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: **RESORT CLUBS INTERNATIONAL, LLC** **JEFFREY LANCE ROBINSON** **RESPONDENTS.**	**ORDER TO SHOW CAUSE** **Docket No.** SD-09-0001 **Docket No.** SD-09-0002

It appears to the Director of the Utah Division of Securities (Director) that Resort Clubs International, LLC and Jeffrey Lance Robinson have 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 the Respondents and the subject matter is appropriate because the Division alleges that they violated § 61-1-1 (securities fraud) of the Act while engaged in the offer and sale of securities in or from Utah.

STATEMENT OF FACTS

THE RESPONDENTS

2. Resort Clubs International, LLC (Resort Clubs) was registered as an Oregon limited liability company on May 4, 2001, and was dissolved on July 27, 2007. Jeffrey Lance Robinson was a member and manager of Resort Clubs. Resort Clubs has never been registered as a business entity in Utah.

3. Jeffrey Lance Robinson (Robinson) is a resident of Salt Lake County, Utah.

GENERAL ALLEGATIONS

4. On December 5, 2005, investors DM and LM met with Robinson about an investment opportunity in Resort Clubs at an office in Salt Lake County, Utah. LM's son was also present at the meeting.

5. At the December 5, 2005 meeting, Robinson told DM and LM the following about the investment opportunity:

   a. Resort Clubs was developing a vacation resort called Amatique Bay in Puerto Barrios, Guatemala;

   b. Robinson needed an investment of $300,000 to develop the resort;

   c. In return for a $300,000 investment, DM and LM could either have a membership interest in the project and earn 30% per year or, if they preferred a secured investment, they could earn 22% per year;

   d. Attorney Keith Barton was going to arrange for Robinson to market life insurance

to Barton's clients who were anticipating of a large cash settlement in the Fen-Phen class action litigation. DM's and LM's investment would be secured by the commissions Robinson made on any life insurance sales made to Keith Barton's Fen-Phen clients.

6. DM and LM asked Robinson to reduce the agreement to writing, and scheduled a follow-up meeting for December 14, 2004.

7. On December 14, 2004, DM and LM met with Robinson at the same office in Salt Lake County, Utah.

8. At the December 14, 2004 meeting, Robinson gave DM and LM a one-page summary of the Club Amatique Bay development project. The summary states that the total cost for a villa is $752,800, with a retail value of $1,200,000. The summary also states: "Unsecured Investment 30% Return per year; Secured Investment 22% Return per year; Guaranteed by Receivables Fen Phen cases Keith Barton Attorney; Three year agreement, with early exit provision; Investor to receive yearly interest payment."

9. LM again asked Robinson to provide them with a written agreement.

10. On December 21, 2004, LM made her initial $20,000 investment, via cash, at a meeting with DM, LM and Robinson in Salt Lake County, Utah.

11. On December 21, 2004, Robinson gave LM a "Loan Agreement," which states that Robinson would borrow $300,000 from LM at an annual interest rate of 22%; Robinson would make three annual interest payments of $66,000 to LM, with the principal amount

due at the payment of the third interest payment; and the principal and interest would be paid in full within 36 months.

12. The Loan Agreement also included a guaranty, stating that if Resort Clubs defaulted on the payments to LM, Robinson Funding Group, LLC[1] would transfer the Fen-Phen settlement profits it received from Keith Barton to LM.[2]

13. The Loan Agreement was signed by LM and by Robinson on behalf of Resort Clubs.

14. DM and LM invested the remainder of the $300,000 as follows:

Amount	Date	Method of Payment
$ 7,500	01/07/2005	Official check made payable to Robinson
42,500	01/07/2005	Official check made payable to Resort Clubs
150,000	01/19/2005	Wire transfer to Resort Clubs' bank account
80,000	02/01/2005	Wire transfer to Resort Clubs' bank account
$280,000	Total	

15. On August 15, 2005, Robinson met with DM and LM to give them an update on the resort development. Robinson told DM and LM their first interest payment of $66,000

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[1] Robinson Funding Group, LLC is a Utah limited liability company. Robinson Funding's entity status expired on October 20, 2004. Brian Robinson, Robinson's brother, is the manager and registered agent of Robinson Funding.

[2] On April, 25, 2008, in an interview with an investigator for the Division, Robinson stated that he had a letter from Keith Barton assigning some of Barton's "Fen-Phen" clients to Robinson. Robinson has yet to provide the Division with a signed copy of that letter.

would be paid on time in January 2006.

16. On December 5, 2005, Robinson gave DM and LM a signed receipt on Resort Clubs letterhead, detailing LM's $300,000 investment in Resort Clubs.

17. In January 2006, Robinson telephoned DM and LM to tell them he would drop off a cashier's check for $66,000. Robinson never showed up with the check.

18. Despite repeated demands for payment, DM and LM have received no return of principal or interest from Robinson or Resort Clubs, and are still owed $300,000 in principal alone.

Use of Funds

19. Robinson's brother (Brian Robinson) opened a bank account for Resort Clubs on December 21, 2004. Until the account was closed on June 4, 2007, Brian was the only person with signature authority on the account.

20. Bank records reveal that LM's initial $20,000 cash investment was not deposited into Resort Clubs' bank account at Liberty Bank in Eugene, Oregon, nor was their $7,500 check.

21. Resort Clubs' bank account had a zero balance when DM and LM's $42,500 check was deposited on January 10, 2005.

22. On January 19, 2005, when DM and LM's fourth investment of $150,000 was deposited into Resort Clubs' account, the account held approximately $20,440, all of which was DM and LM's investment funds.

23. Bank records do not reflect any additional deposits into Resort Clubs' account until

almost all of DM and LM's funds were spent.

24. A first-in/first-out analysis of bank records show DM's and LM's investment funds were spent in the following manner: $26,000 withdrawn by Brian; $30,000 withdrawn by Brian and paid to Robinson Plumbing; $15,000 sent by electronic wire transfer to Robinson's personal bank account at US Bank; $2,000 paid to Robinson via official check; $5,916 paid to Wells Fargo; $22,287 paid to the U.S. Treasury for Robinson's tax liabilities; $1,589 spent on air fare; $19,000 sent by electronic wire transfer to another bank account.

25. On April, 25, 2008, in an interview with an investigator for the Division, Robinson said he used a portion of DM's and LM's investment funds to pay back money he owed to his brother (Brian Robinson), and to pay back money he owed to a friend.

CAUSES OF ACTION

COUNT I
Securities Fraud under § 61-1-1 of the Act

26. The Division incorporates and re-alleges paragraphs 1 through 25.

27. The Loan Agreement offered and sold by Resort Clubs and Robinson to the investors is, in substance, a promissory note, or an investment contract, both of which are securities under § 61-1-13 of the Act. An investment contract includes,

> any investment in a common enterprise with the expectation of profit to be derived through the essential managerial efforts of someone other than the investor; or . . . any investment by which . . . an offeree furnishes initial value to an offerer; . . . a portion of

> this initial value is subjected to the risks of the enterprise; . . . the furnishing of the initial value is induced by the offerer's promises or representations which give rise to a reasonable understanding that a valuable benefit of some kind over and above the initial value will accrue to the offeree as a result of the operation of the enterprise; and . . . the offeree does not receive the right to exercise practical or actual control over the managerial decisions of the enterprise.

UTAH ADMIN. CODE R164-13-1(B)(1)(a) and 1(b).

28. In connection with the offer and sale of a security to investors, the Respondents, directly or indirectly, made false statements, including, but not limited to, the following:

    a. LM's investment would be used to develop and market a resort in Guatemala;

    b. LM's investment was guaranteed; and

    c. LM's investment would be secured by the commissions Robinson made on any life insurance sales made to Keith Barton's Fen-Phen clients.

29. In connection with the offer and sale of securities to investors, the Respondents, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make representations made not misleading:

    a. Robinson was in debt to his friends and family, and would use some of DM and LM's funds to repay those debts;

    b. Robinson was not licensed to sell life insurance, and therefore could not make commissions on the sale of live insurance to Keith Barton's clients;

    c. Some or all of the information typically provided in an offering circular or

prospectus regarding Resort Clubs, such as:

i. The business and operating history of Resort Clubs;

ii. The identity of Resort Clubs' principals along with their experience with buying and selling real estate;

iii. Resort Clubs' financial statements;

iv. The market for Resort Clubs' service(s);

v. The nature of the competition for the service(s);

vi. The track record of Resort Clubs to other investors;

vii. The number of other investors;

viii. The risk factors for Resort Clubs' investors;

ix. Discussion of pertinent suitability factors for the investment;

x. Current capitalization of Resort Clubs;

xi. Any conflicts of interest the issuer, the principals, or the agents may have with regard to the investment;

xii. Agent commissions or compensation for selling the investment;

xiii. Any involvement of Resort Clubs or its principals in certain legal proceedings, including bankruptcy or prior violations of state or federal securities laws;

xiv. Whether the investment is a registered security or exempt from registration; and

xv. Whether the person selling the investment is licensed.

30. Based upon the foregoing, Resort Clubs International, LLC and Jeffrey Lance Robinson violated § 61-1-1 of the Act.

ORDER

The Director, pursuant to § 61-1-20 of the Act, hereby orders the Respondents 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 Tuesday, March 3, 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. The purpose of the hearing is to establish a scheduling order and address any preliminary matters. If the Respondents fail to file an answer and appear at the hearing, the Division of Securities may hold Respondents 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 Respondents may show cause, if any they have:

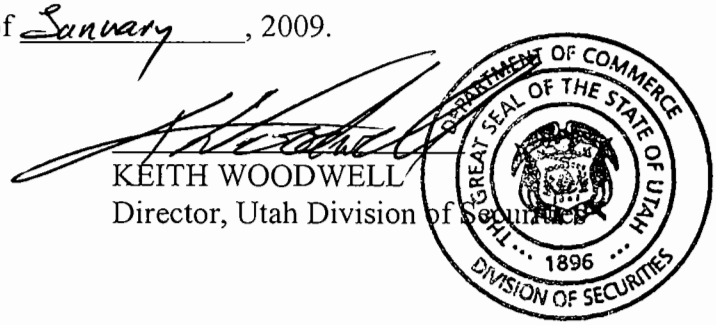
a. Why Resort Clubs International, LLC and Jeffrey Lance Robinson should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;

b. Why Resort Clubs International, LLC and Jeffrey Lance Robinson 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;

c. Why Resort Clubs International, LLC should not be ordered to pay a fine of five hundred thousand dollars ($500,000) to the Division of Securities, which may be reduced by restitution paid to the investors; and

d. Why Jeffrey Lance Robinson should not be ordered to pay a fine of three hundred fifty thousand dollars ($350,000) to the Division of Securities, which may be reduced by restitution paid to the investors.

DATED this 8th day of January, 2009.



KEITH WOODWELL
Director, Utah Division of Securities

Approved:

JEFF BUCKNER
Assistant Attorney General

A. K.

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

IN THE MATTER OF:	NOTICE OF AGENCY ACTION
RESORT CLUBS INTERNATIONAL, LLC JEFFREY LANCE ROBINSON Respondents.	Docket No. SD-09-0001 Docket No. SD-09-0002

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

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:	A copy 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	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 Tuesday, March 3, 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 8th day of January, 2009.

KEITH WOODWELL
Director, Division of Securities

Certificate of Mailing/Service

I certify that on the 8TH day of JANUARY, 2009, I mailed, via certified and regular mail, a true and correct copy of the Order to Show Cause and Notice of Agency Action to:

Resort Clubs International, LLC
Attn: Budge Hamilton Jr., Registered Agent
725 Country Club Road
Eugene, OR 97401

Certified Mailing # 7004 1160 0003 0196 3885

Jeffrey Lance Robinson
960 E. New Hope Drive
Draper, UT 84020

Certified Mailing # 7004 1160 0003 0196 3861

Jeffrey Lance Robinson
4452 Hawthorn Ave.
Eugene, OR 97402

Certified Mailing # 7004 1160 0003 0196 3878

PAM RADZINSKI
Executive Secretary