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

IN THE MATTER OF: **MATRIX LASER TECHNOLOGIES, LLC, JUSTIN C. WILLIAMS,,** **Respondents.**	**STIPULATION AND CONSENT ORDER** **Docket No.** SD-10-0023 **Docket No.** SD-10-0024

The Utah Division of Securities (the Division), by and through its Director of Enforcement, Michael Hines, and Matrix Laser Technologies, LLC and Justin C. Williams, hereby stipulate and agree as follows:

1. Matrix Laser Technologies, LLC and Justin C. Williams 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.

2. In connection with that investigation, the Division issued an Order to Show Cause to Respondents on April 12, 2010, alleging securities fraud and fraudulent practices. The Division also referred the case to the Summit County Attorney's Office for criminal charges.

On October 25, 2010, Justin C. Williams pleaded guilty to securities fraud, a second degree felony, in Case No. 101500157 resulting in a $42,500 restitution order.[1]

3. Respondents did not file a response to the Order to Show Cause, but the parties have agreed to resolve this matter by way of a stipulation and consent order.

4. Respondents are represented by Attorney Michael L. Labertew of the law firm Labertew & Associates, LLC in this matter and are satisfied with the representation they have received.

5. Respondents waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf.

6. Respondents acknowledge 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. Respondents admit the jurisdiction of the Division over them and over the subject matter of this action.

I. THE DIVISION'S FINDINGS OF FACT

THE RESPONDENT

[1] *State of Utah v. Justin C. Williams*, Case No. 101500157, Third Judicial District Court of Utah (2010). The guilty plea was pursuant to a plea agreement, whereby the guilty plea was not accepted by the Court, but was held in abeyance, subject to the satisfaction of certain conditions by Respondent Williams, including the payment of restitution to the victim.

8. Matrix Laser Technologies, LLC (MLT) is a Utah limited liability company, formed on November 12, 2008. Justin C. Williams is the registered agent and manager for MLT. MLT's status as a business entity is delinquent. MLT has never been licensed by the Division as a broker/dealer agent nor an issuer/agent to sell securities.

9. Justin C. Williams (Williams) was, at all relevant times, a resident of Summit County, Utah. Williams has never been licensed as a broker-dealer, agent, investment advisor, or investment advisor representative in Utah.

GENERAL ALLEGATIONS

10. From approximately January 2007 to February 2007, Respondents offered securities, and in February 2007 sold securities to an investor, in or from Utah, pursuant to a promissory note between the Respondents and the investor, and Respondents collected a total of $50,000.

11. Williams made material omissions in connection with the offer and sale of securities to the investor below.

12. The investor was repaid $7,500, but has not been repaid the remaining $42,500 in principal alone.

INVESTOR CW

13. In January 2007, CW met Williams at the development where Williams lived and CW worked as a security guard.

14. On February 7, 2009, Williams invited CW to spend the night at Williams' home due to a severe storm that night.

15. While at Williams' home, Williams showed CW many expensive items in his house, including a $150,000 painting, three or four Ferraris in the garage, and photos of private jets that Williams claimed to own. Williams gave CW the impression that he was wealthy.

16. Williams told CW about his medical business, MLT. Williams made the following statements about MLT:

    a. Williams had invested in several types of medical devices;

    b. MLT was worth $250,000,000;

    c. Once a year Williams allowed three to five people to invest in MLT;

    d. If CW invested $60,000 he would earn a $7,500 return after three months.

17. Two days later, Williams drove a Ferrari through the security gate where CW was on duty. Williams again asked if CW wanted to invest in MLT. Williams made the following statements about MLT:

    a. The minimum amount to invest is now $50,000, not $60,000; and

    b. CW could still earn $7,500 in returns after three months.

18. Williams told CW not to tell anyone about the investment opportunity because Williams did not want anyone to take advantage of the offer.

19. Based on Williams' representations, CW decided to invest $50,000 in MLT. CW told Williams that he would invest, but CW's funds were held in a certificate of deposit account and would take some time to withdraw.

20. A few days later, Williams brought CW a check for $57,500. The check was post-dated for

May 15, 2009.

21. Shortly thereafter, CW met Williams' wife and told her to let Williams know that CW would have the funds in a few days. When Williams learned of this conversation, he told CW not to tell Williams' wife anything because she had nothing to do with his business.

22. On February 13, 2009, CW gave a Home Savings Bank Official Check for $50,000 made payable to Matrix Laser Technologies, LLC to Williams.

23. CW deposited the $57,500 check from Williams before the due date and it came back due to insufficient funds.[2] CW informed Williams of what had happened.

24. Williams told CW that he would bring CW another $57,500 check later, but never did.

25. On May 11, 2009, Williams discussed an option with CW for him to be paid back quarterly. Under the option, Williams claimed that CW would get back $300,000 within three years.

26. On May 13, 2009, CW mailed Williams an acceptance letter to be paid quarterly under the option.

27. On May 15, 2009, Williams gave CW a check from MLT for $7,500 along with a letter that stated, "[p]er your instructions the $50,000 investment has rolled over for another quarter. The next interest payment will be due to you on 8-15-09 for $8,015 as the rate has adjusted in your favor $515 this quarter."

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[2]Bank records reveal that, on February 17, 2009, a stop payment was placed on the check Williams gave to CW.

28. Using a source and use analysis, bank records reveal that $15,700 of CW's $50,000 investment funds were transferred to Williams' personal checking account and used in the following manner:

a. $320.87 paid for a returned deposit;

b. $2,502.51 paid to All Points Capital Corp;

c. $3,777.65 paid to Rodger Investigation;

d. $740.40 paid to Wells Fargo Auto Fin.;

e. $1,172.15 paid to BMW Financial SVS;

f. $2,500 paid to Cit-Click 2 Pay;

g. $20 paid for a Returned Deposit Fee;

h. $2,100 paid for an oriental rug; and

i. $2,566.42 paid to an individual.

OMISSIONS

29. 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. Some or all of the information typically provided in an offering circular or prospectus regarding MLT, such as:

i. The business and operating history for MLT or Williams;

ii. Financial statements;

iii. Risk factors for investors; and

iv. Suitability factors for the investment.

b. Williams was going to stop payment on the $57,500 check;

c. A detailed description of how an investment with MLT was able to generate such a high return in only three months;

d. $15,700 of CW's investment money would be transferred into Williams' personal checking account; and

e. Williams' businesses had judgments of over $113,000 from civil suits brought against them.

II. THE DIVISION'S CONCLUSIONS OF LAW

30. 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;

b. Respondents violated § 61-1-1 of the Act by omitting to state material facts in connection with the offer and sale of a security.

III. REMEDIAL ACTIONS/SANCTIONS

31. Respondents neither admit nor deny the Division's findings and conclusions and consent to the sanctions below being imposed by the Division.

32. Respondents represent that any information they provided to the Division as part of the Division's investigation of this matter is accurate.

33. Respondents agree to the imposition of a cease and desist order, prohibiting them from any conduct that violates the Act.

34. 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 $50,000 to be paid jointly and severally with the following provisions:

a. The fine may be reduced by up to $42,500 by any restitution paid to CW;

b. $5,000 of the remaining fine amount will be waived so long as Respondents violate no provisions of the Act for a period of twelve months from the entry of this Stipulation and Consent Order; and

c. If Respondents materially violate any of the terms of this Stipulation and Consent Order, after notice and opportunity to be heard before an administrative officer, the entire fine shall become immediately due.

35. Williams agrees that he will be barred from (i) associating[3] with any broker-dealer or

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[3]AAssociating@ includes, but is not limited to, acting as an agent of, receiving compensation directly or indirectly from, or engaging in any business on behalf of a broker-dealer, agent, investment adviser, or investment adviser representative licensed in Utah. AAssociating@ does not include any contact with a broker-dealer, agent, investment adviser, or investment adviser representative licensed in Utah incidental to any personal relationship or

investment adviser licensed in Utah; and (ii) acting as an agent for any issuer soliciting investor funds in Utah.

36. Respondent 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

37. Respondents acknowledge that this Order, upon approval by the Securities Commission shall be the final compromise and settlement of this matter.

38. 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.

39. 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.

40. 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

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business not related to the sale or promotion of securities or the giving of investment advice in the State of Utah.

modify, interpret, construe, or otherwise affect the Order in any way.

Utah Division of Securities

Date: 2/22/11

By: _____
Michael Hines
Director of Enforcement

Michael L. Labertew
Attorney for Respondents

Approved:

_____
Jeff Buckner
Assistant Attorney General
J.S.

Respondent Williams

Date: _____

By: _____
Justin C. Williams

Approved:

_____

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 desist from violating the Utah Uniform Securities Act.
3. Division imposes a fine of $50,000, up to $42,500 of which may be off-set by restitution payments to the investor.
4. Up to $5,000 of the fine amount will be waived conditioned on no future securities violations for twelve months.
5. If Respondent materially violates any of the terms of this Order the full fine amount shall be imposed against the Respondent and become due immediately.
6. Williams is 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.
7. Respondent cooperates with the Division in any future investigations.

BY THE UTAH SECURITIES COMMISSION:

DATED this 17th day of March, 2011.

Tim Bangerter

Jane Lamm

Jane Cameron

Erik Christiansen

Laura Polacheck

Michael O'Brien

Certificate of Mailing

I certify that on the 21st day of March, 2011, I mailed, by certified mail, a true and correct copy of the Stipulation and Consent Order to:

Matrix Laser Technologies, LLC
Justin C. Williams
c/o Michael L. Labertew
2825 East Cottonwood Pkwy. #500
Salt Lake City, UT 84121
Certified Mailing # 7008 1140 0001 1072 2747

Executive Secretary