

Division of Securities
Utah Department of Commerce
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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:

JEFFERY LANE MOWEN; and
ELIZABETH MOWEN, aka ELIZABETH
WARD;

Respondents.

STIPULATION AND CONSENT
ORDER

Docket No. SD-06-0037
Docket No. SD-06-0038

The Utah Division of Securities (Division), by and through its Director of Enforcement, Michael Hines, and Jeffery Lane Mowen (Mowen) hereby stipulate and agree as follows:

1. Jeffery Lane Mowen and Elizabeth Ward were the subject of an investigation conducted by the Division into allegations that they violated certain provisions of the Utah Uniform Securities Act (the Act), Utah Code Ann. § 61-1-1, et seq, as amended.
2. In connection with that investigation, on June 29, 2006, the Division issued an Order to Show Cause to Jeffery Lane Mowen and Elizabeth Ward alleging that they committed securities fraud in violation of the Act.

3. Mowen and the Division have agreed to settle the matter by way of this Stipulation and Consent Order (Consent Order). The administrative action against Elizabeth Ward is currently pending.
4. Mowen is represented by attorney Michael T. Holje and is satisfied with the legal representation he has received.
5. Mowen admits the jurisdiction of the Division over Mowen and over the subject matter of this action.
6. Mowen waives any right to a hearing to challenge the Division's evidence and present evidence on Mowen's behalf.

THE DIVISION'S INVESTIGATIVE FINDINGS

From February through July 2006, the Division conducted an investigation of Jeffery Lane Mowen and Elizabeth Ward which revealed the following:

7. Jeffery Lane Mowen resides in Utah County, Utah.
8. Elizabeth Ward (Ward) resides in Utah County, Utah.
9. In July 2005, Mowen and Ward solicited \$200,000 in Utah from Washington residents, J. C. and C. W., husband and wife. Mowen told the investors he would invest their money in currency, international markets, and stock, using his connections in international banking.

10. J. C. and C. W. had known Mowen and his wife, Ward, since 2000 because they all sold products for USANA Health Sciences, Inc., a Utah based, multi-level, network marketing company.
11. In approximately April 2005, Ward told C. W. that she and Mowen would be selling for a new multi-level network marketing entity called Isagenix International (Isagenix). C. W. then became involved in Isagenix as part of Ward's downline at Isagenix.
12. During a telephone conversation with Ward, C. W. told Ward she was purchasing real property next to her home, but would not have enough money to close unless the value of the stock in her IRA increased. Closing was scheduled for the fall of 2005.
13. During these and other telephone conversations with Ward, Ward told C. W. that Mowen was "brilliant with money." Eventually, Mowen and J. C. joined the discussions between Ward and C. W.
14. Ward did not participate further in any "real estate" deal with Mowen.
15. When Mowen joined the telephone conversations, Mowen said he was an international banker who worked in currency markets. Mowen said he got up every day at 3 a.m. to watch the markets on-line and in real time, and had been extremely successful, even doubling his money on a good day. Mowen said he typically only traded for himself, his company, and his family, and had even declined a request to trade Isagenix's money.

16. Mowen also told J. C. and C. W. he was writing a book on prosperity; he and another person owned a large development / construction company; he earned his first million dollars in real estate by the age of 19, Robert G. Allen's books regarding investing in real estate were written using Mowen's investment methods; he worked directly with Mark Hughes, the owner of Herbalife, another multi-level marketing company to develop the first "autoship" program in the industry; he worked directly with Tony Robbins, a motivational speaker; and he was an importer of "gray market" cars in the 1980s.
17. C. W. told Mowen her money was in a self-directed IRA, and asked Mowen if he could "protect her money" as if it were in her IRA. Mowen told C. W. he could do that in several different ways, and would look into the best method.
18. C. W. decided to withdraw her money from her IRA so Mowen could make investments for her, and asked him to increase her money so she could purchase the real property next to her current home.
19. On July 18, 2005, Mowen sent C. W. an outline, via e-mail, of a "Letter of Understanding" between himself and C. W. The outline stated that Mowen would "handle all of the financial affairs, in particular our investing activities." The outline also stated that from July 18, 2005, through mid-October, Mowen would "include [C. W.'s] monies with his, treating it as the same." Finally, the outline stated that Mowen would "charge no fee and pass along all profits as personal support to [C. W.]"

20. On July 19 and 21, 2005, C. W. withdrew \$99,000 and \$101,000, respectively, from her IRA at Ameritrade, and immediately transferred the money to her account at Inland Northwest Bank.
21. On July 22, 2005, C. W. invested with Mowen by sending \$200,000, via wire transfer from Inland Northwest Bank, to Mowen's account at US Bank in Pleasant Grove, Utah.
22. After C. W. invested with Mowen, Mowen said he was adding her \$200,000 to his \$800,000 to form a million dollar block of money. Mowen said to get into the lucrative international markets he had to work with large blocks of money.
23. On November 30, 2005, Mowen sent C. W. an e-mail, stating that her monthly return had been "just shy of 5%," and the total amount in her account was \$237,000.
24. On Wednesday, December 21, 2005, C. W. sent Mowen an e-mail, requesting that her money be returned by Tuesday or Wednesday of the following week. C. W. needed the money to close on the real property. C. W. included account and routing information for her bank, in anticipation of Mowen returning her money via wire transfer.
25. On Thursday, December 29, 2005, Mowen responded to C. W.'s e-mail and explained that he had not returned her money because his bank froze his account after his "travel consolidator" debited his account several times for the same plane tickets, leaving his account with a negative balance.

26. On January 10, 2006, Mowen sent C. W. an e-mail explaining that problems created by the Patriot Act prevented him from sending her money.
27. Mowen continued to give C. W. excuses as to why he could not return her money.
28. Bank records reveal that from July 22, 2005 to November 1, 2005, Mowen used C. W.'s money to pay the following personal expenses: credit card payments of \$15,891.21; automobile related expenses of \$4,290.77; a \$100,000 payment to a prior investor; cash withdrawals of \$29,289; \$12,126.65 for food and entertainment; \$21,270.48 for uncategorized miscellaneous expenses; \$2,989.84 to pay utilities; and \$1,636.33 for travel.
29. On June 28, 2006, Mowen was criminally charged in Utah's Fourth District Court, Utah County, with one count of securities fraud, and one count of theft, both second degree felonies, in connection with the matters asserted in this Order to Show Cause.
30. On May 9, 2007, Mowen pleaded guilty to the theft count, reduced to a third degree felony, and the securities fraud count was dismissed.
31. On June 20, 2007 Mowen was sentenced to 0 to 5 years in the Utah State Prison, which was suspended, and to 210 days in the Utah County Jail, which he completed on February 20, 2008. Mowen was ordered to pay the victims full restitution, ordered to pay the court \$950 in fines, and placed on probation for 36 months.

32. On June 20, 2007, Mowen paid full restitution to J. C. and C. W. in the amount of \$224,666.67 (including interest).

Securities Fraud

33. In connection with the offer and sale of a security to investors, Mowen failed to disclose or provide material information to investors, including, but not limited to, the following, which was necessary in order to make representations made not misleading:
- a. That in June 2004, Mowen pleaded guilty to two counts of securities fraud (class A misdemeanors) in Utah County, Utah, was ordered to pay restitution of \$10,000, and was still on probation as a result of those violations;
 - b. That in June 2004, Mowen pleaded guilty to a single count of securities fraud (third degree felony) in Davis County, Utah, and was ordered to pay restitution of \$23,000;
 - c. That in June 2004, Mowen pleaded guilty to giving false information to a police officer and another misdemeanor, in Utah County, Utah, and was fined a total of \$125;
 - d. That Mowen owed \$78,630 in outstanding civil judgments from 12 separate civil actions;

- e. That Mowen would use C. W.'s money to make credit card payments, to pay a prior investor, to pay for travel expenses, to pay for food and entertainment, and to withdraw as cash for unknown uses;
 - f. Mowen's track record with prior investors;
 - g. The true risk involved in the investment;
 - h. The number of other investors;
 - I. Whether the investment was a registered securities or exempt from registration;
 - j. The liquidity of the investment; and
 - k. That Mowen was not licensed to sell securities.
34. In connection with the offer and sale of a security to J. C. and C. W., Mowen made the following false statements:
- a. That he could keep her investment as protected as if it was in her IRA. Given Mowen's criminal history, his outstanding civil judgments, the fact that he had failed to pay a prior investor, and that he had no money in his own account when C. W. invested, Mowen had no reasonable basis on which to make this representation;
 - b. Mowen told J. C. and C. W. that Isagenix asked him to trade its money in the currency market. Given Mowen's criminal history, his outstanding civil judgments, the fact that he had failed to pay a prior investor, and that he had no

money in his own account when C. W. invested, Mowen had no reasonable basis on which to make this representation;

- c. Mowen told J. C. and C. W. that he was an international banker. Given Mowen's criminal history, his outstanding civil judgments, the fact that he had failed to pay a prior investor, and that he had no money in his own account when C. W. invested, Mowen had no reasonable basis on which to make this representation;
- d. Mowen told J. C. and C. W. that he owned a construction company with another individual. Given Mowen's criminal history, his outstanding civil judgments, the fact that he had failed to pay a prior investor, and that he had no money in his own account when C. W. invested, Mowen had no reasonable basis on which to make this representation; and
- e. Mowen told J. C. and C. W. that he made his first million dollars by the age of 19. Given Mowen's criminal history, his outstanding civil judgments, the fact that he had failed to pay a prior investor, and that he had no money in his own account when C. W. invested, Mowen had no reasonable basis on which to make this representation.

THE DIVISION'S CONCLUSIONS

35. Based on the Division's investigative findings, the Division concludes that:

- a. The investment opportunity offered and sold by Mowen is a security under § 61-1-13 of the Act; and
 - b. Mowen violated § 61-1-1 of the Act by omitting material facts and making misrepresentations of material fact in connection with the offer and sale of a security.
36. Mowen admits the substance of the Division's investigative conclusions and consents to the Division entering an Order:
 - a. Requiring Jeffery Lane Mowen to cease and desist from engaging in any further conduct in violation of the Utah Securities Act; and
 - b. Requiring Jeffery Lane Mowen to pay a fine of fifty thousand dollars (\$50,000) to the Division. Forty-five thousand dollars (\$45,000) of the fine will be waived so long as Mowen violates no provision of the Act for a period of three years. The three-year period will run concurrently with his probation in Case No. 061402489 unless terminated earlier. If Mowen violates the Act within the three-year period, the entire amount of the suspended fine will become due within one month of the Division's prevailing in an action to prove that violation. The remaining fine of \$5,000 is due to the Division upon execution of this Stipulation and Consent Order.

37. Mowen acknowledges that this Consent Order, upon approval by the Division Director, shall be the final compromise and settlement of this matter. Mowen further acknowledges that if the Division Director does not accept the terms of the Consent Order, it shall be deemed null and void and without any force or effect whatsoever.
38. Mowen acknowledges that the Consent Order does not affect any civil or arbitration causes of action that third parties may have against Mowen arising in whole or in part from his actions, and that the Consent Order does not affect any criminal cause of action that a prosecutor might bring.
39. This Consent 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 Consent Order in any way.
40. Mowen represents that any information he has provided to the Division is accurate and complete.
41. Violation of this Consent Order is a third degree felony pursuant to § 61-1-21(1) of the Act.
42. Mowen has read this Consent Order, understands its contents, and enters into this Consent Order voluntarily. No promises or threats have been made by the Division, nor by any member, officer, agent, or representative of the Division other than as contained herein, to induce Mowen to enter into this Consent Order.

Utah Division of Securities

Date: 6/10/08

By: [Signature]

Michael Hines
Director of Enforcement

Approved:

[Signature]
Jeff Buckner

Assistant Attorney General

Respondent Mowen

Date: 6-1-08

[Signature]
Jeffery Lane Mowen

[Signature]

Michael T. Holje
Attorney representing Mowen

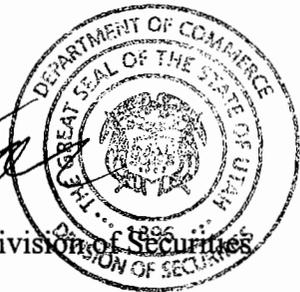
ORDER

Pursuant to the terms of the Stipulation and Consent Order defined above, the Director of the Utah Division of Securities hereby orders that:

- a. Jeffery Lane Mowen CEASE and DESIST from engaging in any further conduct in violation of the Utah Securities Act; and
- b. Jeffery Lane Mowen pay a fine of fifty thousand dollars (\$50,000) to the Division, forty-five thousand dollars (\$45,000) of which will be waived so long as Mowen violates no provision of the Act for three years from the execution of the Stipulation and Consent Order. The three-year period will run concurrently with his probation in Case No. 061402489 unless terminated earlier. If Mowen violates the Act within the three-year period, the entire amount of the suspended fine will become due within one month of the Division's prevailing in an action to prove that violation. The remaining fine of \$5,000 is due to the Division upon execution of the Stipulation and Consent Order.

DATED this 20th day of June, 2008.


THAD LEVAR
Acting Director, Utah Division of Securities



Certificate of Mailing

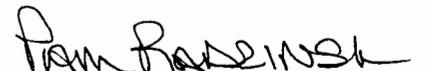
I, certify that on the 25th day of JUNE, 2008, I served, by certified mail, a true and correct copy of the Stipulation and Consent Order to:

Jeffery Lane Mowen
125 E Main Street Ste 411
American Fork, UT 84003

Certified Mailing No. 70070710000302081921

Michael T. Holje (Attorney representing Mowen)
Brown & Moffat, LLP
10 West Broadway, Suite 210
Salt Lake City, Utah 84101

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Executive Secretary