Division of Securities
Utah Department of Commerce
160 East 300 South
Box 146760
Salt Lake City, UT 84114-6760
Telephone 801-530-6600

BEFORE THE DIVISION OF SECURITIES

OF THE DEPARTMENT OF COMMERCE OF THE STATE OF UTAH

IN THE MATTER OF:	**STIPULATION AND CONSENT ORDER**
ADAM J. ROBISON; CRD #4552999 **ROBISON HOLDINGS, INC;** MARK E. BARRICK Respondents.	**Docket No. SD-08-0048** **Docket No. SD-08-0049** Docket No. SD-08-0050

The Utah Division of Securities ("Division"), by and through its Compliance Section, and Adam J. Robison and Robison Holdings, represented by Jonathan O. Hafen, hereby stipulate and agree as follows:

1. Robison and Robison Holdings, Inc., ("Respondents") have been the subject of an investigation by the Division into allegations that Respondents violated the Utah Uniform Securities Act ("Act"), Utah Code Ann. §61-1-1, *et seq.*
2. On April 16, 2008, the Division filed an Order to Show Cause against Respondents and Mark E. Barrick ("Barrick"). The action against Barrick is currently pending.
3. Respondents have agreed with the Division to settle this matter by way of this Stipulation and Consent Order ("Order"). If entered, the Order will fully resolve all claims the Division has against Respondents pertaining to the April 16, 2008 Order to Show Cause.
4. Respondents admit the jurisdiction of the Division over them and over the subject matter of this action.

5. Respondents waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf.
6. Respondents have read the Order, understand its contents, and submit to this Order voluntarily. No promises or other agreements have been made by the Division, nor by any representative of the Division, to induce Respondents to enter into this Order, other than as described in this Order.
7. Respondents are represented by Jonathan O. Hafen, and are satisfied with his advice, counsel and representation.

I. FINDINGS OF FACT

8. From 2002 to 2006, Adam J. Robison ("Robison") was licensed in Utah as a broker-dealer agent and investment adviser representative of several broker-dealer and investment advisory firms. He is not currently licensed in the securities industry in any capacity.
9. Robison has taken and passed the Series 7, General Securities Representative Licensing Examination, the Series 63, Uniform Securities Agent State Law Examination, and the Series 66 Uniform Combined State Law Examination.
10. Robison Holdings, Inc. ("RHI") is a Utah corporation formed by Robison on July 16, 2007, with its place of business in Salt Lake County, Utah. Robison is the sole shareholder.
11. Barrick has never been licensed or otherwise employed in the securities industry.

Solicitation of Investors

12. Beginning in approximately May 2007, Robison solicited funds from family, friends, and insurance clients for investment in what he described as a private equity fund. Robison

told investors the fund would offer a variety of investment strategies ranging from conservative to aggressive.

13. Robison, who is an insurance agent, also attempted to recruit other insurance agents to sell interests in the fund.

14. An "Executive Summary" was created for potential investors and described RHI as a "Berkshire-Hathaway type company" which allowed investors to choose among a number of different portfolios, each comprised of a particular type of security, including CDs, bonds, indexed securities, mutual funds, stocks, or a combination of securities. In addition, the Summary stated:

> Because Robison Holdings also purchases options on stocks, it is profitable even if stocks are dropping in value. Hence, Robison Holdings' profitability is not dependent upon market fluctuations or swings, but rather capitalizes on these events and makes them extremely profitable no matter which direction the swings occur.

15. The Executive Summary also claimed that RHI:

> has eliminated a costly middleman, namely the funds company, e.g. Fidelity, Merrill Lynch, Goldman Sachs, Lord Abbott, American Funds, etc. By eliminating these "middlemen" who currently charge between .5% and 15.5% in the form of 12b-1 and marketing fees, it automatically and immediately increase [sic] the net annual returns to its clients by .5% and 15.5% per year.

16. Between August and November 2007, Robison raised at least $4,069,224[1] from 24 investors located in Utah, Maryland, and Michigan. Much of the money raised came from retirement accounts, including IRAs, 401(k) plans and profit-sharing plans.

17. Investor monies were deposited into a checking account controlled by Robison and then pooled into one on-line trading account that Robison maintained at TD Ameritrade (hereafter, the "account" or "fund") under the name Robison Holdings.

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[1]Based upon information provided by Robison to the Division, a discrepancy exists as to whether the amount raised was actually $4,300,000.

18. One investor was told by Robison that his money would be invested in the same manner the investor's money had been previously held with a mutual fund company, and that Robison would simply be acting as the broker for the account. Robison also told the investor his fee would be only 1%.
19. Based on Robison's representations, another investor believed his monies would be placed in a personalized portfolio separate from other investors' monies. He was not told his monies were pooled with those of other investors.
20. A third investor was told by Robison that her money would be invested in an FDIC-insured CD earning 8%. Robison explained that he was able to obtain this high interest rate because of the large amount of money in his custody for investment.
21. Retirement monies were not segregated or placed into separate accounts qualified to hold retirement monies. As a result, those investors will incur tax consequences for the non-qualified distributions that occurred from their tax-deferred accounts.
22. Robison withheld 10% of investor monies, approximately $400,000, deeming half of that amount a commission for himself, and the other half to be used for office and administrative expenses. Robison used the withheld monies for personal items, including down payments on a Porsche and a condominium in Park City, Utah.
23. Robison placed approximately $3.1 million in the account. The remaining monies, totaling approximately $560,000 were not invested on behalf of investors and were retained in checking and savings accounts under Robison's direction and control.
24. Robison shared access to the TD Ameritrade account with Barrick, whose regular employment is as a copier salesman. Barrick advised Robison about specific trades and trading strategies, and placed trades in the account.

25. Barrick's purported investment expertise came from 16 years of trading in his own personal account.

26. On November 21, 2007, Barrick received a $5,000 check from RHI for his services.

Division Investigation

27. In November 2007, the Division was contacted by individuals who received copies of the Executive Summary and other materials used for solicitation by Robison.

28. On November 8, 2007, the Division sent a letter to Robison requesting information about the fund.

29. Robison thereafter voluntarily met with the Division and provided a partial response to the Division's requests. Some information requested by the Division has never been provided.

30. In discussions with the Division which followed in November and December 2007, Robison, through his previous counsel, agreed to wind down the fund in a manner directed to protect investors' capital. He acknowledged at that time the fund had sustained losses.

31. Based upon documents provided by Robison to the Division, by the end of 2007 the fund had a net loss of $325,516, or 7.57%.

32. Those losses were later compounded significantly because in January 2008, Robison and Barrick employed a highly risky strategy to make up for earlier losses and borrowed money on margin for additional investments. As a result, an additional $1.6 million in losses were sustained – resulting in the account being worth less than half the amount originally invested several months earlier. Now, all the invested money has been lost.

Robison's Continued Unlicensed Activities

33. Despite discussions between Robison, his prior counsel, and the Division in which the Division made clear that Robison could not engage in any securities offerings while unlicensed, he continued to do so.

34. After the Order to Show Cause in this matter was filed, a broker-dealer contacted the Division and provided a copy of an "Executive Summary for Lincolnshire Capital, LLC" ("Lincolnshire Brochure") and a Lincolnshire business card for Robison. Agents of the broker-dealer had been approached by Robison with an invitation to join Robison in soliciting customers to purchase an investment offering from Lincolnshire.

35. The brochure described Lincolnshire Capital, LLC as a "private real estate hedge fund company" and further described the investment product as follows:

> Lincolnshire Capital prides itself on a prudent and adaptable business philosophy whose primary focus and attention is on providing a specialized, narrowly focus [sic] and competitive product; namely, fixed rate accounts (structured as notes) for 1 yr, 3 yr, 5 yr, or 10 yr terms. Our goal is to raise and invest over $300 million[2] in assets by the end of 2008.

36. The Lincolnshire Brochure further indicated that the notes were an "approved private placement" for accredited investors, which were structured to accept investments from retirement accounts.

37. Robison aggressively pitched the product to the broker-dealer agents, and offered substantial rewards for sales, including cash incentives, vacations and prizes.

38. The Lincolnshire Brochure likewise provided for substantial compensation for agents or finders:

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[2]The RHI "Executive Summary" stated a similar goal of managing $300 million by the end of 2008.

Lincolnshire has not engaged an agent or finder in connection with the offering of the fixed-rate accounts, but may engage one or more finders or agents and pay a fee equal to and up to 10% of the related offerings proceeds. Investors will be notified if there is a finder's or agent's fee associated with their investment, and we will provide information with respect to the agent or finder and the amount of such fee.

II. CONCLUSIONS OF LAW

39. The interests in the RHI fund created by Robison and RHI are securities under the Utah Uniform Securities Act.

40. Robison and RHI violated §61-1-7 by selling unregistered securities (interests in the investment fund) that had not qualified for any exemption from registration.

41. Robison and RHI violated §61-1-3(1) by transacting business as an agent and broker-dealer without being licensed.

42. RHI violated §61-1-3(2)(a) by employing or engaging an unlicensed agent, Robison.

43. Robison and RHI violated §61-1-1(2) by misrepresenting or omitting material facts in connection with the offer and sale of interests in the fund, including the following:

    a. they failed to disclose that investors' monies would be pooled in one account rather than held in separate accounts;

    b. they failed to disclose that shares of the fund were unregistered and were not exempt from registration;

    c. they failed to disclose that RHI, Robison and Barrick were not licensed;

    d. they misrepresented the use of investor monies and significant risks associated with the fund's trading strategies;

    e. they misrepresented their professional experience and performance information, and specifically failed to disclose that:

i. they had no prior private equity or investment fund management experience;

ii. Robison had worked only 4 ½ years in the securities industry; and

iii. Barrick had never been employed in the securities industry and his only experience came from trading his personal account.

f. they misrepresented that despite the sales pitch of saving investors management fees, Robison would take 10% off the top of each investor's monies as a commission for himself and for expenses; and

g. they misrepresented that RHI had qualified with the IRS as a custodian for retirement funds.

44. Robison and RHI engaged in an act, practice or course of business which operated as a fraud, in violation of Section 61-1-1(3), by:

a. converting investors' money for the personal use of Robison;

b. pooling all investor money together rather than investing funds in separate accounts or in the "portfolio" manner described to investors; and

c. employing an extremely risky trading strategy which was contrary to their representations to investors.

45. Robison's activities relating to Lincolnshire Capital, LLC demonstrate continued violation of the licensing requirements of Section 61-1-3(1) of the Act.

III. REMEDIAL ACTIONS/SANCTIONS

46. Robison and RHI neither admit nor deny the Division's findings and conclusions, but consent to the sanctions below being imposed by the Division.

47. Respondents represent that the information they have provided to the Division as part of the Division's investigation of this matter is accurate.

48. Pursuant to Utah Code Ann. § 61-1-6(1)(d) and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, the Division imposes a fine of $100,000.

49. As part of the resolution of this matter, Robison has expressed a willingness and desire to disgorge the monies he withheld from the investors' principal according to the following terms:

    a. Within 60 days of the entry of this Order, Robison will provide an accounting to the Division of all monies received from investors, amounts retained as fees, commissions and/or for personal use, and amounts invested and the location of investment.

    b. Within three years of the entry of this Order, Robison shall disgorge all monies withheld from investors and used as payment of fees, commissions, or for personal use. The Division believes that amount to be at least $400,000. Robison shall pay each investor directly on a pro rata basis.

    c. Robison shall maintain records verifying payments to investors in the form of canceled checks. Within 20 days after each payment to investors, Robison shall provide a copy of the front and back of each cancelled check to the Division.

50. Each dollar paid by Robison to injured investors shall be credited by the Division toward payment of the fine, up to $75,000. Payment of the remaining fine amount, $25,000, is due within three years from the entry of this Order. If Robison does not timely make the disgorgement payments or materially violates any of the terms of this Order, after notice

and opportunity to be heard before an administrative officer, the entire fine shall become immediately due.

51. Robison is barred from associating with any broker-dealer or investment adviser licensed in this State, and from acting as an agent for any issuer soliciting investor funds in this State.

52. Respondents agree to the imposition of a cease and desist order, prohibiting them from any conduct that violates the Act including soliciting money from investors, forming investment funds, and advising others about the purchase or sale of securities.

IV. FINAL RESOLUTION

53. Robison and RHI acknowledge that this Order, upon approval by the Division Director and Securities Advisory Board shall be the final compromise and settlement of this matter. Respondents further acknowledge that if the Division Director and Securities Advisory Board do not accept the terms of the Order, it shall be deemed null and void and without any force or effect whatsoever.

54. Respondents acknowledge that the Order does not affect any civil or arbitration causes of action that third-parties may have against them arising in whole or in part from their actions, and that the Order does not affect any criminal causes of action that may arise as a result of their conduct referenced herein.

55. This 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 Order in any way.

Utah Division of Securities

Dated this 31st day of DECEMBER, 2008.

By: Leigh Davis-Schmidt
Director of Compliance

Adam J. Robison & Robison Holdings, Inc.

Dated this 4 day of December, 2008.

Adam J. Robison

Approved:

D. Scott Davis
Assistant Attorney General

Approved:

Jonathan D. Hafen
Attorney for Respondents

ORDER

IT IS HEREBY ORDERED THAT:

1. The Division has made a sufficient showing of Findings of Fact and Conclusions of Law to form a basis for this settlement.
2. Robison pay a fine of $100,000. Based upon Robison's agreement to disgorge monies withheld from investors' principal, each dollar paid by Robison to injured investors shall be credited by the Division toward payment of the fine, up to $75,000 as described in paragraphs 49 and 50 above. If Robison does not timely make the disgorgement payments or materially violates any of the terms of this Order, after notice and opportunity to be heard before an administrative officer, the entire fine shall become immediately due.
3. Robison is barred from associating with any broker-dealer or investment adviser licensed in this State, and from acting as an agent for any issuer soliciting investor funds in this State.
4. Respondents cease and desist from violating the Utah Uniform Securities Act. Respondents are specifically prohibited from soliciting money from investors, forming any investment funds, and advising others about the purchase or sale of securities.

DATED this 31st day of December, 2008.

Keith Woodwell
Director
Utah Division of Securities

BY THE UTAH SECURITIES ADVISORY BOARD:

The foregoing Order is hereby accepted, confirmed and approved by the Utah Securities Advisory Board.

DATED this 12TH day of JANUARY, 2008.

Tim Bangerter

Jane Cameron

Laura Polacheck

Mark Pugsley

Craig Skidmore

BY THE UTAH SECURITIES ADVISORY BOARD:

The foregoing Order is hereby accepted, confirmed and approved by the Utah Securities Advisory Board.

DATED this 28 day of January, 2008.

Tim Bangerter

Jane Cameron

Laura Polacheck

Mark Pugsley

Craig Skidmore

CERTIFICATE OF SERVICE

The undersigned certifies that on the 29th day of January, 2008, I mailed a true and correct copy of this Stipulation and Consent Order to:

Jonathan O. Hafen
Parr, Waddoups, Brown, Gee & Loveless
185 South State Street, Suite 1300
Salt Lake City, Utah 84111
Attorney for Respondents

Pamala Radzinski
Executive Secretary