adversely impacted by the decisions and actions of both C.W. & J.C. Mowen at this writing of this answer to the O.S.C. has been terminated from his Isagenix distributorship that was making over \$100,000 per year as a direct result of the allegations made by

C.W. & J.C. asserted in the O.S.C. Mowen believes that this termination now has placed both C.W. & J.C. in an advantageous position within Isagenix.

- ee) Respondent Mowen has been informed that C.W. & J.C. are actively campaigning in an effort to share certain sensitive and yet to be proven information in connection with this proceeding, that either in the process of this proceeding or upon proven false may be considered both libelous and slanderous.
- ff) Respondent Mowen believes that both C.W. & J.C. may have taken advantage of their position in their real estate partnership by completing the first real estate acquisition independently without regard or remuneration to their real estate partnership or Mowen.
- gg) Respondent Mowen now finds himself in this action initiated by C.W. & J.C. as a result of their real estate partnership.

SUMMARY STATEMENT OF WHY THE RELIEF SHOULD BE GRANTED

Respondent Mowen did not at any time initiate, make, affirm or support any communications in connection with any offer, sale or purchase of any security, directly or indirectly. Prior to any approach by C.W. &/or J.C. to Respondent Mowen, Mowen never did make any assertion directly to them about his expertise in such real estate or financial matters. Any knowledge of Respondent Mowen's background or particular abilities were garnered by C.W. & J.C. as a result of previously exchanged communications where such things were done for the purposes as an Isagenix Distributor, Mowen's bio was provided to C.W. & J.C. for information purposes to be included on a website created and managed exclusively by them.

Respondent Mowen has in good faith and conscious executed his mutually agreed upon duties and responsibilities within the context of Mowen's real estate partnership with C.W. & J.C. Respondent Mowen has never utilized partnership monies for his own purposes without consideration to the partnership and the partnership stated purposes and strategies.

Therefore, Mowen did not employ any device, scheme, or artifice to defraud; did not make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; nor did he engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person under any of the definitions of the statute. See U.C.A 1953 61-1-1.

ANSWERS TO ENUMERATED PARAGRAPHS IN O.S.C.

Respondent Mowen hereby first enters a general denial of the allegations against him. Note: Respondent's Mowen general denials refer to denial of any possible connections or knowledge of those enumerated allegations and all the allegations in general, but is neither affirming nor denying the specific allegations which should not be directed at him personally.

1. Respondent Mowen reserves the right to challenge jurisdiction subsequent to any factual findings in the O.S.C. hearing
2. Respondent admits.
3. Respondent has reasonable basis to believe that the statement enumerated as 3 is a true statement.
4. Deny. Respondent did not solicit any amount of monies, directly or in connection with anyone else from a C.W. &/or J.C.
5. Deny as written. It is Mowen's sense that C.W. may have known Respondent Ward since or about March 1999 in Ward's capacity as a Senior Project Manager for USANA Corporation, during which time C.W. was a distributor with USANA. Respondent Mowen did accompany Respondent Ward in many USANA events in her duties as Senior Project Manager. Respondent Mowen met with literally thousands of USANA distributors during this time. Respondent Mowen, under a consultative contract with USANA, wrote a Sense' Training System, in which Respondent Ward facilitated such system throughout the worldwide markets in which USANA operated. Respondent Mowen does not recall when he first met C.W. as it was thoroughly uneventful and remained so until such time as she pressured Respondent Ward to join Ward & Mowen in their Isagenix business. Respondent Mowen never was a distributor for USANA nor did he personally market their products.
6. Deny as written. Mowen is aware that Ward announced to the field distributors of USANA that she would not be renewing her 6 year consulting contract. Mowen was told by Ward that C.W. was pressuring her about her involvement in Isagenix. As a result of a business plan decided by Mowen and Ward that, Mowen and Ward were looking to assemble a core team to jump start their new Isagenix venture. As a result of this business plan Mowen knew that Ward did not approach C.W. directly regarding her involvement in Isagenix. Ward described to Mowen the tactics utilized by C.W. to pressure Ward to become a part of that core team. Ward agreed to allow C.W. to join Mowen and Ward's Isagenix business.
7. No basis to admit or deny, so deny generally. Mowen can not know what communications took place between Ward and C.W. Mowen knows of no such conversation between Ward and C.W. If such a conversation did take place it would be typical, even expected that Ward would have informed Mowen of any such conversation. No such disclosure was made to Mowen by Ward. Mowen knew of no pending real estate purchase by C.W, from either Ward or C.W. Mowen knew nothing of a pending stock sale from either Ward or C.W.
8. No basis to admit or deny, so deny generally. Mowen can not know what communications took place between Ward and C.W. Mowen does not recall Ward ever referring to Mowen as being "brilliant with money". Mowen does not recall any multi-line "conference" call

involving all four of Mowen, Ward, J.C. & C.W. at the same time regarding anything discussion other than that of their respective Isagenix business, it certainly did not involve any of the alleged investment dealings in the O.S.C.

9. Deny. No such conference call ever took place between Mowen, Ward, C.W. & J.C. Mowen did not refer to himself as an international banker who worked in international markets in such a conversation. Mowen did not detail his personal or professional schedule in such a conversation. Mowen never referred to his investment successes or any doubling of money in connection with investment activities. Mowen never spoke of any investments or investment services in connection with Isagenix.
10. Deny. Mowen was aware of the distributor "bio" that was previously shared at the request of C.W. & J.C. for the website in which they were the sole authors and creators. Only the information and representations in the "bio" were authorized by Mowen to be used in relation to the Isagenix distributorship team and not as to any investment or recommendation for investment of any kind.
11. Deny. Mowen told C.W. that he did not make any investments, investment decisions, or investment recommendations other than for himself or his own family.
12. Deny. Mowen knew nothing of C.W. withdrawing "IRA" monies. Mowen never agreed to make any investments for C.W.
13. Deny as written. Mowen suggested elements of a Letter of Understanding between them for purposes of their real estate partnership and their respective responsibilities.
14. No basis to admit or deny.
15. Deny as written. C.W. was completing her commitment to the real estate partnership by providing the initial partnership monies. C.W. transferred these partnership monies to Mowen as per their agreement of their respective responsibilities.
16. Deny. Mowen never referred to 'certain' blocks of money needed or necessary to get into lucrative international markets. Mowen never detailed or outlined his proprietary strategies for managing the partnership monies for growth in such language or terminology.
17. Deny as written. Mowen was providing an approximate account balance of the partnership monies in relationship to his responsibilities in their real estate partnership.
18. Deny as written. Mowen was made aware of a C.W.'s premature desire to acquire this first real estate project for the real estate partnership. Mowen, C.W. & J.C. did not agree to the timing of this acquisition as the account had not reached the predetermined amount for the first acquisition of the real estate partnership. C.W. did not have any 'personal' monies placed with Mowen in connection to any investment of which to return to her personal account.

Mowen did have day to day access to the real estate partnership monies so as to affect his responsibilities within the real estate partnership.

19. Deny as written. Mowen's did not respond to the aforementioned email with this referenced email. C.W. did not have any 'personal' monies placed with Mowen in connection to any investment of which to return to her personal account.
20. Deny as written. C.W. did not have any 'personal' monies placed with Mowen in connection to any investment of which to return to her personal account.
21. Deny as written. C.W. did not have any 'personal' monies placed with Mowen in connection to any investment of which to return to her personal account.
22. Deny as written. C.W. did not have any 'personal' monies placed with Mowen in connection to any investment of which to return to her personal account.
23. Deny as written. C.W. did not have any 'personal' monies placed with Mowen in connection to any investment.
24. Deny as written. C.W. did not have any 'personal' monies placed with Mowen in connection to any investment that Mowen referred to any supposed earnings of C.W.
25. Deny as written. C.W. did not have any 'personal' monies placed with Mowen in connection to any investment.
26. Deny as written. C.W. did not have any 'personal' monies placed with Mowen in connection to any investment of which could have been considered spent.
27. Deny as written. C.W. did not have any 'personal' monies placed with Mowen in connection to any investment.
28. No response required, so deny generally.
29. Not a factual allegation, so deny generally.
30. Deny. C.W. did not have any 'personal' monies place with Mowen in connection to any investment of which Mowen would need to disclose as an investment advisor of some kind. Mowen did have conversations with both C.W. & J.C. disclosing to them as partners in their real estate partnership of certain legal actions taken against him by the state of Utah, including civil action against him in connection with failed business ventures. Refer to statement of facts contained in this answer.
31. Deny. C.W. did not have any 'personal' monies place with Mowen in connection to any investment of which Mowen would need to disclose as an investment advisor of some kind. Mowen made no statements or representations with respect to any offer and sale of a security to C.W. and J.C. Mowen only made statements to C.W. and J.C. with respect to their Isagenix business and to their real estate partnership.

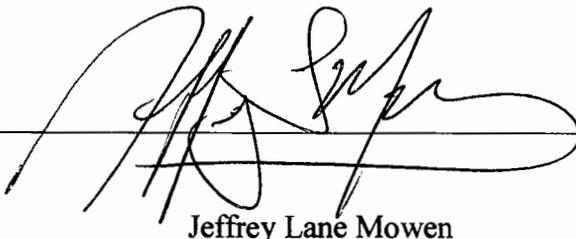
- a. Deny. C.W. did not have any 'personal' monies place with Mowen in connection to any investment of which Mowen made any representations of any kind.
 - b. No basis to admit or deny, so deny generally. Mowen can not know what communications took place between Ward and C.W. Mowen does not recall Ward ever referring to Mowen as being "brilliant with money". C.W. did not have any 'personal' monies place with Mowen in connection to any investment of which Mowen made any representations of any kind.
 - c. Deny. Mowen never spoke of investments in connection with Isagenix. C.W. did not have any 'personal' monies place with Mowen in connection to any investment of which Mowen made any representations of any kind.
 - d. Deny. C.W. did not have any 'personal' monies place with Mowen in connection to any investment of which Mowen made any representations of any kind.
 - e. Deny. Mowen never referred to a 'construction company' that he owned with another individual. C.W. did not have any 'personal' monies place with Mowen in connection to any investment of which Mowen made any representations of any kind.
 - f. Deny. C.W. did not have any 'personal' monies place with Mowen in connection to any investment of which Mowen made any representations of any kind.
32. Not a factual allegation, so deny generally.

ADDITIONAL FACTS OR RELEVANT DOCUMENTS REQUESTED

Respondent objects to what appears to be a general discovery request but reserves that right to present or produce any relevant evidence, facts, or documentation in respect to his defense when specifically requested or called upon as needed.

Respectfully submitted, this 10th day of August, 2006

BY: _____


Jeffrey Lane Mowen

CERTIFICATE OF MAILING

I hereby certify that I mailed, postage prepaid, by USPS first class mail, a true and correct copy of the foregoing Answer to the O.S.C., this 10th day of August, 2006.

Or, (check and initial if appropriate)

_____ Hand Delivered

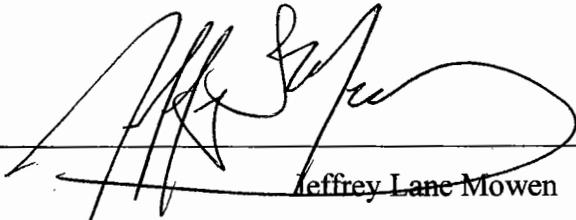
Jeff Buckner
160 East 300 South
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_____ Hand Delivered

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✓  Hand Delivered

Elizabeth Ward

BY: 
Jeffrey Lane Mowen