

Division of Securities
Utah Department of Commerce
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**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:

**SILVERLEAF CAPITAL PARTNERS,
LLC, CRD#145123**

Respondent.

**ORDER DENYING APPLICATION
FOR LICENSE**

Docket No. SD-08-0089

On September 25, 2007, Silverleaf Capital Partners, LLC, CRD#145123, initiated this proceeding by filing with the Utah Division of Securities (“Division”) an SEC Form ADV–Uniform Application for Investment Adviser Registration (“Form ADV”) requesting that SCP be licensed in Utah as an investment adviser. Rule R164-18-6(D)(3) of the Utah Administrative Code (“UAC”) designates submission of the Form ADV as a request for agency action. In response to the request for agency action, the Director of the Division (“Director”) hereby issues this Order Denying SCP’s Application for Investment Adviser License, pursuant to the authority of Section 61-1-6 of the Utah Uniform Securities Act (“Act”) and Section 63G-4-201(3)(d)(ii) of the Utah Administrative Procedures Act (“UAPA”).

I. FINDINGS

1. Silverleaf Capital Partners, LLC (“SCP”), CRD#145123, is a Utah limited liability company¹ located in Salt Lake City, Utah.
2. Dwight Shane Baldwin (“Baldwin”), CRD#4790167, is the managing director of SCP. Baldwin was previously licensed in Utah as a broker-dealer agent and investment adviser representative of Merrill Lynch, Pierce, Fenner & Smith, Inc. (“Merrill Lynch”) from August 2004 until April 2007. Baldwin has passed the Series 7, General Securities Representative Examination and Series 66, Uniform Combined State Law Examination.
3. On September 25, 2007, SCP initiated its application by filing materials with the Division seeking to become licensed as an investment adviser. SCP filed Form ADV² Part I through the Investment Adviser Registration Depository (“IARD”)³.

¹Records contained in the Utah Department of Corporations reflect a different spelling for SCP as “Silver Leaf Capital Partners”

²Form ADV is used by investment advisers to register with the United States Securities and Exchange Commission (“SEC”) or with state securities regulators. Section 203 of the Investment Advisers Act of 1940 requires investment advisers to furnish each advisory client and prospective advisory clients with a written disclosure statement which may be either a copy of Part II of its Form ADV or a written document or brochure that contains at least the information required by Part II of Form ADV. The license application requirements for investment adviser in Utah Admin. Code Rule R164-4-2(C) require that an investment adviser file a copy of the ADV Part II with the Division.

³IARD is an electronic filing system that facilitates investment adviser registration, regulatory review, and the public disclosure information of investment adviser firms. The Financial Industry Regulatory Authority (“FINRA”) is the developer and operator of the IARD system. The system has been developed according to the requirements of its two sponsors, the SEC and the North American Securities Administrators Association (“NASAA”), along with those of an Industry Advisory Council representing investment adviser firms.

4. On October 17, 2007, the Division sent a letter requesting the remaining information required to complete SCP's application⁴, including Form ADV Part II.
5. On October 30, 2007, SCP submitted information requested in the Division's October 17 letter. Of notable concern was that Schedule F⁵ to Form ADV Part II failed to disclose most of the information required by Form ADV. The entire Schedule F read as follows:

we refer our clients to Merrill Lynch and we receive compensation for doing so

we advise our clients to use Merrill Lynch

real estate development and brokerage. commercial lending⁶
6. On November 19, 2007, the Division sent its first Comment Letter, which outlined questions, comments, deficiencies, and concerns with SCP's application and the October 30 response.
7. Overall, the Division expressed concerns about the lack of disclosure SCP provided on Form ADV. Some particular issues raised in the November 19 Comment Letter were:
 - a. The Form ADV indicated that over the past year, SCP had provided investment advisory services to a number of clients between 101 and 250. The Division raised concerns about unlicensed activity and requested information about any clients or contractual agreements SCP had entered and any compensation paid;

⁴The Division also requested that SCP waive the Act's automatic-effective provision contained in Section 61-1-4(1)(e)(i) of the Act, after which SCP submitted a signed waiver.

⁵Many sections of Form ADV Part II require disclosure on Schedule F of detailed information about the applicant and its proposed activities.

⁶Typically, Schedule F disclosures describe in detail the subject matter (services, fees, conflicts, etc.) of the advisory business for which further disclosure is being made.

- b. The Form ADV indicated that SCP charged commissions for its services, but did not further disclose the commissions as required on Schedule F;
 - c. SCP's Form ADV identified a service it called "Pre-IPO Equity Raised" that it considered one of its investment advisory services, but did not further describe this service on Schedule F, which requires disclosure of all services and fees;
 - d. The Form ADV indicated SCP was actively engaged in business as an "other financial product salesperson" and identified that business as "Investment Banking." However, no further disclosure was provided on Schedule F and the Division expressed concerns with SCP engaging in the "Investment Banking" business because SCP was not licensed as a broker-dealer⁷;
 - e. SCP indicated a related person was a "sponsor or syndicator of limited partnerships" but made no further disclosure of this activity, as required on Schedule F;
 - f. In its October 30 response, SCP denied it had either discretionary authority or custody of client monies; however, given the information provided on Form ADV the Division raised concerns SCP might actually have discretion or custody; and
 - g. SCP failed to describe its Code of Ethics as required by Form ADV.
8. On November 20, 2007, SCP confirmed by e-mail that it received the first Comment Letter and stated:

⁷Generally, investment bank means a firm acting as underwriter or agent, that serves as intermediary between an issuer of securities and the investing public. *Barron's Dictionary of Finance and Investment Terms*, 6th Edition. In Utah, this type of activity requires licensure as a broker-dealer under Section 61-1-3 of the Act.

We registered as an IA so that we could refer business to Merrill Lynch under Merrill's PGA (Professional Group Alliance)⁸ Program. We refer business to Merrill and get paid a fee. **This will be our sole role as an IA.**

(emphasis added).

9. On November 26, 2007, SCP e-mailed a response to the Division's Comment Letter. SCP requested a "prompt turn around" as SCP had "four potential client/investors we would like to refer to Merrill Lynch before the end of the [sic] 2007."
10. In responding to the Comment Letter, SCP made the following statements to the Division, which correspond to the items contained in subsections to paragraph 7 above:
 - a. "SCP has not provided investment advisory services since its inception April 2007. However, D. Shane Baldwin provided investment advisory services this year while employed by Merrill Lynch. Shane Baldwin left Merrill Lynch April 1, 2007." Regardless of this distinction, SCP was the applicant, not Baldwin, and Baldwin's former business should not have been reflected on SCP's application.
 - b. "SCP does not charge commissions for advisory services." However, SCP did not explain why the original Form ADV indicated that SCP did in fact charge commissions for advisory services.
 - c. "SCP raises private equity for Reg-D offerings through accredited investors and institutions. Often times, SCP will also act as an investor in these private placement investments. 'Pre-IPO equity raised' equals private equity investments into privately held companies." This explanation, however, does not address the

⁸This program is referred to by SCP elsewhere as the Professional Alliance Group or "PAG" Program. Based upon materials submitted by SCP, the program is actually called the Professional Alliance Program (hereafter referred to as the "Merrill Lynch Program").

concerns raised by the Division with respect to SCP acting as a broker-dealer while unlicensed.

- d. With regard to its “Investment Banking” business, SCP explained:
“The term investment banking to mean: private investment equity.
SCP invests, co-invests, and also syndicates in private equity investments. We will refer to this service as private equity rather than investment banking.” SCP again failed to address the Division’s concerns about unlicensed broker-dealer activities.
- e. “SCP does not have a related person who is a real estate broker or dealer, and is not a sponsor or syndicator of limited partnerships.” Again, this is contrary to the original information provided and no further explanation was given. Furthermore, Silverleaf Realty, a licensed real estate broker, is a related person as that term is defined on Form ADV, and the private equity investments SCP syndicates may be partnerships.
- f. “SCP does not have discretionary authority over client’s accounts.”
- g. “SCP refers 100% of all **public** security related advisory business to Merrill Lynch. SCP receives a referral fee for doing so. The **primary objective** of SCP is to refer business to Merrill Lynch.” (emphasis added). This representation leaves unanswered the question of SCP’s private securities-related business. As indicated above, SCP acknowledged engaging in fund raising activities relating to private securities offerings.

SCP further stated:

“The **primary** service provided by SCP is to refer business to Merrill Lynch and receive a referral fee for doing so through the PAG program. In some instances, SCP will make a private placement investment and/or syndicate the private placement investment with other accredited investors or institutions.” (emphasis added). Once again, this response is inconsistent with SCP’s prior representation that the referral business would be its “sole” activity as an investment adviser. Based upon the above representations, referrals may be SCP’s intended primary service, but private placement investments are clearly an intended secondary business.

- h. “SCP abides by Merrill Lynch’s code of ethics.” It is unusual for an investment adviser to use a broker-dealer’s code of ethics. Regardless, SCP did not attach or set forth the provisions of Merrill Lynch’s code of ethics to its Form ADV.
- 11. After reviewing SCP’s November 26 response, many issues were still outstanding or required further clarification. In addition, information provided to date suggested SCP had been acting as an unlicensed broker-dealer by raising capital for Regulation D Rule 506 offerings, as well as not fully complying with corporate finance and registration requirements.
- 12. On November 28, 2007, staff from the Division’s Licensing and Corporate Finance sections had a conference call with SCP to discuss the above concerns. The staff again explained the substantive disclosure deficiencies, and based upon SCP’s responses, commented further on the unlicensed broker-dealer activity and corporate finance concerns.

13. SCP thereafter informed the Division it revised Form ADV Parts I and II, but that Schedule F would take further time to draft to include all required disclosures.
14. On November 30, 2007, the Division sent a second Comment Letter outlining remaining technical discrepancies with Form ADV Parts I and II (which did not address the yet-to-be-filed Schedule F disclosures).
15. On December 10, 2007, SCP submitted a response that again indicated SCP would *only* refer clients to Merrill Lynch and that the prior Form ADV representations about using fundamental analysis and other information used in making recommendations to clients had been incorrect. The letter failed to address the other issues and concerns raised in the second Comment Letter and those concerns raised by the Division in the November 28, 2007 conference call.
16. On December 17, 2007, SCP sent the Division a revised Form ADV Part II and documents about the Merrill Lynch Program. Schedule F still failed to disclose required information, particularly disclosures concerning the background of SCP's executive officers.
17. Overall, the Schedule F reiterated that SCP's sole investment advisory business consisted of referrals to Merrill Lynch. However, other representations on Schedule F underscored the Division's concerns about possible broker-dealer activities of SCP, Baldwin, and other subsidiaries of Silverleaf Companies:
 - a. "Silverleaf Capital Partners is a subsidiary of Silverleaf Companies. Silverleaf Companies was co-founded by Cory R. Moore, D. Shane Baldwin, Jody D. Rasmussen with the explicit objective of generating superior investment returns

through extraordinary access to advanced development opportunities and capital.”

- b. “Headquartered in Salt Lake City, Utah, Silverleaf Companies is a recognized venture capital and real-estate organization uniting dedicated and passionate professionals for the purpose of providing an especially unique platform. Each of our investment companies below has a clear strategy that involves working with distinguished management teams, smart businesses, and inspiring ideas to build value to every branch of the Silverleaf tree.

Our unique platform includes three specialty divisions including:

Silverleaf Capital | Provides Venture Capital in conjunction with impressive management in young, rapidly growing companies that have the potential to develop into significant economic contributors.

Silverleaf Development | Provides capital to commercial, residential and land development real estate projects in the western United States. We look for real estate projects that are principally demand-driven and well conceived by our developer partners, we excel through the collaboration of a detailed development, operating and exit strategy.

Silverleaf Realty | Affords real estate agents the opportunity to hedge and diversify their income through the c [sic]

Shane Baldwin dedicates 33% of his time to each of the three subsidiaries.”

- c. “Shane Baldwin has an agreement with Stonehurst Securities Inc. Should Shane need to use his series 7 license, Shane will place his license with Stonehurst Securities, Inc.”

18. In a third Comment Letter dated January 15, 2008, the Division related concerns based upon the most recent December 17, 2007 Form ADV submission, including:
- a. The Merrill Lynch Program documents contained certain disclosures Merrill Lynch requires to be included in a participating adviser's Form ADV. These disclosures were omitted from SCP's description of the program;
 - b. SCP must disclose the amounts of referral fees as well as the conflict of interest thereby created in SCP receiving compensation from Merrill Lynch for directing clients to Merrill Lynch, which might not be in a client's best interest;
 - c. That "placing" a securities license with Stonehurst Securities appeared to be the same practice of "parking" a license that is prohibited by FINRA Rule 1031(a).
19. Because the Division had repeatedly expressed its concerns about SCP's "investment banking" and "venture capital" business and SCP repeatedly responded by stating that referrals to Merrill Lynch would be the sole business of SCP, the Division did not comment further on those matters.

Division Meeting with Baldwin

20. On February 1, 2008, Baldwin, SCP Chief Financial Officer Susan Niemann, and SCP employee Jake Reid came to the Division and met with Division staff.
21. During the meeting, Baldwin acknowledged that SCP intended to engage in business beyond the Merrill Lynch referral program, and would be raising capital for businesses. Baldwin characterized the fund raising as "partnering" with other investors to purchase securities in SCP's name.

22. To that end, Baldwin acknowledged SCP taking an “Engagement Fee” of \$25,000 from a company (“Client #1”) for “due diligence”. Aside from \$5,000 paid to an accountant and the reviews of the client’s Private Placement Memorandum (“PPM”) by SCP, Baldwin could not explain what due diligence had been performed, or how the remaining \$20,000 had been spent.
23. While the scope of the February 1 conversation was limited to Client #1, the Division subsequently learned that SCP has taken engagement fees from at least five other companies.
24. Baldwin was unable to explain how any of the private placements he sought to fund conformed with the registration requirements of Section 61-1-7 of the Act.
25. With regard to engagement fees collected from Client #1 and others, Baldwin expressed willingness to pay such monies back at any time.
26. Baldwin initially denied having funded any prior “deals” but then stated he believed one past deal “might” have been funded.
27. The Division later discovered that Baldwin’s responses conflicted not only with information provided on Form ADV, but also with representations he made to clients, as well as in contracts entered by Baldwin on behalf of SCP with such clients.
28. As described below, Baldwin’s denials further conflict with statements he made in press releases issued to promote SCP and in related news stories.

SCP and Baldwin's Unlicensed Activities and False Representations

29. Documents and information received by the Division evidence that Baldwin has held SCP out as both a licensed broker-dealer and investment adviser, and has held himself out as a licensed broker-dealer agent and investment adviser representative of SCP.
30. These false representations were made both prior to and during SCP's investment adviser license application process.
31. Baldwin has made such representations orally to clients and their legal counsel, as well as in contracts executed by Baldwin on behalf of SCP.
32. By contract dated September 20, 2007, SCP agreed to serve as a "non-exclusive placement agent" in connection with a proposed private placement by Client #1.
33. SCP's duties under the contract included: identifying prospective investors ("Agent-Sourced Investors") for the private placement; scheduling and attending meetings to introduce such investors to Client #1; providing "input, analysis, marketing strategies and recommendations on approaches to key representatives and decision-makers with particular Agent-Sourced Investors;" and advising Client #1 "as to the strategy and tactics of negotiations with particular Agent-Sourced Investors and participate in such negotiations as [client] determines to be appropriate."
34. The contract provided that SCP would receive compensation as follows:
 2. **Fees to Agent.** As the entire compensation to Agent⁹ with respect to services rendered pursuant to this Agreement, Agent shall be entitled to the payments set forth below.

⁹As indicated in para. 22 above, SCP also received a \$25,000 "Engagement Fee" from the client.

(a) The Company will pay to Agent an amount equal to Twelve Percent (12%) on the first one million dollars raised¹⁰ (if raised prior to four (4) weeks after the signed subscription agreement), and Eight Percent (8%) on the remaining capital investments made by any of the Agent-Sourced Investors, that execute the companies [sic] Investor agreement and applicable subscription agreements (together, the “Subscription Documents”) to the satisfaction of the Company. All fees referenced above will be paid to Agent as half cash - half common stock (stock price shall be valued according to the subscription agreement under which funds were raised). The Money Raising Fee shall be paid to Agent in the following manner: As soon as Agent-Sourced investor makes an investment, filled out the required subscription documents, and money has been cleared by the Company, the stipulated percentages shall be due and payable to Agent.

35. SCP further represented in the contract with Client #1 that SCP was licensed as an investment adviser:

7. Representations, Warranties and Covenants of Agent. Agent represents and warrants to, and agrees with, the Company as follows:

(a) Agent is duly registered as an investment advisor under the Securities and Exchange Act of 1934, as amended, and is duly licensed as an investment advisor under the laws of any state or foreign jurisdiction which requires such licensing in connection with the services to be provided by Agent hereunder. Agent is a member of the National Association of Securities Dealers, Inc. (“NASD”). In seeking to place Investments and otherwise acting in accordance with this Engagement, Agent will duly comply with the laws of the United States of America, the securities laws of any state or other countries in which it seeks to place Investments, and the rules and regulation of the NASD, all to the extent such laws, rules, and/or regulations are applicable to Agent’s activities hereunder.

36. SCP was neither a “registered” investment adviser nor a member of NASD (now known as FINRA).
37. In January 2008, Baldwin sent an e-mail soliciting investors for Client #1's private placement offering, which stated that SCP had committed capital of \$5.2 million, but the group SCP was working with was awaiting “a liquidity event” prior to funding. The e-

¹⁰SCP agreed to raise \$5.25 million on behalf of the client.

mail further stated, “Prior to this large funding taking place there is a window of opportunity for you to come in with as little as 100K.” Baldwin’s e-mail signature was followed by:

SILVERLEAF COMPANIES
Capital | Investment Banking | Real-Estate

38. Baldwin also held recruiting seminars where he represented to real estate agents that a) he was securities-licensed and b) if the agents worked with Silverleaf, they could do business under his license and have another stream of income¹¹. Baldwin instructed the real estate agents to find, for referral to SCP, both investors and companies that needed funding.

Misleading Press Releases and Promotion of SCP

39. Despite Baldwin’s assurances to the Division of his intent to comply with the Act, and his hiring securities counsel following his meeting with the Division, Baldwin continued to make representations about SCP that were contrary to what he told the Division.
40. Several weeks after the Division’s meeting with Baldwin, SCP distributed a press release and Baldwin conducted interviews to promote the company. The press release was reflected in numerous publications, including local Utah newspaper The Deseret Morning News, as well as SmartMoney, Morningstar, and Reuters.
41. Among other things, the press release and corresponding media coverage claimed:

¹¹It is unlawful for an investment adviser to share compensation with any unlicensed person. See Section 61-1-2(1)(c) of the Act. It is likewise unlawful for a broker-dealer to employ or engage an agent unless the agent is licensed. Utah Code Ann. § 61-1-3(2).

- a. “In its first 10 months of life, Silverleaf has already placed more than a half-billion dollars under management.” This statement contradicts Baldwin’s statements to the Division, and also appears to be false.
 - b. “...the company acts as a ‘fund of funds’ to bring the right investors and deals together.” This statement contradicts Baldwin’s representations to the Division about SCP’s business.
42. In a February 20, 2008 “Rocky Mountain Voices” video interview, which is publicly available on the Internet, Baldwin discussed the Silverleaf companies. When asked about the “deal flow” of Silverleaf’s purported venture capital business, Baldwin stated:
- a. “Again, we haven’t done any marketing or any advertising saying ‘this is who we are and this is what we do.’ This statement contrasts with SCP’s efforts undertaken to market itself, issuing press releases and promoting itself.
 - b. “However, it seems like there is no shortage of deal flow, whether that be in the VC world or the real estate world, there is no shortage. And, out of a hundred deals, we’re gonna do one or two, I bet 10% of those are very solid, very good deals...” In reality, it appears that rather than turning down deals, SCP was promising capital to as many entities as it could find. Within a period of two months, SCP had sent out 7 engagement letters guaranteeing more than \$366

million of funds to such clients. SCP entered contracts with and accepted at least \$275,000 in “engagement fees” from such clients.

- c. “...our goal at the end of the day is to own a variety of different companies, much like your Bain Capitals¹² of the world...”
- d. “...all the deals we have done to date have been through our own self-funding.”

This statement contradicts Baldwin’s statements to the Division, and also appears to be false.

- 43. In earlier news stories from December 2007, SCP claimed to have secured \$150 million in financing for the licensing of a proposed nuclear power plant in Idaho. At that time, Baldwin claimed in an interview that SCP had launched in December 2006, and was focused “primarily on real estate development and alternative energy.”

II. GROUNDS FOR DENIAL

- 44. Section 61-1-6(2)(a) provides that the Division may deny a license if the Director finds that an applicant “has filed an application for a license that . . . was incomplete in any material respect or contained any statement that was, in light of the circumstances under which it was made, false or misleading with respect to any material fact.”

¹²Bain Capital is a private equity firm that manages approximately \$78 billion in assets.

45. SCP's application is materially incomplete. Despite SCP receiving repeated guidance from the Division, SCP failed to disclose material information relating to its business as required by Form ADV and Schedule F thereto.
46. Moreover, as described above, both SCP's application and communications about the application with the Division contained false and misleading information about SCP's business and compensation. SCP repeatedly insisted its business would be limited to referrals to the Merrill Lynch Program. That representation was false as demonstrated by the above Findings.
47. In particular, prior to and throughout the application process, Baldwin actively marketed himself and SCP as already licensed for the services he was selling.
48. Baldwin entered contracts with unsuspecting clients based on such misrepresentations, accepted compensation, and assumed obligations requiring licenses that neither he nor SCP possessed.
49. Section 61-1-6(2)(b) provides that a license may also be denied if an applicant "has willfully¹³ violated or willfully failed to comply with any provision of this chapter . . ."
50. Section 61-1-3 of the Act states:

- (1) It is unlawful for any person to transact business in this state as a

¹³To act willfully in this context means to act deliberately and purposefully, as distinguished from merely accidentally or inadvertently. Willful, when applied to the intent with which an act is done or omitted, implies a willingness to commit the act, and does not require an intent to violate the law or to injure another or acquire any advantage.

broker-dealer or agent unless the person is licensed under this chapter.

(2)(a) It is unlawful for any broker-dealer or issuer to employ or engage an agent unless the agent is licensed. The license of an agent is not effective during any period when he is not associated with a particular broker-dealer licensed under this chapter or a particular issuer.

(3) It is unlawful for any person to transact business in this state as an investment adviser or as an investment adviser representative unless:

(a) the person is licensed under this chapter...

51. Section 61-1-13(1)(c)(i) of the Act defines “broker-dealer” as “any person engaged in the business of effecting transactions in securities for the account of others or for the person’s own account.”

52. Section 61-1-13(1)(b)(i) defines “agent” as “any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.”

53. Section 61-1-13(1)(o) defines “investment adviser” as:

(i) any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities.

(ii) “Investment adviser also includes financial planners and other persons who, as an integral component of other financially related services...hold themselves out as providing the investment advisory services described in Subsection (1)(o)(i) to others for compensation.

54. Section 61-1-13(1)(p)(i) of the Act defines “investment adviser representative” as “any partner, officer, director of...or other individual...who: is employed by or associated with an investment adviser who is licensed or required to be licensed under this chapter.”
55. SCP and Baldwin willfully violated the licensing requirements of Section 61-1-3 of the Act. SCP, through Baldwin, held itself out as a licensed broker-dealer and investment adviser, and solicited business while unlicensed. Baldwin represented that he was appropriately licensed, and executed contracts on behalf of SCP based upon such false representations. Having been previously employed in the securities industry as both a broker-dealer agent and investment adviser representative and having passed the appropriate examinations, Baldwin is presumed to understand the significance of the licensing requirement. Regardless, however, Baldwin knew neither he nor SCP were in fact licensed in any capacity.
56. SCP further willfully violated Section 61-1-3 by transacting business as described herein as a broker-dealer and investment adviser while unlicensed. Baldwin violated Section 61-1-3 by transacting business as a broker-dealer agent, issuer-agent, and investment adviser representative while unlicensed.
57. Among other things, SCP and Baldwin marketed SCP as a private placement broker-dealer and investment adviser, solicited investors to raise money for private placements of

securities, took engagement fees from clients, and entered contracts providing SCP transaction-based compensation.

58. Section 61-1-1 of the Act states:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly to . . .

(2) make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.

59. Baldwin and SCP willfully violated Section 61-1-1(2) by falsely representing to potential clients and others that SCP was a licensed broker-dealer and investment adviser, and Baldwin a licensed broker-dealer agent, issuer-agent, and investment adviser representative, which constitute untrue statements of material fact in connection with the offer, sale, or purchase of securities.

60. Baldwin and SCP further willfully misrepresented material facts about their securities business and compensation to the Division, in violation of Section 61-1-1(2) of the Act.

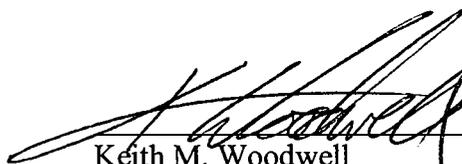
61. The Director finds that it is in the public interest that SCP's application for investment adviser license be denied.

III. ORDER

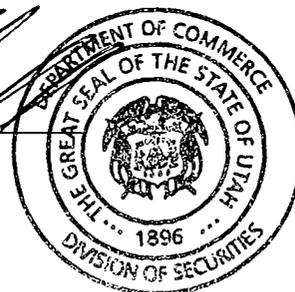
The Director, pursuant to § 61-1-6 of the Act, hereby ORDERS that SCP's application for licensure as an investment adviser in Utah is DENIED.

You have a right to appeal this denial under Utah Code Ann. § 63G-4-301. The procedures for requesting agency review are described in Utah Admin. Code Rule R151-46b-12. Any appeal should be sent to Francine A. Giani, Executive Director of the Department of Commerce, Box 146701, Salt Lake City, UT 84114-6701. An appeal must be filed within 30 days of the issuance of this Order.

DATED this 19th day of August, 2008.



Keith M. Woodwell
Director
Utah Securities Division



Certificate of Mailing

I certify that on the 20th day of AUGUST, 2008, I mailed, by certified mail, a true and correct copy of the Order Denying Application to:

Silverleaf Capital Partners, LLC
224 South 200 West Suite 150
Salt Lake City, UT 84101

Certified Mail # 70041160000301961812

Randy K. Johnson
KIRTON & McCONKIE
60 E South Temple Suite 1800
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Pam Baczinski
Executive Secretary