

Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801)530-6980

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

IN THE MATTER OF:

JEROME ANTHONY (TONY) MOORE

Respondent.

ORDER TO SHOW CAUSE

Docket No. SB-08-0106

It appears to the Director of the Utah Division of Securities (Director) that Jerome Anthony Moore (Moore or Respondent) engaged in acts and practices that violate the Utah Uniform Securities Act, Utah Code Ann. § 61-1-1, et seq. (the Act). Those acts are more fully described herein. Based upon information discovered in the course of the Utah Division of Securities' (Division) investigation of this matter, the Director issues this Order to Show Cause in accordance with the provisions of § 61-1-20(1) of the Act.

STATEMENT OF JURISDICTION

1. Jurisdiction over Moore and the subject matter is appropriate because the Division alleges that he violated § 61-1-1 (securities fraud) of the Act while engaged in the offer and sale of securities in Utah.

STATEMENT OF FACTS

THE RESPONDENT

2. Moore resides in Salt Lake County, Utah.

GENERAL ALLEGATIONS

3. In July 2006, Utah investor, SH, arranged a mortgage through Moore and his company, Liberty Mortgage Inc. (Liberty Mortgage). The purchase of SH's home was supposed to close on August 17, 2006.
4. Liberty Mortgage was registered as a Utah corporation on January 30, 2001, and its current corporate status is "active." At all times relevant to the matters asserted herein, Moore was the director, vice president, and registered agent of Liberty Mortgage.
5. On or about August 13, 2006, Moore telephoned SH and asked him for a \$50,000 loan to secure a "big gateway loan" (Gateway Loan) for Liberty Mortgage.
6. Moore made the following representations about the loan:
 - a. Moore needed the funds for about two weeks, but no longer than 30 days;
 - b. Moore would pay SH back the \$50,000 once the Gateway Loan closed;
 - c. If the Gateway Loan did not close, Moore could pay SH back with the proceeds from a commercial real estate development in St. George that was near completion;
 - d. Moore would pay SH \$5,000 in interest; and
 - e. There was no risk involved.

7. SH told Moore he wanted a promissory note to evidence the loan, and an additional \$10,000 if Moore defaulted on the note. Moore agreed to both terms.
8. On or about August 14, 2006, SH gave Moore a personal check for \$50,000 made payable to Moore.
9. In return for the \$50,000 check, Moore gave SH a promissory note which included \$5,000 in interest if paid back by September 14, 2006, or \$15,000 in interest if paid back after September 14, 2006. The note bears Moore's signature.
10. The \$50,000 check was deposited into Moore's Barnes Banking account on or about August 15, 2006, bringing the account balance to \$48,895.84. A first-in/first-out analysis of bank records show Moore spent SH's investment funds in the following manner: \$3,658.01 payment to Moore, approximately \$22,500 in payments to other companies that appear to be unrelated to the securing of a "big gateway loan", \$4,975.50 payment to an unrelated individual, \$700 for home appraisals, \$5,956.50 in payments to Moore's Liberty Mortgage business partner, and \$3,685.40 in payroll payments.
11. On or about August 15, 2006, the underwriter on the mortgage telephoned SH and said SH's mortgage loan had "fallen apart," and that she had told Moore the same on August 12, 2006.
12. SH immediately contacted his bank to put a stop payment on the \$50,000 check he gave to Moore, and learned that Moore had already deposited the check.
13. SH tried to contact Moore to inquire about his mortgage loan, but could not get Moore on

the telephone or find him at Liberty Mortgage.

14. SH filed a civil action against Moore on October 3, 2006 in Utah's Third Judicial District Court (Case No. 060916048). In April 2007 SH obtained a \$65,155 judgment against Moore.
15. On or about June 15, 2008, Moore and SH entered into a "Settlement Agreement", pursuant to which Moore agreed to pay SH a total of \$72,000 by the end of August 2008.
16. To date, SH has received a total of \$62,000 from Moore, and is still owed \$10,000 pursuant to the June 2008 Settlement Agreement.

CAUSES OF ACTION

COUNT I

Securities Fraud under § 61-1-1(2) of the Act

17. The Division incorporates and re-alleges paragraphs 1 through 16.
18. The promissory note offered and sold by Moore to SH is a security under § 61-1-13 of the Act.
19. In connection with the offer and sale of a security to SH, Moore made false statements, including, but not limited to, the following:
 - a. There was no risk involved in the investment, when, in fact, Moore had no reasonable basis on which to make this representation;
 - b. SH's money would be used to secure a "big gateway loan" for Liberty Mortgage;
 - c. Moore would pay SH back, with interest, in two to four weeks; and

- d. Moore would use the money he received from the sale of a commercial real estate project in St. George, Utah, to pay SH back if all else failed.
20. In connection with the offer and sale of a security to SH, Moore failed to disclose material information, including, but not limited to, the following, which was necessary in order to make representations made not misleading:
- a. Moore had unpaid civil judgments of over \$38,000 against him from actions in 1996 and 2004;
 - b. Some or all of the information typically provided in an offering circular or prospectus regarding Liberty Mortgage, such as:
 - i. The business and operating history for Liberty Mortgage;
 - ii. Identities of the principals for Liberty Mortgage, along with their experience in the mortgage business;
 - iii. Financial statements for Liberty Mortgage;
 - iv. The market for Liberty Mortgage's service(s);
 - v. The nature of the competition for the service(s);
 - vi. The current capitalization for Liberty Mortgage;
 - vii. A description of how the investment would be used by Liberty Mortgage;
 - viii. The track record of Liberty Mortgage 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.

21. Based upon the foregoing, Moore violated § 61-1-1 of the Act.

ORDER

The Director, pursuant to § 61-1-20 of the Act, hereby orders the Respondent to appear at a formal hearing to be conducted in accordance with Utah Code Ann. §§ 63-46b-4 and 63-46b-6 through -10, and held before the Utah Division of Securities. The hearing will occur on Wednesday, February 4th, 2009, at 9:00 p.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd Floor, Salt Lake City, Utah. The purpose of the hearing is to establish a scheduling order and address any preliminary matters. If the Respondent fails to file an answer and appear at the hearing, the Division of Securities may

hold Respondent in default, and a fine may be imposed in accordance with Utah Code Ann. § 63-46b-11. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, the Respondent may show cause, if any he has:

- a. Why Jerome Anthony Moore should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;
- b. Why Jerome Anthony Moore should not be ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1-1, or any other section of the Act; and
- c. Why Jerome Anthony Moore should not be ordered to pay a fine of twelve thousand five hundred dollars (\$12,500) to the Division of Securities, which may be reduced by restitution paid to the investor.

DATED this 30th day of December, 2008.


KEITH WOODWELL
Director, Utah Division of Securities



Approved:


JEFF BUCKNER
Assistant Attorney General

J. N.

Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801) 530-6980

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

IN THE MATTER OF:

JEROME ANTHONY (TONY) MOORE

Respondent.

NOTICE OF AGENCY ACTION

Docket No. SD-08-0106

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENT:

The purpose of this Notice of Agency Action is to inform you that the Division hereby commences a formal adjudicative proceeding against you as of the date of the mailing of the Order to Show Cause. The authority and procedure by which this proceeding is commenced are provided by Utah Code Ann. §§ 63-46b-3 and 63-46b-6 through 11. The facts on which this action is based are set forth in the foregoing Order to Show Cause.

Within thirty (30) days of the mailing date of this notice, you are required to file an Answer with the Division. The Answer must include the information required by Utah Code § 63-46b-6 (1). In addition, you are required by § 63-46b-6 (3) to state: a) by paragraph, whether

you admit or deny each allegation contained in the Order to Show Cause, including a detailed explanation for any response other than an unqualified admission; b) any additional facts or documents which you assert are relevant in light of the allegations made; and c) any affirmative defenses (including exemptions or exceptions contained within the Utah Uniform Securities Act) which you assert are applicable. To the extent that factual allegations or allegations of violations contained in the Order to Show Cause are not disputed in your Answer, they will be deemed admitted.

Your Answer, and any future pleadings or filings that should be part of the official files in this matter, should be sent to the following:

Signed originals to:

Administrative Court Clerk
c/o Pam Radzinski
Division of Securities
160 E. 300 S., Second Floor
Box 146760
Salt Lake City, UT 84114-6760
(801) 530-6600

A copy to:

Jeff Buckner
Assistant Attorney General
160 E. 300 S., Fifth Floor
Box 140872
Salt Lake City, UT 84114-0872
(801) 366-0310

A hearing date has been set for Wednesday, February 4, 2009, at 9:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd Floor, Salt Lake City, Utah.

If you fail to file an Answer, as set forth herein, or fail to appear at the hearing, the Division of Securities may hold you in default, and a fine and other sanctions may be imposed

against you in accordance with Utah Code Ann. § 63-46b-11, without the necessity of providing you with any further notice. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, you may appear and be heard and present evidence on your behalf. You may be represented by counsel during these proceedings.

The Administrative Law Judge will be J. Steven Eklund, Utah Department of Commerce, 160 East 300 South, P.O. Box 146701, Salt Lake City, UT 84114-6701, telephone (801) 530-6648. Pursuant to U.C.A. Subsection 63-46b-2(1)(h), Mr. Eklund is hereby designated as presiding officer for the purpose of conducting this formal administrative proceeding. Questions regarding the Order to Show Cause and Notice of Agency Action should be directed to the Division's attorney, Jeff Buckner, at (801) 366-0310.

DATED this 30th day of December, 2008.


KEITH WOODWELL
Director, Division of Securities



Certificate of Mailing/Service

I certify that on the 30TH day of DECEMBER, 2008, I mailed, via certified and regular mail, a true and correct copy of the Order to Show Cause and Notice of Agency Action to:

Jerome Anthony Moore
473 Brewster Dr.
Draper, UT 84020

Certified Mailing # 7004116000301963809

Jerome Anthony Moore
4525 So. Wasatch Blvd #210
Holladay, UT 84124

Certified Mailing # 7004116000301963816

Jerome Anthony Moore
714 Draper Heights Way
Draper, UT 84020

Certified Mailing # 7004116000301963823

PAUL RADZINSKI
Executive Secretary