

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:**

PATENT HOLDING, LLC,  
STEVEN LYNN BOWERS, and  
PAT G. MINER,

**Respondents.**

**STIPULATION AND CONSENT  
ORDER AS TO PAT G. MINER:**

Docket No. SD-09-0056  
Docket No. SD-09-0057  
**Docket No. SD-09-0058**

---

The Utah Division of Securities (the Division), by and through its Director of Enforcement, Michael Hines, and Pat G. Miner (Miner), hereby stipulate and agree as follows:

1. Miner was the subject of an investigation conducted by the Division into allegations that she violated certain provisions of the Utah Uniform Securities Act (the Act), Utah Code Ann. § 61-1-1, *et seq.*, as amended.
2. In connection with that investigation, the Division issued an Order to Show Cause against Miner on December 9, 2009, alleging securities fraud.

3. On December 28, 2009, Miner filed an answer to the Division's Order to Show Cause denying the allegations.
4. Miner is represented by attorney John W. Buckley, and is satisfied with her representation.
5. Miner waives any right to a hearing to challenge the Division's evidence and present evidence on her behalf.
6. Miner also acknowledges that this stipulation and consent order does not affect any enforcement action that might be brought by a criminal prosecutor or any other local, state, or federal enforcement authority.
7. Miner admits the jurisdiction of the Division over her and over the subject matter of this action.

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

### **THE RESPONDENT**

8. Pat G. Miner was, at all relevant times, a resident of Utah County, Utah. Miner has never been licensed as a broker-dealer, agent, investment advisor, or investment advisor representative in Utah. Miner and Steven Lynn Bowers (Bowers) were associates.<sup>1</sup>

### **GENERAL ALLEGATIONS**

---

<sup>1</sup>Miner and Bowers have been associated for nine years. Utah Division of Corporations records reveal Bowers and Miner were principals in five Utah entities between 2002 and 2004. Utah Court records reveal Bowers and Miner were sued on May 11, 2000 (See *Merlin 2000 v. Marlena Williams* #000903756) and sued again March 12, 2007 (See *American Pension Services Inc. v. Steven L. Bowers* #070903919).

9. Between March 2005 and April 2005, Respondents solicited EW to invest a total of \$295,000 with Patent Holding, LLC (Patent) through Millennial Financial Group, Inc. (MFG.)<sup>2</sup>
10. Miner made material misstatements and omissions regarding EW's \$295,000 investment in Patent.
11. EW lost \$251,000 in principal alone.

#### **FIRST INVESTMENT**

12. In 2005, EW earned capital from the sale of her Idaho business and planned to invest \$300,000 of it.
13. EW knew one of the principals of MFG, Tyree Mackey (Mackey).
14. EW met with Mackey and Jeremy King (King) (the other principal of MFG), and decided to invest with MFG after two meetings with them. These two meetings took place in Idaho.
15. On March 31, 2005, EW invested \$160,000 with MFG in Idaho.
16. Soon after EW invested with MFG, King met with Miner who offered an investment opportunity with Patent to purchase senior life settlements, also known as viaticals, at \$0.35 on the dollar and then resell them at \$0.50 on the dollar.

---

<sup>2</sup>Millennial Financial Group, Inc. is a Utah corporation. MFG incorporated on November 10, 2004. MFG's status as a corporation is "expired" for failure to file renewal as of February 26, 2007.

17. Miner said policies could be turned every two to four weeks. Miner said Bowers was the senior partner and scheduled a follow up appointment for King to meet Bowers.
18. On or about April 2005, Bowers met with King, Mackey, and Miner in Utah County. Bowers explained senior life settlements and said he was able to purchase them in bulk through an unnamed partner in Florida.
19. Bowers made the following statements about an investment opportunity with Patent while Miner was present:
  - a. Investor money would be pooled for the purchase of senior life settlements;
  - b. The policy premiums were paid at closing;
  - c. Once a block of policies was purchased, they would be broken into smaller groups and resold at a higher price;
  - d. They planned to purchase/sell settlements every two weeks;
  - e. If they invested, King and Mackey or MFG would be the beneficiaries on the policies so there was little to no risk;
  - f. The worst case scenario would be that the policies could not be resold and the investor would own the policy which the investor purchased at a third of its face value;
  - g. In a worst case scenario, the investor would wait for the insured person to die (five to seven years) and for the insurance company to pay;

- h. Warren Buffett was purchasing senior life settlements;
  - i. If Mackey and King did not invest that day, they would “miss the boat;”
  - j. Mackey and King would make huge profits on the deal within a very short period of time;
  - k. There was no risk in investing because demand for the policies was so high;
  - l. Mackey and King were guaranteed to get their investment money in Patent back within days so there is no risk; and
  - m. If King and Mackey invested in Patent right away they could be part of the purchase of settlements with a buyer already lined up.
20. Bowers made the following statements about himself while Miner was present:
- a. He was involved in obtaining patents in the technology area and had been involved with many successful companies;
  - b. He had been involved in a mine of some kind;
  - c. He made millions of dollars in a multi-level marketing company;
  - d. He had lost millions of dollars; and
  - e. He would “never screw anyone.”
21. Based on Bowers’s statements and unbeknown to EW, King and Mackey decided to invest \$100,000 of EW’s \$160,000 investment in MFG with Patent with the understanding that MFG would earn monthly interest and could get the money back

within three days if necessary.

22. On April 13, 2005, MFG executed an agreement with Patent to provide EW's \$100,000 for 60 days, with options to renew. The agreement states:

MFG will invest \$100k USD with [Patent]. [Patent] will manage the monies and purchase Senior Life Settlement Policies. [Patent] will pay MFG the original investment of \$100k every 60 days. This process will continue for up to 6 months or until \$300k is given back to MFG.

23. An Addendum to the April 13 agreement was executed the same day. The Addendum states:

[Patent] agrees that in the event that MFG should require the return of the \$100,000. Before the term of the Agreement, [Patent] agrees to return the \$100,000. Within 4 business days of the request.

24. On or about April 13, 2005, King and Mackey purchased a \$100,000 cashier's check payable to Patent Holdings, Inc. from Wells Fargo in Orem, Utah and delivered the check to Miner at Patent's office in Utah County.

#### SECOND INVESTMENT

25. On or about April 2005, EW and her husband drove to Utah County, Utah where they met with Bowers, Miner and others.

26. During the meeting, Miner stated:

- a. King's father-in-law had invested with Patent and had made money.
- b. King's father-in-law was so successful with his investment that he was

able to realize his life's dream of owning a ranch;

- c. Miner and Bowers were partners;
  - d. Patent had helped many people achieve their dreams and everyone was happy;
  - e. The first time Patent invested in life insurance policies it worked very well and was a big success so they were going to do it again;
  - f. Patent was registered in Nevada;
  - g. If EW invested, an independent CPA would hold EW's money so everything was on the "up and up;"
  - h. Bowers and Patent could not touch EW's money until the CPA firm was certain "everything was fine;"
  - i. EW would make \$15,000 per month for twelve months on her investment;
  - j. EW would be the beneficiary on the life insurance policy and would receive all the necessary paperwork;
27. During the meeting, Bowers stated with Miner present that:
- a. Money could be made by providing Bowers with capital to purchase senior life policies:
  - b. Once Bowers owned a policy, he could resell the policy at a profit.
  - c. Patent had other investors:

- d. EW's first investment had earned \$65,000 in profit;
  - e. EW's money would be used to purchase viaticals.
28. Based on Bowers' and Miner's statements, EW decided to invest again with Patent. On April 26, 2005, EW issued a \$135,000 check to MFG.
  29. King purchased a cashier's check payable to Patent Holding, LLC from Wells Fargo Bank and delivered the check to Bowers.
  30. The check was drawn on EW's account in the name of her company at The Bank of Commerce.
  31. On May 6, 2005, Bowers signed an agreement with EW titled Millennial Financial Group, Inc. in conjunction with Patent Holding, Inc. Instalment Note which called for a \$300,000 investment for the purchase of "Senior Life insurance Policies for a death benefit amount greater than or equal to twice the value of monies received."
  32. According to the agreement, EW's company would receive \$15,000 monthly interest payments starting June 15, 2005 and ending May 15, 2006 totaling \$180,000.
  33. EW never received the \$15,000 monthly interest payments.

34. Bank records analyzed by James Burns, Idaho Department of Finance, Securities

Bureau revealed that:

No viaticals were ever purchased. Instead, Bowers used [EW]'s money for various personal reasons. When the initial \$100,000 was deposited into Bowers' account on April 13, 2005, it was \$3,021.87 overdrawn...Bowers wrote a check to Miner in the amount of \$6,000 on April 15, 2005 and another in the amount of \$24,000 on April 18, 2005. Bowers transferred \$9,691.50 to his personal checking account, he bought a Mustang automobile for \$13,375, he wrote checks to himself totaling \$6,400, he paid \$6,000 in commissions, he paid \$14,000 to other individuals, and otherwise paid personal expenses. By April 25, 2005, when Bowers received \$135,000 from [EW], he had only \$2,449.23 left in his checking account. Bowers similarly frittered away the \$135,000 on his personal expenses, and by July 1, 2005, he had spent the entire amount.<sup>3</sup>

**CAUSES OF ACTION**

**Securities Fraud under § 61-1-1 of the Act**

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

- a. All money invested would be used for the purchase and resale of viaticals when in fact none of EW's investment money was used to purchase viaticals;

---

<sup>3</sup>*State of Idaho. Department of Finance, Securities Bureau vs. Tyree Mackey. Jeremy King. Pat G. Miner and Millennial Financial Group. Inc. Docket No. 2007-07-35. Consent Order entered September 30, 2008.*

- b. An independent CPA would hold EW's money so everything was on the "up and up" and Bowers could not touch EW's money until the CPA firm was certain "everything was fine" when in fact, none of EW's money was held by a CPA firm but was deposited into Bowers' account where he used the money for various personal expenses;
  - c. EW's company would be the beneficiary of viaticals purchased with their investment funds when in fact, Bowers purchased no viaticals and EW's company was never named as the beneficiary of a single viatical;
  - d. A worst case scenario involved the investor holding viaticals until the insured party died when in fact, Bowers purchased no viaticals;
  - e. Because the viaticals would be in the name of EW's company, the investment was safe and secure when in fact, Bowers purchased no viaticals and the investment was not safe and secure;
  - f. EW's first investment had earned \$65,000 in profit when in fact, Bowers had not purchased any viaticals with EW's money and had used the money for various personal expenses so there could be no profit.
36. In connection with the offer and sale of a security, Miner, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was

necessary in order to make statements not misleading:

- a. That Bowers and Miner<sup>4</sup> had a history of law suits and judgments. Specifically, Bowers was sued five times between July 2001 and August 2004 and those suits resulted in two judgements of \$2,012,410 and \$2,686.84.<sup>5</sup>
- b. That Bowers had petitioned for Chapter 13 bankruptcy on October 31, 2001 and that the case was terminated May 9, 2002.
- c. Some or all of the information typically provided in an offering circular or prospectus regarding Patent, such as:
  - i. Patent's financial statements;
  - ii. The track record of Patent to other investors;
  - iii. The number of other investors;
  - iv. Any conflicts of interest the issuer, the principals, or the agents may have with regard to the investment;

---

<sup>4</sup>See footnote 1.

<sup>5</sup>*IHV Technologies v. OSDNA, Steven Bowers* filed July 13, 2001; *Calvin B. Smith v. Hitt Tech, Steven Bowers*, filed December 03, 2001 and resulted in a \$2,012,410 judgment; *EPN v. Steven Bowers* filed June 12, 2002 and resulted in a judgment of \$2,686.84; *REO Holdings v. Glenn Kovar, Steven Bowers et al.* filed April 16, 2002; and *Matthew T. Morgan v. Steven Bowers* filed August 10, 2004.

- v. Any involvement of Patent in certain legal proceedings;
- vi. Whether the investment is a registered security or exempt from registration;  
and
- vii. Whether the person selling the investment is licensed.

37. Based upon the foregoing, Miner violated § 61-1-1(2) of the Act.

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

38. Based on the Division's investigative findings, the Division concludes that:

- a. The investment opportunities offered and sold by Miner are securities under § 61-1-13 of the Act;
- b. Miner violated § 61-1-1(2) of the Act by misstating and omitting to state material facts in connection with the offer and sale of a security.

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

- 39. Miner admits the Division's findings and conclusions and consents to the sanctions below being imposed by the Division.
- 40. Miner represents that any information she provided to the Division as part of the Division's investigation of this matter is accurate.
- 41. Miner agrees to the imposition of a cease and desist order, prohibiting her from any conduct that violates the Act.

42. Pursuant to Utah Code Ann. § 61-1-6(1)(d) and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, the Division imposes a fine of \$10,000 with the following provisions:
- a. The \$10,000 fine will be held in abeyance contingent on no securities laws violations for thirty-six months from entry of this Order.
  - b. If Respondent materially violates any of the terms of this Stipulation and Consent Order within the abeyance period following the entry of the Order, after notice and opportunity to be heard before an administrative officer, the entire fine shall become immediately due.
43. Miner agrees to cooperate with the Division, the State of Utah, and the Federal Government in any future investigations and/or prosecutions relevant to the matter herein.

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

44. Miner acknowledges that this Order, upon approval by the Securities Commission shall be the final compromise and settlement of this matter.
45. Miner further acknowledges 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.
46. Miner acknowledges that the Order does not affect any civil or arbitration causes of action that third-parties may have against her 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 her conduct referenced herein.

47. The Stipulation and Consent 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 the Order in any way.

Utah Division of Securities

Date: 7/6/11

By: [Signature]

Michael Hines  
Director of Enforcement

Respondent Miner

Date: June 30, 2011

By: [Signature]

Pat G. Miner

Approved:

[Signature]

Jeff Buckley  
Assistant Attorney General  
D.P.

Approved:

[Signature]  
John W. Buckley  
Attorney for Respondent

**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. Miner cease and desist from violating the Utah Uniform Securities Act.
3. Miner pay a fine of \$10,000. The fine will be waived contingent on no securities laws violations for thirty-six months from the date of the entry of the Order.
4. Miner cooperate with the Division in any future investigations.

**BY THE UTAH SECURITIES COMMISSION:**

DATED this 28<sup>th</sup> day of JULY, 2011.

---

Tim Bangerter

---

Jane Cameron

---

Erik Christiansen

---

Laura Polacheck

Sam Graham  
van Graham

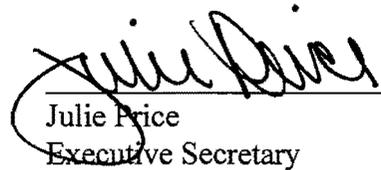
---

**CERTIFICATE OF MAILING**

I, Julie Price, hereby certify that on the 2nd day of August 2011, I mailed, by certified mail, a true and correct copy of the forgoing **Stipulation and Consent Order** to:

Pat G. Miner  
c/o Attorney John W. Buckley  
3301 North University Avenue  
Provo, UT 84604

Certified Receipt #: 7007 0220 0001 0063 6240

  
\_\_\_\_\_  
Julie Price  
Executive Secretary