

Division of Securities  
Utah Department of Commerce  
160 East 300 South  
P.O. Box 146760  
Salt Lake City, Utah 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**

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**IN THE MATTER OF:**

**DARIN FLOYD BEAL, CRD#4366066**

**Respondent.**

**STIPULATION AND CONSENT ORDER**

**Docket No. SD-11-0012**

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The Utah Division of Securities (“Division”), by and through its Director of Licensing and Compliance, Dave R. Hermansen, and Respondent Darin Floyd Beal (“Beal”), hereby stipulate and agree as follows:

1. Respondent has been the subject of an investigation by the Division into allegations that he violated the Utah Uniform Securities Act (“Act”), Utah Code Ann. §61-1-1, *et seq.*
2. On or about February 9, 2011, the Division initiated an administrative action against Respondent by filing an Order to Show Cause.
3. Respondent hereby agrees to settle this matter with the Division by way of this Stipulation and Consent Order (“Order”). If entered, the Order will fully resolve all claims the Division has against Respondent pertaining to the February 9, 2011 Order to Show Cause.

4. Respondent admits that the Division has jurisdiction over him and the subject matter of this action.
5. Respondent hereby waives any right to a hearing to challenge the Division's evidence and present evidence on his behalf.
6. Respondent has read this Stipulation and Consent Order, understands its contents, and voluntarily agrees to the entry of the Order set forth below. No promises or other agreements have been made by the Division, nor by any representative of the Division, to induce Respondent to enter into this Order, other than as described in this Stipulation and Order.
7. Respondent is represented by attorney Richard J. Lawrence and is satisfied with his representation in this matter.

#### **FINDINGS OF FACT**

8. Between 2001 and 2006, and again between 2008 and 2009, Darin Floyd Beal ("Beal") was licensed in Utah as a broker-dealer agent with several broker-dealer firms. He was a licensed registered representative in Utah for four investment firms periodically between July 2001 and February 2006. Beal retook and passed the Series 7 Licensing Examination in July 2008. Beal has also passed the Series 63 and Series 65 Examinations. He is not currently licensed in the securities industry in any capacity.
9. Beal is, and has been at all times relevant to this action, a resident of Salt Lake County, Utah.
10. Beal was most recently licensed with E\*Trade Securities, LLC, from July 2008 to April 2009. Beal was terminated for failing to disclose to his employer a personal bankruptcy

filing.

11. Prior to E\*Trade Beal was previously employed in the securities industry with Fidelity Brokerage Services, LLC, World Group Securities, Inc., AXA Advisors, LLC, and Strategic Advisors, Inc.
12. In August 2009, the Division received a complaint from Massachusetts resident G.P., age 60, alleging that Beal had defrauded her and caused her to lose \$100,000.00.
13. The Division's investigation revealed that in November 2006, G.P. heard an advertisement for "John Cummuta's Transforming Debt into Wealth" program. The advertisement invited individuals to call and receive a free CD-ROM with information about the program.
14. G.P. called to order the free CD-ROM, and was offered instead a sales pitch for a fee-based program offering "personal coaches" to help her achieve financial independence.
15. The John Cummuta program referred G.P. to Prosper, Inc., a company located in Provo, Utah, and a program called "Prosperlearning.com" for financial "coaching."
16. G.P. paid \$9,270.00 to participate in "Prosperlearning.com," which assigned Beal to be her "financial coach," and also provided her some course materials.
17. Beginning December 1, 2006, Beal provided financial "coaching" to G.P. once a week, in 35-40 minute sessions, for 12 weeks. Thereafter Beal "coached" G.P. on an as-needed basis.
18. In April of 2007, Beal recommended, via email,<sup>1</sup> that G.P. use the equity in her home to establish a \$100,000.00 "line of credit" so he could invest that money for her and develop

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<sup>1</sup>Beal and G.P. have never met in person.

an “income stream” for her.

19. In May 2007, G.P. obtained a home equity loan for \$108,000.00.
20. On Beal’s advice and instruction, G.P. invested \$100,000.00 through two promissory notes with a Utah entity called Alden View Funding.
21. In late November 2007, G.P. was repaid her principal and was also paid interest totaling \$6,000 as provided for in the notes.
22. In an email dated November 27, 2007, Beal solicited G.P. to re-invest her \$100,000.00 directly with him and that he would invest it with “private placement[s]” that require investors to be “accredited,” that the return/interest on her investment would be paid to Beal, and he would pay it to her on a monthly basis.
23. Beal and G.P. executed a promissory note in December 2007, where G.P. “invested” her \$100,000.00 with Beal, who promised to pay her 2.25% monthly (27% per annum).
24. On December 7, 2007, G.P. wired \$100,000.00 to an account exclusively controlled by Beal under the name of Executive Home Financial at Granite Federal Credit Union, as instructed by Beal.
25. G.P. received 3 interest payments totaling \$6,750.00.
26. In May 2008, Beal informed G.P. that her money had been invested with a private investment group in Italy and that her money was then “missing.”
27. In September 2008, the Massachusetts Securities Division contacted Beal, on G.P.’s behalf, requesting information regarding the investment.
28. Beal responded in writing in October 2008, claiming that G.P.’s money had been invested with an Italian lending company by the name of Euro Financial, and that the

company absconded with the money. This information was false.

29. On August 14, 2009 the Massachusetts Securities Division settled with Beal and resolved the matter through consent order. G.P. received a \$25,000 payment from Beal via the Massachusetts Securities Division settlement.
30. Beal has never provided any documentation regarding the investment of G.P.'s funds with any company.
31. Beal's bank records reveal that he converted G.P.'s funds for personal use.<sup>2</sup>

#### **CONCLUSIONS OF LAW**

32. Beal offered and sold a promissory note to G.P. The promissory note is a security under the Act and was not registered or exempt from registration, in violation of Section 61-1-7 of the Act.
33. Beal misrepresented material facts in connection with the promissory note including but not limited to telling G.P. her monies would be invested in private placements he would choose for her, which were limited to accredited investors and which yielded monthly interest of 2.25%. Beal's representations were false.
34. Beal omitted material facts in connection with the promissory note including but not limited to failing to disclose that instead of investing G.P.'s funds, Beal would convert her monies for personal use.

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<sup>2</sup>A criminal case has been filed against Mr. Beal in the Third Judicial District Court, case number 111904775, and is pending.

35. Beal engaged in an act, practice or course of business which operated as a fraud by converting G.P.'s money for personal use while causing her to believe it would be properly invested and earn the interest he promised.

#### **REMEDIAL ACTIONS/SANCTIONS**

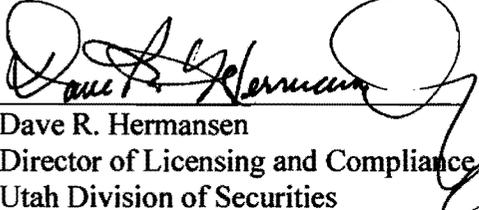
36. Mr. Beal neither admits nor denies the Division's findings and conclusions, but consents to the sanctions below being imposed by the Division.
37. Mr. Beal agrees to cease and desist from violating the Utah Uniform Securities Act, and to comply with the requirements of the Act in all future business in this state.
38. Pursuant to Utah Code Ann. § 61-1-20, and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, Mr. Beal agrees to the entry of a fine by the Division in the amount of \$70,000.00. The fine shall be reduced for all monies/restitution paid back to G.P. Mr. Beal agrees to provide adequate documentation of all restitution payments to G.P. Mr. Beal agrees to pay the fine within five (5) years after the entry of the Order below.
39. Respondent agrees that he will be barred from associating with any licensed broker-dealer or investment adviser in this state, and from acting as an agent for any issuer soliciting investor funds in this state.

#### **FINAL RESOLUTION**

40. Respondent acknowledges that this Order, upon approval by the Utah Securities Commission, shall be the final compromise and settlement of this matter. Respondent further acknowledges that if the Commission does not accept the terms of the Order, it shall be deemed null and void and without any force or effect whatsoever.

41. Respondent acknowledges that the Order does not affect any civil or arbitration causes of action that third-parties may have against him 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 his conduct referenced herein. Respondent also acknowledges that any civil, criminal, arbitration or other causes of actions brought by third-parties against him have no effect on, and do not bar, this administrative action by the Division against him.
42. 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.

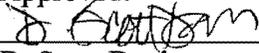
Dated this 13 day of OCTOBER, 2011.

  
Dave R. Hermansen  
Director of Licensing and Compliance  
Utah Division of Securities

Dated this 10 day of October, 2011.

  
Darin Floyd Beal  
Respondent

Approved:

  
D. Scott Davis  
Assistant Attorney General

  
Richard J. Lawrence  
Attorney for Respondent

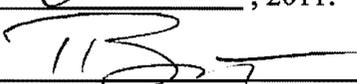
**ORDER**

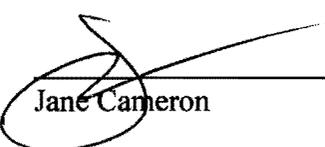
IT IS HEREBY ORDERED THAT:

1. The Division's Findings and Conclusions, which are neither admitted nor denied by the Respondent, are hereby entered.
2. Respondent shall cease and desist from violating the Utah Uniform Securities Act and comply with the requirements of the Act in all future business in this state.
3. Pursuant to Utah Code Ann. § 61-1-20, and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, a fine is hereby imposed in the amount of \$70,000.00, against the Respondent, which shall be reduced by any monies/restitution actually paid to G.P. Mr. Beal agrees to provide adequate documentation of all restitution payments to G.P. Payment of the fine is due within five (5) years of the entry of this order.
4. Respondent is hereby barred from associating with a licensed broker-dealer or investment adviser in this state, and from acting as an agent for any issuer soliciting investor funds in this state.

**BY THE UTAH SECURITIES COMMISSION:**

DATED this 27 day of October, 2011.

  
\_\_\_\_\_  
Tim Bangerter

  
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Jane Cameron

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Erik Christiansen

*Jan Graham*

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Jan Graham

*Laura Polacheck*

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Laura Polacheck

**Certificate of Mailing**

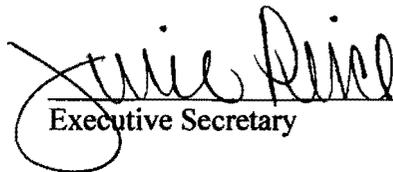
I certify that on the 11<sup>th</sup> day of Oct., 2011, I mailed, by certified mail, a true and correct copy of the fully executed Stipulation and Consent Order to:

Richard J. Lawrence  
Attorney at Law  
119 West 925 North  
Centerville, Utah 84014

7007 02200001 0003 0509

Darin Floyd Beal  
14296 South Maple Run Circle  
Herriman, Utah 84065

7007 02200001 0003 0510

  
Executive Secretary