

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

**RESORT CLUBS INTERNATIONAL, LLC,  
and  
JEFFREY LANCE ROBINSON,**

**Respondents.**

**STIPULATION AND CONSENT  
ORDER**

Docket No. SD-09-0001

Docket No. SD-09-0002

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The Utah Division of Securities (the Division), by and through its Director of Enforcement, Michael Hines, and Resort Clubs International, LLC and Jeffrey Lance Robinson, hereby stipulate and agree as follows:

1. Resort Clubs International, LLC and Jeffrey Lance Robinson were the subject of an investigation conducted by the Division into allegations that they violated certain

provisions of the Utah Uniform Securities Act (the Act), Utah Code Ann. § 61-1-1, *et seq.*, as amended. Based on its investigation, the Division issued an order to show cause (OSC) against Respondents alleging violations of securities fraud on January 07, 2009. The matter was stayed pending the resolution of a related criminal matter against Robinson in the Third Judicial District Court, Case No. 091907336.<sup>1</sup>

2. Robinson did not file an answer to the OSC, but Robinson and the Division have agreed to settle this matter by way of this Stipulation and Consent Order.
3. Respondents admit the jurisdiction of the Division over them and over the subject matter of this action.
4. Respondents waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf.

## **I. THE DIVISION'S FINDINGS OF FACT**

### **THE RESPONDENTS**

5. 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

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<sup>1</sup>On May 03, 2010, Robinson pled guilty to one count of attempted securities fraud and one count of attempted theft.

Robinson was a member and manager of Resort Clubs. Resort Clubs has never been registered as a business entity in Utah.

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

#### **GENERAL ALLEGATIONS**

7. 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.
8. 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. Utah personal injury attorney Keith Barton was to make arrangements for Barton's clients who were anticipating a large cash settlement in the Fen-Phen

litigation to use Robinson as a financial advisor. DM's and LM's investment would be secured by the commissions Robinson made on any investments made by Keith Barton's Fen-Phen clients.

9. DM and LM asked Robinson to reduce the agreement to writing, and scheduled a follow-up meeting for December 14, 2004.
10. On December 14, 2004, DM and LM met with Robinson at the same office in Salt Lake County, Utah.
11. 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."
12. LM again asked Robinson to provide them with a written agreement.
13. 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.
14. 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.

15. The Loan Agreement also included a guaranty, stating that if Resort Clubs defaulted on the payments to LM, Robinson Funding Group, LLC<sup>2</sup> would transfer the Fen-Phen settlement profits it received from Keith Barton to LM.<sup>3</sup>
16. The Loan Agreement was signed by LM and by Robinson on behalf of Resort Clubs.
17. DM and LM invested the remainder of the \$300,000 as follows:

<u>Amount</u>	<u>Date</u>	<u>Method of Payment</u>
_____ \$ 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

<sup>2</sup> 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.

<sup>3</sup> 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.

80,000                      02/01/2005      Wire transfer to Resort Clubs' bank account

\$280,000      Total

18.    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 would be paid on time in January 2006.
19.    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.
20.    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.
21.    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

22.    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.
23.    Bank records revealed 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.

24. Resort Clubs' bank account had a zero balance when DM and LM's \$42,500 check was deposited on January 10, 2005.
25. 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.
26. Bank records do not reflect any additional deposits into Resort Clubs' account until almost all of DM and LM's funds were spent.
27. 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.
28. 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.

### **MATERIAL MISREPRESENTATIONS AND OMISSIONS**

29. In connection with the offer and sale of a security, 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.
  
30. In connection with the offer and sale of a security, 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 life 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.

## **II. THE DIVISION'S CONCLUSIONS OF LAW**

- 31. Based on the Division's investigative findings, the Division concludes that:
  - a. The investment opportunities offered and sold by Respondents are securities under § 61-1-13 of the Act; and
  - b. Respondent violated § 61-1-1 of the Act by making misrepresentations of material facts and by omitting to state material facts in connection with the offer and sale of a security.

## **III. REMEDIAL ACTIONS/SANCTIONS**

- 32. Respondents admit the Division's findings and conclusions and consent to the sanctions below being imposed by the Division.
- 33. Respondents represent that any information they provided to the Division as part of the Division's investigation of this matter is accurate.
- 34. Respondents agree to the imposition of a cease and desist order, prohibiting them from any conduct that violates the Act.
- 35. Robinson agrees that he will be permanently barred from (i) associating with any broker-dealer or investment adviser licensed in Utah; and (ii) acting as an agent for any issuer

soliciting investor funds in Utah.

36. Pursuant to Utah Code Ann. § 61-1-6(1)(a) and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, the Division imposes a fine of \$350,000.
37. As part of the resolution of this matter, Respondents have expressed a willingness and desire to disgorge the monies collected from the investors according to the following terms:
  - a. Respondents shall disgorge all monies collected from the investors. The Division believes that amount to be \$300,000. Respondents shall pay the investors directly according to the terms set forth by the Utah Third District Court in Case Number 091907336:
  - b. Respondents shall maintain records verifying payments to investors in the form of canceled checks. Within 20 days after each payment to investors, Respondents shall provide a copy of the front and back of each cancelled check to the Division.
38. Each dollar paid by Respondents to the investors shall be credited by the Division toward payment of the fine, up to \$300,000.
39. The remaining \$50,000 of the fine amount shall be held in abeyance for sixty months from the entry of this Consent Order.

40. If Respondents materially violate any of the terms of this Order within sixty months of the entry of this Consent Order, after notice and opportunity to be heard before an administrative officer, a fine of \$350,000 shall be imposed against the Respondents, jointly and severally, and become due immediately.
41. Respondents agree to cooperate with the Division, the State of Utah, and the Federal Government in any future investigations and/or prosecutions.

#### **IV. FINAL RESOLUTION**

42. Respondents acknowledge that this Order, upon approval by the Securities Commission shall be the final compromise and settlement of this matter.
43. Respondents further acknowledge that if the Securities Commission does not accept the terms of the Order, it shall be deemed null and void and without any force or effect whatsoever.
44. 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.
45. The Stipulation and Consent Order constitute 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 the Order in any way.

Utah Division of Securities

Date: 6/23/10  
By: [Signature]  
Michael Hines  
Director of Enforcement

Respondent Robinson

Date: 6/10/2010  
By: [Signature]  
Jeffrey Lance Robinson

Approved:

[Signature]  
Jeff Buckner  
Assistant Attorney General  
S.J.

**ORDER**

IT IS HEREBY ORDERED THAT:

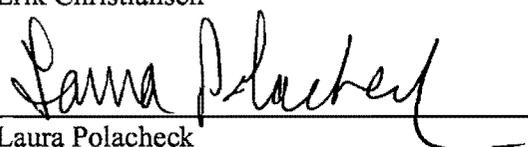
1. The Division has made a sufficient showing of Findings of Fact and Conclusions of Law to form a basis for this settlement.
2. Respondents cease and desists from violating the Utah Uniform Securities Act.
3. Robinson is permanently barred from (i) associating with any broker-dealer or investment adviser licensed in Utah; and (ii) acting as an agent for any issuer soliciting investor funds in Utah.
4. Division imposes a fine of \$350,000 off-set by restitution payments to investors.
5. \$50,000 of the fine amount shall be held in abeyance for thirty-six months;
6. If Respondents materially violate any of the terms of this Order the full fine amount shall be imposed against the Respondents, jointly and severally, and become due immediately.
7. Respondents cooperate with the Division in any future investigations.

**BY THE UTAH SECURITIES COMMISSION:**

DATED this 24<sup>th</sup> day of June, 2010.

  
\_\_\_\_\_  
Tim Bangerter

  
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Jane Cameron

\_\_\_\_\_  
Erik Christiansen  
  
\_\_\_\_\_  
Laura Polacheck

  
\_\_\_\_\_  
Michael O'Brien

**Certificate of Mailing**

I certify that on the 29th day of June, 2010, I mailed, by certified mail, a

true and correct copy of the Stipulation and Consent Order to:

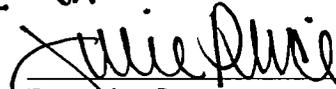
Jeffrey Lance Robinson

5021 Topcrest Dr.

South Jordan, Utah 84095

Certified Mailing #

7008 1140 0004 1042 2811

  
Executive Secretary