

Division of Securities
Utah Department of Commerce
160 East 300 South
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:

TOWNSEND VENTURE COMPANY, LLC
NICK T. SMITH

Respondents.

STIPULATION AND CONSENT
ORDER

Docket No. SD- 09-0006
Docket No. SD- 09-0007

The Utah Division of Securities (the Division), by and through its Director of Enforcement, Michael Hines, and Townsend Venture Company, LLC and Nick T. Smith, hereby stipulate and agree as follows:

1. Townsend Venture Company and Smith were the subject of an inquiry conducted by the Division regarding allegations that they violated certain provisions of the Utah Uniform Securities Act (the Act), Utah Code Ann. § 61-1-1, *et seq.*, as amended.
2. Townsend Venture Company, Smith, and the Division have agreed to settle this matter by way of this Stipulation and Consent Order.

3. Townsend Venture Company and Smith have voluntarily chosen to proceed without counsel in this matter.
4. Townsend Venture Company and Smith admit the jurisdiction of the Division over them and over the subject matter of this action.
5. Townsend Venture Company and Smith 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

From October through December 2008, the Division conducted an inquiry into this matter which revealed the following:

6. Townsend Venture Company, LLC was registered as a Utah limited liability company on February 13, 2008, and its entity status is currently "active." Nick T. Smith is the sole member of Townsend Venture Company.
7. Nick T. Smith resides in Salt Lake County, Utah.
8. On October 31, 2008, the Division received an anonymous e-mail from an individual who received an e-mail from Smith and Townsend Venture Company on October 30, 2008. The e-mail from Smith to the anonymous individual was forwarded to the Division.
9. The subject line of the e-mail from Smith reads "Forex Opportunity." The e-mail states:
 - a. "Minimum Entry is \$1m this can be one individual or a group of investors coming into the investment as one entity"

- b. “Trades will be split between two brokers groups. The funds for these trade groups will be held at Global Forex Trading www.gftforex.com. Investor will have complete control of the funds and will be required to pay traders fees as the returns are created”
 - c. “Both groups are experiencing 80 to 85% success rate on trades and historically have pulled in monthly returns of 10 to 30%. Each group requires that a 5% initial fee be deposited as security into a hold account in the case that the investor fails to pay the trader for services”
 - d. “Returns can be taken monthly or left in the accounts to compound”
 - e. “Investor will have full transparency with all parties involved and can speak to the traders directly once proper documentation is in place”
 - f. “Investor will receive 60% of the net returns which based on historical could be between 6 and 18% monthly”
 - g. “Required documentation: NCND, Fee Agreement, Proof of Funds”
 - h. “Opportunity Time Frame is short (2 Months), trade timeframe is indefinite.”
10. Smith’s e-mail constitutes an offer to sell an investment opportunity in the foreign exchange / currency trading market, which is a security under the Act.
11. Townsend Venture Company and Smith have never been licensed to sell securities in Utah.

12. Smith represents that he and Townsend Venture Company raised no funds for the “Forex Opportunity.”

II. THE DIVISION’S CONCLUSIONS

13. Based on the Division’s investigative findings, the Division concludes that:
 - a. The investment opportunity (foreign exchange / currency trading) offered for sale by Townsend Venture Company and Smith is a security under § 61-1-13 of the Act; and
 - b. Townsend Venture Company and Smith violated § 61-1-3 of the Act by offering to sell securities in or from Utah without a license.

III. REMEDIAL ACTIONS / SANCTIONS

14. Townsend Venture Company and Smith admit the Division’s findings and conclusions, and consent to the sanction below being imposed by the Division.
15. Townsend Venture Company and Smith represent that the information they provided to the Division as part of the Division’s inquiry into this matter is accurate.
16. Townsend Venture Company and Smith agree to the imposition of a cease and desist order, prohibiting them from any conduct that violates the Act.

IV. FINAL RESOLUTION

17. Townsend Venture Company and Smith acknowledge that this Order, upon approval by the Division Director shall be the final compromise and settlement of this matter.

Respondents further acknowledge that if the Division Director does not accept the terms of the Order, it shall be deemed null and void and without any force or effect whatsoever.

18. Townsend Venture Company and Smith 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.
19. 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

Date: 1/21/09

By: [Signature]
Michael Hines
Director of Enforcement

Respondent Townsend Venture Company,
LLC

Date: 01.11.08

By: [Signature]
Nick Smith

Its: DIRECTOR

Approved:

[Signature]
Jeff Buckner
Assistant Attorney General

Respondent Smith

Date: 01.11.08

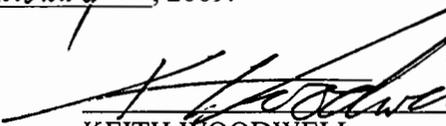
[Signature]
Nick Smith

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. Townsend Venture Company, LLC and Nick T. Smith cease and desist from violating the Utah Uniform Securities Act.

DATED this 27th day of January, 2009.


KEITH WOODWELL
Director, Utah Division of Securities



Certificate of Mailing

I certify that on the 27th day of JANUARY, 2009, I mailed, by certified mail, a true and correct copy of the Stipulation and Consent Order to:

Nick T. Smith
Townsend Venture Company, LLC
10421 South Jordan Gateway, Suite 100
South Jordan, UT 84095

Certified Mailing # 7004 1160 000301964042

Pamela Radzinski
Executive Secretary