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Utah Department of Commerce  
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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:**

**TAMARIN ADVISORS, LLC  
CLEAR VOICE STUDIOS, INC.  
HYPERNOVA FILMS LLC  
THE VACUUM LAW, LP  
DENNY ROGER PEHRSON,**

**Respondents.**

**ORDER TO SHOW CAUSE**

Docket No. SD-10-0017  
Docket No. SD-10-0019  
Docket No. SD-10-0020  
Docket No. SD-10-0021  
Docket No. SD-10-0022

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It appears to the Director of the Utah Division of Securities (Director) that Tamarin Advisors, LLC, Clear Voice Studios, Inc., HyperNova Films, LLC, The Vacuum Law, LP, and Denny Roger Pehrson 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 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. Tamarin Advisors, LLC (Tamarin) is a Utah limited liability company. Tamarin filed articles of organization on October 05, 2007, but was expired as of February 1, 2010. Denny Roger Pehrson (Pehrson) is listed as a managing member and registered agent for Tamarin. Tamarin has never been licensed by the Division as a broker/dealer agent nor an issuer/agent to sell securities.
3. Clear Voice Studios, Inc. (CVS) is a Wyoming corporation. CVS filed articles of incorporation in Wyoming on August 14, 2007. Pehrson is listed as a director and secretary for CVS. CVS's status is inactive as of October 10, 2009. CVS is not registered in Utah as a foreign corporation, and has never been licensed by the Division as a broker/dealer agent nor an issuer/agent to sell securities.
4. HyperNova Films, LLC (HyperNova) is a Nevada limited liability company. HyperNova filed articles of organization in Nevada on January 7, 2009. HyperNova also registered in Utah as a foreign limited liability company with the Utah Division of Corporations on February 25, 2009. Pehrson is listed as a registered agent for HyperNova. HyperNova's

registration in Utah expired as of July 13, 2009. HyperNova filed a regulation D exemption with the Securities and Exchange Commission on or about March 16, 2009.

5. The Vacuum Law, LP (Vacuum Law) is an Arizona limited partnership. Vacuum Law filed its certificate of limited partnership on February 12, 2009. HyperNova is listed as the general partner. Vacuum Law's status is active as of January 20, 2010. Vacuum Law is not registered in Utah as a foreign limited partnership, and has never been licensed by the Division as a broker/dealer agent nor an issuer/agent to sell securities.
6. Denny Roger Pehrson (Pehrson) was, at all relevant times, a resident of Salt Lake County, Utah. Pehrson was, at all relevant times, not licensed as a broker-dealer, agent, investment advisor, or investment advisor representative in Utah.

#### **GENERAL ALLEGATIONS**

7. Between October 2007 and October 2008, Respondents offered and sold securities to four groups of investors, in or from Utah, and collected a total of approximately \$481,000.
8. Pehrson made material misrepresentations and omissions in connection with the offer and sale of securities to the investors below.
9. The investors lost \$299,623 in principal alone.

#### INVESTORS JJ AND DE

10. On or about July 30, 2007, JJ received an e-mail from Pehrson about an offer of unsecured promissory notes in return for investment funds.

11. The e-mail made the following statements:
  - a. Pehrson would be “guaranteeing a monthly rate” between 4% and 8% depending on the amount invested;
  - b. Pehrson “researched the Utah Code Annotated about Promissory Notes” and found that he could raise up to \$500,000 from investors “without going into further regulatory steps;”
  - c. Pehrson would use investment proceeds to buy certificates of deposit (CD), borrow against the CDs, and then use the borrowed funds for options trading, using a strategy called the “Iron Condor”;<sup>1</sup>
  - d. Pehrson was “all about empowering energy” and was “not going to compromise the authenticity about the use of proceeds;”
  - e. The e-mail was not a solicitation, but was information for future use by the investor.
12. JJ contacted Pehrson about the investment a few times over the following months. During those conversations, Pehrson said the investment would be in Tamarin.
13. In or about October 2007, JJ and his aunt, DE, met with Pehrson at the Prosperity

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<sup>1</sup>Although Pehrson talked about purchasing CDs in this e-mail, Pehrson did not discuss this plan to purchase CDs any further and did not mention why he changed from this initial model.

Learning Center located in Salt Lake County, Utah.<sup>2</sup>

14. During the meeting, Pehrson said he was collecting money from investors for trade in stocks and options. Pehrson discussed some of the trading strategies he used, such as the Iron Condor and other hedge strategies to mitigate trading risk. Pehrson claimed he diversified the funds traded into different stocks and market accounts.
15. Pehrson made the following representations:
  - a. He had multiple college degrees, had taken business and finance classes, and had learned the trading techniques from other individuals and studying market trends;
  - b. He had prior experience with securities;
  - c. He would issue promissory notes with terms of nine months in return for investment funds;
  - d. JJ and DE could receive their funds back by giving Pehrson fifteen days written notice;
  - e. JJ and DE could re-invest their funds at the end of the term, but they would have to re-take possession of their funds before re-investing;
  - f. The notes offered between 4% and 8% interest per month;
  - g. A minimum investment of \$5,000 was required;
  - h. Investments of \$100,000 or more qualified for 8% per month;

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<sup>2</sup>Pehrson knew most, if not all, of the investors through an investment group called Tashi, which met at the Prosperity Learning Center in Midvale, Utah.

- i. He could accept a total of \$500,000 from only ten to fifteen investors to avoid regulation;
  - j. He had invested some of his personal funds as well;
  - k. He averaged between 15% and 20% returns per month through options trading;
  - l. He would keep whatever amount of money he earned above the interest amount paid to investors each month; and
  - m. He had a “rainy day fund” to cover interest payments to investors during months when he earned less than what would be paid to investors.
16. During the meeting, Pehrson provided DE with two documents. The first document was a promissory note for the funds received. The second document was entitled *Investor Questionnaire*, but Pehrson did not request DE to complete it.
  17. JJ and DE told Pehrson they were interested in combining their funds to invest about \$75,000 with Pehrson. Pehrson offered JJ and DE 6% per month in return for the funds.
  18. JJ told Pehrson that he was taking out a second mortgage on his home in order to make the investment.
  19. Based on Pehrson’s representations, JJ and DE decided to invest \$74,750 with Tamarin.
  20. On October 11, 2007, JJ and DE gave Pehrson a \$74,750 cashier’s check made payable to Tamarin.
  21. JJ gave the check to Pehrson while in Salt Lake County, Utah with the understanding that

Pehrson was authorized to invest the funds only in the stock and options market.

22. JJ invested about \$55,000 and DE invested about \$20,000.
23. JJ received a promissory note for \$74,750 in return for the investment funds.
24. Following the initial investment, JJ, DE, and DE's sister invested additional funds with Tamarin.
25. In or about Spring or Summer 2008, JJ asked Pehrson for a status update on Pehrson's trading strategy given the unstable markets at that time. Pehrson responded that he had not been trading options due to the poor market.
26. By September 2008, JJ had invested about \$60,000, DE invested about \$80,000, and DE's sister about \$50,000 in Tamarin.
27. On September 25, 2008, JJ invested the final portion of funds received, bringing the total investment amount to about \$190,000.
28. JJ's final investment of \$50,000 was deposited in Tamarin's Zions Bank account on or about September 25, 2008, bringing the account balance to \$52,600.42.
29. Bank records from Tamarin's Zions Bank account show, using a first in first out analysis, that the \$50,000 was used in the following manner:
  - a. \$4,000 transferred to Pehrson's personal Zions Bank account;
  - b. \$1,100 spent on travel expenses;
  - c. \$8,000 paid to a couple presumed to be investors;

- d. \$11,379 paid to JJ;
  - e. \$16,000 paid to an investor<sup>3</sup>;
  - f. \$2,125 paid to Pehrson;
  - g. \$5,338.57 transferred to Tamarin's trading account<sup>4</sup>; and
  - h. \$1,600 spent on miscellaneous expenses.
30. Pehrson made monthly payments to JJ until November 2008.
31. On December 3, 2008, Pehrson sent an e-mail to JJ, stating that Pehrson would be unable to continue making payments.
32. In or about December 2008, JJ requested that his investment funds be returned, but Pehrson has not paid back the principal.
33. To date, JJ has received about \$112,285 in interest payments for JJ, DE, and DE's sister. Tamarin owes JJ \$77,715 in principal alone.

INVESTORS DM AND PM (BCL), A MARRIED COUPLE

34. On or about January 9, 2008, a friend from Tashi forwarded to DM and PM an e-mail from Pehrson about an offer of unsecured promissory notes in return for investment funds.
35. The e-mail included a breakdown of the rates being offered based on the amount invested.

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<sup>3</sup>BCL, as referenced in paragraph 36.

<sup>4</sup>An OptionsHouse trading account held by Penson Financial Services.

Attached to the e-mail was a promissory note to be issued by Pehrson through Tamarin in return for funds.

36. The e-mail made the following statements:
  - a. Pehrson offered promissory notes with maturity rates between 5% and 8% per month;
  - b. There were “13 openings still with \$350k left before hitting the State limits;”
  - c. If people were “involved in a legal entity (LLC, Corp), [Pehrson would] count that entity as a one person;”
  - d. The e-mail was for “informational purposes only and [was] not a solicitation;”
  - e. The promissory notes were financial instruments and not a securities;
  - f. The promissory notes were not secured by any assets;
  - g. All investments incur risk; and
  - h. “Past performance [did] not guarantee future performance.”
37. Between January and March 2008, DM spoke with Pehrson after a Tashi meeting in Salt Lake County, Utah.
38. During the conversation, Pehrson made the following statements about option trading:
  - a. Pehrson raised funds for options trading;
  - b. The options market was going well, but an options trader needed to know what they were doing;

- c. Pehrson had traded options for a couple of years;
  - d. Pehrson would make monthly interest payments to investors through the profits earned from trading;
  - e. Pehrson would keep the profits made above what he owed to investors each month;
  - f. A minimum of \$25,000 was needed to invest with Tamarin;
  - g. Pehrson could raise \$500,000 only from no more than fifteen investors;
  - h. Pehrson was trading about \$150,000 from three investors at the time;
  - i. The investment offered between 5% and 8% per month depending on the amount invested; and
  - j. Pehrson completed his private placement memorandum (PPM) and could accept funds.<sup>5</sup>
39. Based on Pehrson's representations, DM and PM decided to invest in Tamarin. Some time after DM's discussion with Pehrson about the investment opportunity, DM, PM, other members of Tashi, family members of DM and PM, and friends of DM and PM decided to pool their funds together to earn a higher monthly return from their investment.

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<sup>5</sup>DM understood this statement to mean that all legal documents were in place for Tamarin, but Pehrson never provided DM with a copy of a PPM or any other disclosure documents at any time.

40. The group invested funds into a bank account set up for DM and PM's company, BCL, to invest with Pehrson.
41. In about mid-May 2008, PM sent Pehrson an e-mail expressing interest in the investment. Pehrson responded by sending PM a copy of a promissory note to be provided in return for investment funds.
42. Pehrson asked DM and PM to purchase a cashier's check payable to Tamarin.
43. On or about May 21, 2008, DM and PM invested in Tamarin by giving Pehrson a \$56,000 cashier's check made payable to Tamarin while at a Wells Fargo Bank in Midvale, Utah.
44. While at the bank, Pehrson provided DM and PM with a pre-signed \$56,000 promissory note dated May 21, 2008. DM and PM authorized Pehrson to use investment funds only for options trading.
45. Between May and October 2008, BCL invested about \$261,000 in Tamarin.<sup>6</sup> Additional funds were either given to Person in person or were deposited directly into Tamarin's Zions Bank account. BCL received four different promissory notes from Tamarin.
46. Tamarin's Zions Bank records reveal that using a first-in-first-out analysis, Pehrson used BCL's investment funds in the following manner:
  - a. \$144,000 sent to Tamarin's Penson trading account;
  - b. \$14,420 transferred to Pehrson's personal Zions Bank account;

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<sup>6</sup>The \$261,000 includes about \$250,000 in deposits with Tamarin and about \$11,000 of interest rolled back into the investment.

- c. \$2,125 paid to Pehrson;
  - d. \$16,000 paid to suspected investors;
  - e. \$22,600 paid to JJ, an investor;<sup>7</sup>
  - f. \$13,500 paid to BCL;
  - g. \$4,500 spent on travel expenses;
  - h. \$2,150 check written for cash; and
  - i. \$7,000 spent on miscellaneous expenses.
47. On or about November 10, 2008, PM requested a return of \$60,000 in principal, which Pehrson did not provide.
48. On or about December 16, 2008, DM and PM met with Pehrson in Salt Lake County, Utah. During the discussion, Pehrson said he stopped trading options in about April 2008.
49. Pehrson said he had been paying investors' interest payments from the investment principal and had been paying himself about \$6,000 per month from the principal.
50. Pehrson said he lost about \$50,000 in October 2008.
51. Pehrson wanted to convert BCL's promissory notes into stock in a movie project Pehrson was starting. DM and PM declined the offer.
52. On or about January 6, 2009, PM sent a letter to Pehrson requesting the return of BCL's

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<sup>7</sup>See paragraph 30.

investment principal, but Pehrson did not return the principal.

53. Pehrson has paid back about \$67,230 through interest payments. Pehrson owes BCL \$193,770 in principal alone.

INVESTORS DL AND DR, A MARRIED COUPLE

54. DL and DR met Pehrson through Tashi in or about August 2007.
55. In September 2007, JJ told DL and DR about his investment with Pehrson.
56. Between April 2008 and October 2008, DL and DR talked with Pehrson about the investment opportunity several times following Tashi meetings.
57. During the discussions with Pehrson, Pehrson stated that he used investment funds for options trading. Pehrson said he provided investors with a promissory note in return for funds and the interest rate on the note depended on the amount invested.
58. Pehrson made the following representations:
- a. The notes had a term of nine months;
  - b. DL and DR could get their money back within one month of notifying Pehrson;
  - c. Pehrson was able to pay monthly interest to investors through profits earned from trading;
  - d. Pehrson would keep whatever amount of profit he earned above what was owed to investors;
  - e. Pehrson protected himself while trading by using strategies such as stop losses,

hedging, and a trading strategy called the Butterfly;

- f. Pehrson was working on building up the options trading account and was looking to build up a second trading account to cover investor funds;
  - g. Pehrson looked forward to trading when companies reported their earnings because Pehrson could make up to 30% on trades;
  - h. It was legal for Pehrson to raise up to \$500,000 from investors without having to hold a securities license or go through the U.S. Securities and Exchange Commission;
  - i. Pehrson had raised about \$400,000;
59. DL and DR inquired about a potential \$30,000 investment. Pehrson offered a 5% per month return for such an investment.
60. Based on Pehrson's representations, DL and DR decided to invest with Tamarin. On or about October 10, 2008, DR purchased a \$30,000 cashier's check payable to Pehrson.<sup>8</sup> DR gave the check to Pehrson in person in Sandy, Utah.
61. DL and DR authorized Pehrson to use the investment funds only for options trading. Prior to the investment, Pehrson failed to provide DL and DR with any disclosure documents.
62. Tamarin's Zions Bank records reveal that DL and DR's \$30,000 was deposited on or

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<sup>8</sup>Pehrson requested that DL and DR make the check payable to Pehrson instead of Tamarin.

about October 14, 2008. A first-in-first-out analysis of the bank records shows the \$30,000 investment funds were used in the following manner:

- a. \$1,300 transferred to Pehrson's personal Zions Bank account;
  - b. \$15,200 paid to JJ;<sup>9</sup>
  - c. \$13,400 paid to BCL;<sup>10</sup>
63. About one week after investing, DL and DR received an e-mail from Pehrson which included a copy of an unsigned \$30,000 promissory note and summary document of the investment.
64. On or about December 2008, DL and DR received their only payment from Pehrson of \$1,862.
65. On or about January 21, 2009, DL and DR e-mailed Pehrson about the return of their principal. Tamarin and Pehrson owe DL and DR \$28,138 in principal alone.

#### UNDERCOVER INVESTOR

66. On February 18, 2009, Division of Securities investigator Jeff Nielsen (Nielsen) met with Pehrson to discuss an investment opportunity. A BCL investor was also present at the meeting, which took place at a restaurant in Salt Lake County, Utah.
67. Pehrson said he wanted to give an overview of the investment, but was not making a

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<sup>9</sup>See paragraph 30.

<sup>10</sup>See paragraph 53.

formal offer.

68. Pehrson said he wanted to make a broadcast quality documentary like *The Secret* and *What the Bleep*. Pehrson represented the profit earnings from these two films and claimed that there was a market for these types of films.
69. Pehrson also discussed offering two-day intensive seminars to movie viewers to get additional training on the principles taught in the film.
70. In addition to the film, Pehrson also discussed publishing a book series and other merchandising ideas, such as calendars, posters, shirts, soundtracks, and a reality show.
71. Pehrson claimed one individual who had expressed interest in the movie was Chris Gardner, whose story was portrayed by Will Smith in the movie *The Pursuit of Happyness*. Pehrson said mark Victor Hansen, a co-creator of the *Chicken Soup of the Soul* series, was also interested.
72. Pehrson said the cast members would already have some distribution channels which could be used to sell the movie and products.
73. Pehrson explained that the business structure for the movie project involved CVS, which would be the parent company for the project. A subsidiary company, Hypernova, would be created to be the general partner to a limited partnership, Vacuum Law.
74. Vacuum Law would be used as the investment vehicle for the movie project.
75. Pehrson made the following representations about the investment:

- a. Pehrson wanted to raise a maximum of \$500,000 through short term promissory notes during the first round offering;
- b. Pehrson wanted to raise a maximum of \$1,000,000 through Class A units of Vacuum Law during the second round offering;
- c. Pehrson wanted to raise about \$5,000,000 through Class B units of Vacuum Law during the third round offering;
- d. Investors would have the choice to purchase either cash flow notes or compounded zero coupon notes during the first stage of funding;
- e. Cash flow note holders could choose to convert to limited partnership Class A units after maturity, while zero coupon notes would have an automatic conversion;
- f. The investment would require a minimum of \$5,000;
- g. The notes offered between 1% and 2% per month returns depending on the amount invested;
- h. Based on the returns offered, a \$100,000 investment would double in just under three years;
- i. Pehrson was not ready to accept investment funds at the time because he was still working on the offering memorandum and promissory notes;
- j. There was no guarantee or security with the investment;

- k. Pehrson could only speculate on how much the movie would earn.
76. Pehrson made the following representations about himself after being asked by Nielsen:
- a. He had a background in business;
  - b. He had four two-year degrees from Salt Lake Community College and a B.A. in Finance;
  - c. He had taken the Series 6, 7, 63, and 65 tests and understood compliance with securities laws;<sup>11</sup>
  - d. He did not have previous experience in the movie industry;
  - e. He had a bankruptcy about ten years prior, but denied being sued in civil court.<sup>12</sup>
77. When asked about previous investors, Pehrson made the following statements:
- a. He had previously offered promissory notes to investors in return for funds and it “went well;”
  - b. He used the prior investment funds for options trading;
  - c. He used a strategy called “Condors” and mentioned other strategies like The Butterfly, Straddle, Strangles, Full Spread, and Bear Spread;
  - d. Condors were working well for market volatility, but he ended up losing almost

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<sup>11</sup>While Pehrson had taken the Series 6, 7, 63, and 65 tests, he had not been licensed since December 1999.

<sup>12</sup>At the time of the meeting, Pehrson had been named in numerous civil suits between 1997 and 2004 and owed \$7,142.08 in judgments from three of the civil suits.

\$50,000 at one point;

- e. He eventually was paying out more on the notes than what he earned through trading;
  - f. The note investors were not paid back, but “will be;”
  - g. The money to pay back the previous note investors was “not going to be any money take from [this investment],” but from money Pehrson earned.
78. After the initial meeting, Pehrson provided updates regarding the investment by email, including a few documents, such as a list of the “movie’s interested participants,” a *Confidentiality Agreement*, and a one-page press release discussing the promissory note offering.
79. On March 16, 2009, Pehrson sent an e-mail with a document entitled *Offering Memorandum* and a copy of a zero coupon promissory note. In both the *Offering Memorandum* and promissory note, Pehrson is represented as the president of HyperNova Films.
80. The *Offering Memorandum* fails to disclose Pehrson’s involvement in the previously mentioned legal proceedings.
81. The *Offering Memorandum* also fails to disclose Pehrson defaulted on promissory notes with investors a few month prior to the HyperNova Films promissory note offering.
82. On April 1, 2009, Nielsen e-mailed Pehrson for instructions on where to send investment

funds. On April 2, 2009, Pehrson e-mailed Nielsen for instructions about where to send and to whom in preparing the promissory note in return for an investment.

## CAUSES OF ACTION

### COUNT I

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

83. The Division incorporates and re-alleges paragraphs 1 through 82.
84. The investment opportunities offered and sold by Respondents are securities under § 61-1-13 of the Act.
85. In connection with the offer and sale of securities to investors, Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
  - a. To JJ and DE:
    - i. Pehrson would be “guaranteeing a monthly rate” between 4% and 8% on JJ’s investment, when in fact, Pehrson had no reasonable basis to make the guarantee because Pehrson said the promissory notes were unsecured;
  - b. To DM and PM:
    - i. The promissory note sold to DM and PM “is a financial instrument, not a a (sic) security,” when in fact promissory notes are defined as securities under Utah Code Annotated §61-1-13;
  - c. To DL and DR:
    - i. Pehrson was able to pay the monthly interest payments to investors

through profits earned from trading, when in fact, Pehrson only had two profitable months of trading between October 2007 and October 2008. Pehrson had lost about \$110,000 in trades by the time he made this statement to DL and DR.

- d. To Nielsen:
  - i. The money to pay back previous note investors was “not going to be any money taken from [the investment],” but from money Pehrson earned. However, in December 2008, Pehrson told DM and PM that he would use investment funds for the movie project to draw a salary and pay back BCL. Also, on March 23, 2009, JJ sent an email to Pehrson asking if he would be receiving a payment. Pehrson responded “not looking good...only if he (Nielsen) decides to go ahead does there stand a chance;”
  - ii. Pehrson denied having been sued in civil court, when in fact, Pehrson had been named in numerous civil suits between 1997 and 2004 and owed \$7,142.08 in judgments from three of the civil suits.

86. In connection with the offer and sale of securities to investors, 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. Some or all of the information typically provided in an offering circular or

prospectus regarding Tamarin, such as:

- i. The business and operating history for Tamarin, HyperNova, Vacuum Law, CVS or Pehrson;
  - ii. Financial statements;
  - iii. Risk factors for investors;
  - iv. Suitability factors for the investment;
  - v. Whether investment funds would be pooled;
  - vi. Track record of Tamarin or HyperNova to their investors;
  - vii. Pehrson's involvement in any legal proceedings, including his involvement in numerous civil suits between 1997 and 2004;
  - viii. Whether the investment is a registered security or exempt from registration; and
  - ix. Whether Pehrson was licensed to sell securities.
- b. Pehrson filed for Chapter 7 bankruptcy protection in 1999;
  - c. Pehrson was selling securities which were not registered;
  - d. Pehrson was not licensed to sell securities;
  - e. Tamarin, HyperNova, Vacuum Law, and CVS were not registered as broker-dealers;
  - f. Pehrson had only two profitable months of trading (November and December

2007) since Tamarin's OptionsHouse trading account was opened in October 2007;

- g. Pehrson had used portions of investor funds for purposes other than options trading;
- h. At the time of all final investments, Pehrson had a net trading loss of about \$110,100;
- i. Pehrson had been constantly reducing the trading principal through periodic withdrawals, with some of the funds used to make interest payments to Tamarin's investors and to cover some of Pehrson's personal expenses;
- j. To JJ and DE:
  - i. Pehrson's net losses as of February 1, 2008, were about \$17,650 through trading, and the deficit continued to grow as the months continued.
- k. To DM and PM:
  - i. Pehrson's net losses as of May 1, 2008, were about \$29,035 through trading, and the deficit continued to grow as the months continued.
- l. To DL and DR:
  - i. Pehrson's net losses as of October 1, 2008, were about \$110,100 through trading.

- m. To Nielsen:
  - i. Pehrson met with DM and PM in December 2008, where Pehrson said he would use movie investment funds to pay himself and BCL;
  - ii. Pehrson defaulted on promissory notes with Tamarin's investors a few months prior to the HyperNova Films promissory note offering.

**COUNT II**  
**Sale by an Unlicensed Agent under § 61-1-3 of the Act**  
**(Denny Roger Pehrson)**

- 87. The Division incorporates and re-alleges paragraphs 1 through 82.
- 88. Pehrson offered or sold securities in Utah.
- 89. When offering and selling these securities on behalf of Tamarin and HyperNova, Pehrson was acting as an agent of an issuer.
- 90. Pehrson has never been licensed to sell securities in Utah as an agent of this issuer, or any other issuer.
- 91. Based on the above information, Pehrson violated § 61-1-3(1) of the Act.

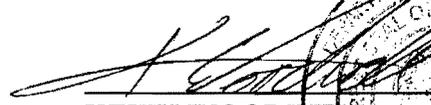
**ORDER**

The Director, pursuant to § 61-1-20 of the Act, hereby orders 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,

June 1, 2010, at 9:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2<sup>nd</sup> Floor, Salt Lake City, Utah. The purpose of the hearing is to establish a scheduling order and address any preliminary matters. If 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, Respondents may show cause, if any they have:

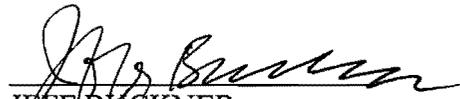
- a. Why Respondents should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;
- b. Why Respondents should not be ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1-1, or any other section of the Act;
- c. Why Pehrson should not be 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;
- d. Why Respondents should not be ordered to pay a fine, jointly and severally, of \$350,000 to the Division of Securities, which may be reduced by restitution paid to the investors.

DATED this 7<sup>th</sup> day of April, 2010.

  
\_\_\_\_\_  
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, 2<sup>nd</sup> Floor  
Box 146760  
Salt Lake City, UT 84114-6760  
Telephone: (801) 530-6600  
FAX: (801)530-6980

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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:**

**TAMARIN ADVISORS, LLC  
CLEAR VOICE STUDIOS, INC.  
HYPERNOVA FILMS LLC  
THE VACUUM LAW, LP  
DENNY ROGER PEHRSON,**

**Respondents.**

**NOTICE OF AGENCY ACTION**

Docket No. SD-11-0017  
Docket No. SD-11-0019  
Docket No. SD-11-0020  
Docket No. SD-11-0021  
Docket No. SD-11-0022

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THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

You are hereby notified that agency action in the form of an adjudicative proceeding has been commenced against you by the Utah Division of Securities (Division). The adjudicative proceeding is to be formal and will be conducted according to statute and rule. See Utah Code Ann. §§ 63G-4-201 and 63G-4-204 through 209; see also Utah Admin. Code R151-46b-1, *et seq.* The legal authority under which this formal adjudicative proceeding is to be maintained is Utah Code Ann. § 61-1-20. You may be represented by counsel or you may represent yourself in this proceeding. Utah Admin. Code R151-46b-6.

You must file a written response with the Division within thirty (30) days of the mailing date

of this Notice. Your response must be in writing and signed by you or your representative. Your response must include the file number and name of the adjudicative proceeding, your version of the facts, a statement of what relief you seek, and a statement summarizing why the relief you seek should be granted. Utah Code Ann. § 63G-4-204(1). In addition, pursuant to Utah Code Ann. § 63G-4-204(3), the presiding officer requires that your response:

- (a) admit or deny the allegations in each numbered paragraph of the Order to Show Cause, including a detailed explanation for any response other than an unqualified admission. Allegations in the Order to Show Cause not specifically denied are deemed admitted;
- (b) identify any additional facts or documents which you assert are relevant in light of the allegations made; and
- (c) state in short and plain terms your defenses to each allegation in the Order to Show Cause, including affirmative defenses, that were applicable at the time of the conduct (including exemptions or exceptions contained within the Utah Uniform Securities Act).

Your response, 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 Julie Price  
Utah Division of Securities  
160 E. 300 South, 2<sup>nd</sup> Floor  
Box 146760  
Salt Lake City, UT 84114-6760  
(801) 530-6600

**A copy to:**

Jeff Buckner  
Assistant Attorney General  
160 East 300 South, 5<sup>th</sup> Floor  
Salt Lake City, UT 84114-0872  
(801) 366-0310

An initial hearing in this matter has been set for June 1, 2010 at the Division of Securities, 2<sup>nd</sup> Floor, 160 East 300 South, Salt Lake City, Utah, at 9:00 A.M.

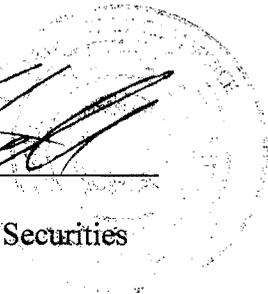
If you fail to file a response, as described above, or fail to appear at any hearing that is set, the presiding officer may enter a default order against you without any further notice. Utah Code Ann. § 63G-4-209; Utah Admin. Code R151-46b-10(11). After issuing the default order, the presiding officer may grant the relief sought against you in the Order to Show Cause, and will conduct any further proceedings necessary to complete the adjudicative proceeding without your participation and will determine all issues in the proceeding. Utah Code Ann. § 63G-4-209(4); Utah Admin. Code R151-46b-10(11)(b). In the alternative, the Division may proceed with a hearing under § 63G-4-208.

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. This adjudicative proceeding will be heard by Mr. Eklund and the Utah Securities Commission. You may appear and be heard and present evidence on your behalf at any such hearings.

You may attempt to negotiate a settlement of the matter without filing a response or proceeding to hearing. To do so, please contact the Utah Securities Division. Questions regarding the Order to Show Cause should be directed to the Division's attorney, Jeff Buckner, at (801) 366-0310.

Dated this 7<sup>th</sup> day of April, 2010.

  
Keith M. Woodwell  
Director, Division of Securities



**Certificate of Mailing**

I certify that on the 12<sup>th</sup> day of April, 2010, I mailed, by certified mail, a true and correct copy of the Notice of Agency Action and Order to Show Cause to:

Tamarin Advisors, LLC, et. al.

Denny Roger Pehrson

8492 S. Mesa Dr.

Sandy, UT 84093

Certified Mail # 7009 2820 0001 2595 4899

  
Executive Secretary