

Division of Securities  
Utah Department of Commerce  
160 East 300 South  
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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

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IN THE MATTER OF:

AMERICAN MORTGAGE ALLIANCE, INC;  
NATIONAL MORTGAGE ALLIANCE, LLC;  
REAL-PRINTS, INC.;  
ROBERT MICHAEL FAIN;  
**DARON WILSON LEBLANC;**  
ANTONIUS "TONY" MARIA VERSTEEG;

Respondents.

STIPULATION AND CONSENT  
ORDER

Docket No. SD-07-0040  
Docket No. SD-07-0041  
Docket No. SD-07-0042  
Docket No. SD-07-0043  
**Docket No. SD-07-0044**  
Docket No. SD-07-0045

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The Utah Division of Securities (the Division), by and through its Director of Enforcement, Michael Hines, and Daron Wilson LeBlanc (LeBlanc or Respondent) hereby stipulate and agree as follows:

1. Daron Wilson LeBlanc, American Mortgage Alliance, Inc., National Mortgage Alliance, LLC, Real-Prints, Inc., Robert Michael Fain, and Antonius Maria Versteeg were the subject of an investigation conducted by the Division into allegations that the

Respondents 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 6, 2007, the Division issued an Order to Show Cause to Daron Wilson LeBlanc, American Mortgage Alliance, Inc., National Mortgage Alliance, LLC, Real-Prints, Inc., Robert Michael Fain, and Antonius Maria Versteeg, alleging that they committed securities fraud, and sold unregistered securities without a license, all in violation of the Act.
3. LeBlanc and the Division have agreed to settle this matter by way of this Stipulation and Consent Order (Consent Order). On August 2, 2007, the Division held American Mortgage Alliance, Inc. and National Mortgage Alliance, LLC in default for failing to file a response to the June 2007 Order to Show Cause. On February 4, 2008, the Division and Versteeg settled the administrative action by entering into a Stipulation and Consent Order. On April 28, 2008, the Division and Real-Prints, Inc., and Robert Michael Fain settled the administrative action by entering into a Stipulation and Consent Order.
4. On October 5, 2007, LeBlanc entered a guilty plea to two counts of securities fraud (Class A Misdemeanors), in State v. Daron W. LeBlanc, case number 071903448, 3<sup>rd</sup> District Court, Salt Lake County, for the same conduct alleged in the Division's administrative action against LeBlanc. LeBlanc was sentenced on November 9, 2007, and ordered to pay \$39,370 in restitution (plus interest) to the victim (M. S.), placed on probation for 36

months, and ordered to complete 100 hours of community service. LeBlanc was also sentenced to two indeterminate terms not to exceed five years in the Utah State Prison, but the prison terms were both suspended.

5. LeBlanc has voluntarily chosen to proceed without counsel in this matter.
6. LeBlanc admits the jurisdiction of the Division over LeBlanc and over the subject matter of this action.
7. LeBlanc waives any right to a hearing to challenge the Division's evidence and present evidence on LeBlanc's behalf.

#### THE DIVISION'S INVESTIGATIVE FINDINGS

From May through June 2007, the Division conducted an investigation into this matter that revealed the following:

8. Daron Wilson LeBlanc resides in Utah County, Utah, and was a manager and member of National Mortgage Alliance, LLC.
9. National Mortgage Alliance, LLC (National Mortgage) was registered as a Utah limited liability company on May 21, 2002, but its corporate status expired on October 1, 2003. National Mortgage was located at 141 East 5600 South, Suite 204, Murray, Utah. Robert Michael Fain, Daron Wilson LeBlanc, and Tony Maria Versteeg, were managers and members of National Mortgage, and Tony Maria Versteeg was also the registered agent.

10. American Mortgage Alliance, Inc. (American Mortgage) was registered as a Utah corporation on December 22, 1997, but its corporate status expired on July 11, 2001. American Mortgage was located at 143 East 4800 South, Murray, Utah. Dianne Versteeg was the director, president, and registered agent of American Mortgage, and Tony Maria Versteeg was its secretary.
11. Robert Michael Fain (Fain) resides in Salt Lake County, Utah, and was a manager and member of National Mortgage, and the sole director and officer of Real-Prints.
12. Tony Maria Versteeg (Versteeg) resides in Salt Lake County, Utah, and was the secretary for American Mortgage, a manager and member of National Mortgage, as well as its registered agent.

Investor M. S.

13. In May 2002, LeBlanc offered M. S. an investment opportunity in American Mortgage while at their place of employment in Salt Lake County.
14. LeBlanc told M. S. the following about the investment opportunity in American Mortgage:
  - a. That American Mortgage generated leads for mortgage loans and refinances from kiosks placed in shopping malls;
  - b. That American Mortgage had a great group of people selling the loans and the company would generate a profit;

- c. That American Mortgage was a start-up company;
  - d. That American Mortgage's principals were LeBlanc, Fain, and Versteeg, and they had all invested their own money with the company;
  - e. That American Mortgage needed investor money for operating capital to get things started;
  - f. That the kiosks placed in malls would generate mortgages, or the leads could be sold to other mortgage brokers; and
  - g. The investment was 100% guaranteed and there was no risk involved because M. S. would receive his principal plus 20%.
15. LeBlanc failed to tell M. S., among other things, that one of American Mortgage's principals, Fain, had a criminal history involving securities fraud, and that American Mortgage's corporate status had expired in 2001.
16. LeBlanc told M. S. that American Mortgage needed M. S. to invest \$14,000.
17. M. S. told LeBlanc he had no money to invest.
18. LeBlanc suggested M. S. take out a second mortgage on his home, and said the investment in American Mortgage would generate a monthly payment large enough to cover M. S.'s second mortgage, with a little extra left over.

19. On May 13, 2002, LeBlanc drove M. S. to a Key Bank in Salt Lake County to arrange the second mortgage on M. S.'s home. LeBlanc remained with M. S. while the loan officer processed the second mortgage.
20. While still at the bank, M. S. was approved for a \$14,000 loan.
21. M. S. received a cashier's check from the bank for \$14,000 and gave it to LeBlanc while still at the bank.
22. LeBlanc drove M. S. from the bank to American Mortgage's offices in Murray, Utah, and introduced him to Fain and Versteeg.
23. At American Mortgage's offices, M. S. saw the investment contracts for the first time. One contract was entitled "Advance of Dividends Agreement" (Agreement 1), and the second was entitled "Pre-Determined Dividend Agreement" (Agreement 2).
24. Agreement 1 states that American Mortgage will pay M. S. an advance of dividends in the amount of \$152.50 per month. It also states that payments made to M. S. pursuant to Agreement 1 will be treated as Pre-Determined Dividend payments under Agreement 2. Agreement 1 was signed by Fain, LeBlanc, Versteeg, and M. S. on May 13, 2002.
25. Agreement 2 states that M. S. will receive a return of his principal plus 20% annual interest, but provides no maturity date. Agreement 2 was signed by Fain, LeBlanc, Versteeg, and M. S. on May 14, 2002, at American Mortgage's offices.

26. During M. S.'s subsequent conversations with LeBlanc, LeBlanc pressured M. S. for names of others who might be interested in investing in American Mortgage. M. S. mentioned that his parents might be interested.
27. M. S. told his parents, L. S. and J. S., about the investment opportunity in American Mortgage.
28. On or about June 11, 2002, M. S. and his parents met with LeBlanc in San Juan County, Utah, where M. S.'s parents made their first investment. M. S.'s parents' investments are discussed in more detail below.
29. Shortly after June 11, 2002, LeBlanc approached M. S. and asked him to invest more money in American Mortgage. LeBlanc said "we gotta have this money so we don't go under."
30. LeBlanc suggested that M. S. increase the amount of his second mortgage at Key Bank and invest the money in American Mortgage.
31. In June 2002, M. S. arranged to have his second mortgage increased by \$22,000, and of the \$22,000, M. S. invested \$16,000 in American Mortgage.
32. The same day, M. S. met with LeBlanc, Fain, and Versteeg at American Mortgage where they all signed a new Advance of Dividends Agreement, with the exact same terms as M. S.'s first investment for \$14,000 (return of principal plus 20% annual interest with no maturity date).

33. After investing in May and June 2002, M. S. received only two dividend checks from American Mortgage, which together totaled \$230.
34. When American Mortgage continued to miss monthly dividend payments, M. S. contacted LeBlanc and Versteeg. LeBlanc promised to pay M. S. back.
35. On December 19, 2006, M. S. received an e-mail from LeBlanc, acknowledging that he owed M. S. money and promising to pay M. S. one-third of what he invested. In the e-mail, LeBlanc tells M. S. that “by spring of ‘07 I will start a monthly repayment until my share of the debt is re-paid.”
36. M. S. received no additional return of principal or interest on his investment in American Mortgage.

Investors L. S. and J. S., Wife and Husband

37. In June 2002, LeBlanc offered L. S. and J. S. an investment opportunity in National Mortgage while meeting in their home in San Juan County, Utah. L. S. and J. S. met LeBlanc through their son M. S.
38. At the meeting, LeBlanc used his computer to show L. S. and J. S. several spreadsheets for American Mortgage which showed things like estimated gross revenue from “Live Contacts,” estimated gross income by “lead rate,” and estimated monthly and annual returns based upon the number of malls with an American Mortgage kiosk.
39. LeBlanc told L. S. and J. S. the following about National Mortgage:

- a. That National Mortgage planned to put kiosks in malls to gather leads for mortgage loans;
- b. That National Mortgage planned to offer a prize drawing to anyone who filled out an interest card for a new mortgage;
- c. That National Mortgage would follow up on the leads and process some of the loans, while others would be sold to an existing market;
- d. That LeBlanc had no doubt he could sell the leads as “they” had done something similar in the past;
- e. That National Mortgage planned to expand its kiosk operation into Las Vegas, Nevada within two months;
- f. That L. S. and J. S. would receive 20% annual interest on their investment, and if things went well, it would generate a monthly income;
- g. That National Mortgage was a start-up company;
- h. That National Mortgage’s principals were LeBlanc, Fain, and Versteeg;
- i. That National Mortgage had been raising money and had several investors including LeBlanc’s parents; and
- j. If L. S. and J. S. were unhappy with the investment after a few months, they could get their money back.

40. LeBlanc failed to tell L. S. and J. S., among other things, that one of National Mortgage's principals, Fain, had a criminal history involving securities fraud.
41. LeBlanc asked L. S. and J. S. to invest \$10,000 in National Mortgage.
42. L. S. told LeBlanc that she and her husband would not invest unless it was guaranteed and had no risk.
43. LeBlanc told L. S. they would "do it her way" and guarantee their investment.
44. On June 11, 2004, L. S. and J. S. invested \$10,000 in National Mortgage using money borrowed on their home equity line of credit.
45. In return for L. S.'s and J. S.'s investment, National Mortgage mailed L. S. and J. S. an investment contract entitled "Pre-Determined Dividend Agreement" (the Agreement) which stated that L. S. and J. S. would receive a return of their investment plus 20% annual interest, but provided no maturity date.
46. The Agreement was dated June 11, 2002, and appears to have been signed by Fain, LeBlanc, and Versteeg.
47. On or about November 26, 2002, L. S. received a letter from LeBlanc on American Mortgage letterhead. The letter states that American Mortgage completed 13 closings in October and 15 in November.
48. In the Fall of 2003, L. S. met with LeBlanc and Fain in Salt Lake City, and asked for her money back.

49. LeBlanc told L. S. they would pay her back.
50. L. S. and J. S. received no payment of principal or interest from their investment in National Mortgage.

Securities Fraud

51. In connection with the offer and sale of a security to Utah investors, LeBlanc made false statements, including, but not limited to, the following:
  - a. LeBlanc told M.S. American Mortgage generated leads for mortgage loans and refinances from kiosks placed in shopping malls;
  - b. LeBlanc told M.S. American Mortgage had a great group of people selling the loans and the company would generate a profit;
  - c. LeBlanc told M.S. American Mortgage's principals had all invested their own money with the company;
  - d. LeBlanc told M.S. American Mortgage needed investor money for operating capital to get things started;
  - e. LeBlanc told M.S. the investment was 100% guaranteed and there was no risk involved because M. S. would receive his principal plus 20%.
  - f. LeBlanc told M.S. National Mortgage planned to put kiosks in malls to gather leads for mortgage loans;

- g. LeBlanc told L. S. and J. S. National Mortgage would follow up on the leads and process some of the loans, while others would be sold to an existing market;
  - h. LeBlanc told L. S. and J. S. LeBlanc had no doubt he could sell the leads as “they” had done something similar in the past;
  - i. LeBlanc told L. S. and J. S. National Mortgage planned to expand its kiosk operation into Las Vegas, Nevada within two months;
  - j. LeBlanc told L. S. and J. S. they would receive 20% annual interest on their investment, and if things went well, it would generate a monthly income;
  - k. LeBlanc told L. S. and J. S. National Mortgage had been raising money and had several investors including LeBlanc’s parents; and
  - l. LeBlanc told L. S. and J. S. if were unhappy with the investment after a few months, they could get their money back.
52. In connection with the offer and sale of securities to investors, LeBlanc failed to disclose material information to investors, including, but not limited to, the following, which was necessary in order to make representations made not misleading:
- a. That Fain had \$40,692 in outstanding civil judgments against him;
  - b. That in 1996 Fain was charged with multiple felony violations of the Utah Uniform Securities Act, and pleaded guilty to 5 counts of securities fraud and 14

counts of sale of an unregistered security. In February 1997, Fain was sentenced to 0-5 years in prison and ordered to pay \$308,850 in restitution;

- c. That in 1992, Fain petitioned for personal bankruptcy;
- d. That LeBlanc and Versteeg had been sued several times and had several judgments filed against them;
- d. That American Mortgage's corporate status had expired in July 2001, almost one year before M. S. invested in American Mortgage;
- e. That the Pre-Determined Divided Agreements and promissory notes were securities that should have been registered with the Division;
- f. Some or all of the information typically provided in an offering circular or prospectus regarding American Mortgage Alliance, Inc., and National Mortgage Alliance, LLC (the Companies), such as:
  - i. The business and operating history for the Companies;
  - ii. The principals' experience in the mortgage industry;
  - iii. Financial statements for the Companies;
  - iv. The market for the Companies' product(s);
  - v. The nature of the competition for the product(s);
  - vi. Each Company's current capitalization;
  - vii. A description of how the investment would be used by the Companies;

- viii. The track record of the Companies to investors;
- ix. Risk factors for investors;
- x. The number of other investors;
- xi. The minimum capitalization needed to participate in the investment;
- xii. The disposition of any investments received if the minimum capitalization were not achieved;
- xiii. The liquidity of the investment;
- xiv. Discussion of pertinent suitability factors for the investment;
- xv. The proposed use of the investment proceeds;
- xvi. Any conflicts of interest the issuer, the principals, or the agents may have with regard to the investment;
- xvii. Agent commissions or compensation for selling the investment;
- xviii. Whether the investment is a registered security or exempt from registration; and
- xix. Whether the person selling the investment is licensed.

#### Fraudulent Practices

53. LeBlanc engaged in acts, practices, or courses of business that operate or would operate as a fraud or deceit on M. S. and L. S. including, but not limited to, the following:

- a. LeBlanc suggesting that M. S. take out a second mortgage on his home to obtain investment money, driving M. S. to the bank, and then remaining with M. S. until the loan is processed and M. S. hands LeBlanc the check;
- b. LeBlanc pressuring M. S. to find additional investors for American Mortgage;
- c. LeBlanc telling M. S., after M. S. and his parents had already invested, that if M. S. cannot invest more money, American Mortgage will “go under;” and
- d. LeBlanc informing L. S., five months after her initial investment, that American Mortgage completed 13 closings in October and 15 in November, to pacify her temporarily and improve the likelihood of obtaining more money from L. S. in the future.

#### Registration and Licensing Violations

54. LeBlanc offered and sold securities in or from this state.
55. The securities offered and sold by LeBlanc were not registered under the Act, and LeBlanc did not file any claim of exemption relating to the securities.
56. When offering and selling securities on behalf of American Mortgage and National Mortgage, LeBlanc was acting as an agent of an issuer.
57. LeBlanc has never been licensed to sell securities in Utah as an agent of these issuers, or any other issuer.

THE DIVISION'S CONCLUSIONS

58. Based on the Division's investigative findings, the Division concludes that:
- a. The investment contracts and guarantees offered and sold by LeBlanc are securities under § 61-1-13 of the Act; and
  - b. LeBlanc violated § 61-1-1 of the Act by making misrepresentations of material fact and omitting to state material facts in connection with the offer and sale of a security, and by engaging in acts, practices, or courses of business that operate or would operate as a fraud or deceit on M. S. and L. S.;
  - c. LeBlanc violated § 61-1-7 of the Act by offering and selling unregistered securities in Utah; and
  - d. LeBlanc violated § 61-1-3 of the Act by offering and selling securities in Utah without a license.
59. LeBlanc admits the substance of the Division's investigative conclusions and consents to the Division entering an Order:
- a. Requiring LeBlanc to cease and desist from engaging in any further conduct in violation of the Utah Securities Act.
  - b. Requiring LeBlanc pay a fine of fifty thousand dollars (\$50,000) to the Division, forty nine thousand dollars (\$49,000) of which will be suspended, so long as LeBlanc violates no provision of the Utah Securities Act for a period of three

years from the date this Order is executed. If at any time during the three year period, the Division discovers that LeBlanc violated the Act, the Division will give LeBlanc written notice of the violation, and the suspended fine will be due within one month of that notice. The remaining fine of one thousand dollars (\$1,000) is due to the Division by February 28, 2009.

60. LeBlanc acknowledges that this Consent Order, upon approval by the Division Director, shall be the final compromise and settlement of this matter. LeBlanc 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.
61. LeBlanc acknowledges that the Consent Order does not affect any civil or arbitration causes of action that third parties may have against LeBlanc 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.
62. 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.

63. LeBlanc represents that any information he has provided to the Division is accurate and complete, and if the Division finds otherwise, LeBlanc acknowledges that this Consent Order will be deemed null and void and without any force or effect whatsoever.
64. Violation of this Consent Order is a third degree felony pursuant to § 61-1-21(1) of the Act.
65. LeBlanc 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, to induce LeBlanc to enter into this Consent Order.

Utah Division of Securities

Respondent

Date:

1/26/09

Date:

1/11/09

By:

[Signature]  
Michael Hines  
Director of Enforcement

[Signature]  
Daron Wilson LeBlanc

Approved:

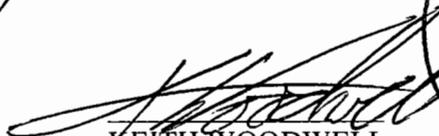
[Signature]  
Jeff Buckner  
Assistant Attorney General

**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. Daron Wilson LeBlanc CEASE and DESIST from engaging in any further conduct in violation of the Utah Securities Act.
- b. Daron Wilson LeBlanc pay a fine of fifty thousand dollars (\$50,000) to the Division, forty nine thousand dollars (\$49,000) of which will be suspended, so long as LeBlanc violates no provision of the Utah Securities Act for a period of three years from the date this Order is executed. If at any time during the three year period, the Division discovers that LeBlanc violated the Act, the Division will give LeBlanc written notice of the violation, and the suspended fine will be due within one month of that notice. The remaining fine of one thousand dollars (\$1,000) is due to the Division by February 28, 2009.

DATED this 20<sup>th</sup> day of January, 2008<sup>9</sup>.

  
KEITH WOODWELL  
Director, Utah Division of Securities



**CERTIFICATE OF MAILING**

I hereby certify that on the 21st day of January 2009, I mailed, by certified mail,  
a true and correct copy of the forgoing **Stipulation and Consent Order** to:

Daron Wilson LeBlanc  
719 South 590 East  
Orem UT 84097

Certified Mail: 7004 1160 0003 0196 3977



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Pam Radzinski  
Executive Secretary