

Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
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:

**CRIME-LOSS STOP CORPORATION,
LINTON DALE LIVINGSTON**

Respondents.

ORDER TO SHOW CAUSE

Docket No. ~~SD-10-1085~~

Docket No. ~~SD-10-1086~~

It appears to the Director of the Utah Division of Securities (Director) that Crime-Loss Stop Corporation and Linton Dale Livingston 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. Crime-Loss Stop Corporation (Crime-Loss) is a Utah corporation, registered on July 03, 2008. Linton Dale Livingston is a director and registered agent of Crime-Loss. Crime-Loss's status as a business entity is expired. Crime-Loss has never been licensed by the Division as a broker/dealer agent or as an issuer/agent to sell securities.
3. Linton Dale Livingston (Livingston) was, at all relevant times, a resident of the state of Utah. Livingston has never been licensed as a broker-dealer, agent, investment advisor, or as an investment advisor representative in Utah.

GENERAL ALLEGATIONS

4. In November 2008, Respondents offered and sold a security to an investor, in or from Utah, and collected a total of \$5,000.
5. Respondents made material misrepresentations and omissions in connection with the offer and sale of a security to the investor below.
6. The investor lost \$5,000 of his principal.

INVESTOR JM

7. JM has known Livingston for over twenty years.
8. On or about November 1, 2008, Livingston met with JM in Salt Lake County, Utah to discuss an investment opportunity in Crime-Loss.

9. Livingston told JM that Crime-Loss had a business plan “ready to go,” which involved installing surveillance cameras on delivery trucks. The purpose of the cameras were to record the travels of the delivery trucks and, in the event of a crime that is caught on film, law enforcement would be able to use the video footage in their investigations.
10. During the conversation, Livingston made the following statements about a \$5,000 investment in Crime-Loss:
 - a. JM could purchase common stock shares in Crime-Loss for \$0.10;
 - b. The minimum amount required to invest was \$5,000;
 - c. If JM purchased \$5,000 worth of stock, JM could sell the stock for \$50,000 in a few months;
 - d. M’s investment of \$5,000 would be used for Crime-Loss’s business plan and not for Livingston’s personal financial gain;
 - e. There was “no competition” for Crime-Loss;
 - f. There was “no risk” in the investment;
 - g. There were other investors who purchased stock in Crime-Loss;
 - h. Livingston would never take advantage of the elderly because the state of Utah has laws protecting them; and
 - i. Livingston was a licensed attorney.
11. Based on Livingston’s statements, JM invested \$5,000 in Crime-Loss. On November 4,

2008, JM purchased a cashier's check from Chase Bank for \$5,000 made payable to Crime-Loss. Later that day, JM met with Livingston and gave him the \$5,000 check.

12. In exchange for the investment funds, Livingston provided JM with a stock certificate.
13. On November 4, 2008, Livingston deposited JM's \$5,000 investment funds into Crime-Loss's account with Granite Credit Union.
14. JM was unable to sell his stock as Livingston promised and JM has since requested a refund of his investment funds.
15. JM has received no return on his investment nor has he been able to liquidate his shares.

CAUSES OF ACTION

COUNT I

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

16. The Division incorporates and re-alleges paragraphs 1 through 15.
17. The investment opportunities offered and sold by Respondents are securities under § 61-1-13 of the Act.
18. In connection with the offer and sale of a security to the investor, Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
 - a. There was "no risk" in the investment with Crime-Loss, when in fact, Livingston had no reasonable basis for making such a statement; and
 - b. Livingston was a licensed attorney, when in fact, Livingston is not and has never been a licensed attorney.

19. In connection with the offer and sale of a security to the investor, Respondents, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make statements made not misleading:
- a. In 2005, Livingston filed for Chapter 13 Bankruptcy twice;¹
 - b. From 1992 to 2002, Livingston had seven civil judgments entered against him totaling \$18,158.57;²
 - c. How JM would be able to sell his stock for \$50,000 in a matter of months;
 - d. Some or all of the information typically provided in an offering circular or prospectus regarding Crime-Loss, such as:
 - i. Financial statements;
 - ii. Risk factors;
 - iii. Suitability factors for the investment;
 - iv. Track record to investors;

¹*United States Trustee v. Linton Dale Livingston*, Case No. 05-24744 (Utah 2005); *United States Trustee v. Linton Dale Livingston*, Case No. 05-28128 (Utah 2005).

²*Bonneville Billing and Collect v. Linton Livingston*, Case No. 920102167 in Third Judicial District Court (Utah 1992); *Utah State Tax Commission v. Linton Dale Livingston.*, Case No. 956907514 in Third Judicial District Court (Utah 1995); *Knight Adjustment Bureau v. Dale Livingston.*, Case No. 950210617 in Third Judicial District Court (Utah 1995); *Dale Kimball v. Linton Dale Livingston.*, Case No. 008400443 in Third Judicial District Court (Utah 2000); *William Thrasher v. Dale Livingston.*, Case No. 018202560 in Third Judicial District Court (Utah 2001); *Knight Adjustment v. Dale Livingston.*, Case No. 020113197 in Third Judicial District Court (Utah 2002).

- v. Crime-Loss's and Livingston's business experience and operating history;
- vi. Nature of competition;
- vii. Whether the investment is a registered security or exempt from registration;
and
- viii. Whether Livingston was licensed to sell securities.

ORDER

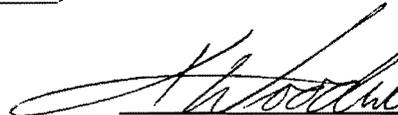
The Director, pursuant to § 61-1-20 of the Act, hereby orders Respondents to appear at a formal hearing to be conducted in accordance with Utah Code Ann. §§ 63G-4-202, -204 through -208, and held before the Utah Division of Securities. The hearing will occur on Tuesday, February 1, 2011, at 9:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd 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. § 63G-4-209. In lieu of default, the Division may decide to proceed with the hearing under § 63G-4-208. 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; and

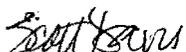
- c. Why Respondents should not be ordered to pay to the Division a fine amount to be determined by stipulation or by the presiding officer after a hearing in accordance with the provisions of Utah Admin. Rule R164-31-1, which may be reduced by restitution paid to the investors.

DATED this 21st day of December, 2010.


KEITH WOODWELL
Director, Utah Division of Securities



Approved:


SCOTT DAVIS
Assistant Attorney General
A.S.

Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
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IN THE MATTER OF:

**CRIME-LOSS STOP CORPORATION,
LINTON DALE LIVINGSTON,**

Respondents.

NOTICE OF AGENCY ACTION

Docket No.

Docket No.

11-10-085
11-10-086

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENT:

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, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
(801) 530-6600

A copy to:

Scott Davis
Assistant Attorney General
160 East 300 South, 5th Floor
Salt Lake City, UT 84114-0872
(801) 366-0310

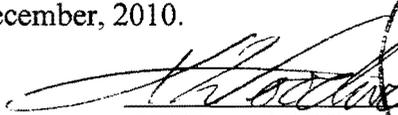
An initial hearing in this matter has been set for February 1, 2011 at the Division of Securities, 2nd Floor, 160 East 300 South, Salt Lake City, Utah, at 9:00 A.M.

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, Scott Davis, at (801) 366-0358.

Dated this 21st day of December, 2010.


KEITH WOODWELL
Director, Division of Securities



Evidence of Mailing

I certify that on the 29th day of December, 2010, I mailed a true and correct copy of the Notice of Agency Action and Order to Show Cause to:

Crime-Loss Stop Corporation
Linton Dale Livingston
5210 Huntington Rd.
Taylorsville, UT 84118

Certificate # 7008 1140 0004 U42 1012


Executive Secretary