

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:

BRYAN JOSEPH ROBERT,

Respondent.

**STIPULATION AND CONSENT
ORDER:**

Docket No. *SD-11-0000*

The Utah Division of Securities (the Division), by and through its Director of Enforcement, Michael Hines, and Bryan Joseph Robert (Robert), hereby stipulate and agree as follows:

1. Robert was the subject of an investigation conducted by the Division into allegations that he violated certain provisions of the Utah Uniform Securities Act (the Act), Utah Code Ann. § 61-1-1, *et seq.*, as amended.
2. The Division has now concluded its investigation and the parties have agreed to resolve this matter by way of a stipulation and consent order.
3. By entering into this stipulation and consent order, Robert waives the filing of an order to show cause and a notice of agency action.

4. Robert is represented by attorney Greg Smith, and is satisfied with his representation.
5. Robert waives any right to a hearing to challenge the Division's evidence and present evidence on his behalf.
6. Robert 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. Robert admits the jurisdiction of the Division over him and over the subject matter of this action.

I. THE DIVISION'S FINDINGS OF FACT

THE RESPONDENT

8. Bryan Joseph Robert was, at all relevant times, a resident of Davis County, Utah. Robert has never been licensed in the securities industry in any capacity.

GENERAL ALLEGATIONS

9. Between January 2009 and February 2009, Respondent offered and sold investment contracts to an investor in or from Utah, and collected a total of \$175,000.
10. Investment contracts are securities under § 61-1-13 of the Act.
11. Respondent made material misstatements and omissions in connection with the offer and sale of securities to the investor below.
12. The investor lost approximately \$165,400 in principal alone.

INVESTOR C.B.

13. In 2008, C.B. met Robert.
14. In January 2009, Robert met with C.B. in Davis County, Utah to discuss an investment opportunity. During the meeting, Robert made the following statements:
 - a. He wanted to do C.B. a favor and had some deals going;
 - b. He knew of a good opportunity for people who had \$5 million to invest;
 - c. He knew people who had \$5 million that would invest and would allow Robert and C.B. to “piggyback” with them;
 - d. Conservative estimates were a monthly return of 5%;
 - e. Funds would stay in a “holding tank” for 90-120 days before C.B. would make any money;
 - f. The funds would be used to invest in real estate properties;
 - g. C.B. could receive his investment funds back at any time;
 - h. The investment was “guaranteed” and C.B. should not lose any money; and
 - i. C.B. might have to renew the contract each year.
15. Robert stated that he was going to invest his own money as well. When asked how much Robert was going to invest, he stated that his wife did not want him to invest much so he was only going to invest \$200,000.
16. Based on Robert’s statements, C.B. invested \$175,000. In January 2009, C.B. withdrew

\$90,000 from his 401(k) account. After paying taxes on the funds, C.B. had \$80,000 left to invest.

17. On January 30, 2009, C.B. wire transferred \$80,000 to Mandy Robert, Robert's wife.
18. On February 26, 2009, wire transferred \$95,000 to Mandy Robert using the equity from his home.
19. Bank records show that Robert used C.B.'s investment funds in the following manner:
 - a. \$86,804 transferred to Bank of the West;
 - b. \$75,859 transferred to Alan F. Mecham;
 - c. \$5,440 used to pay mortgage premiums;
 - d. \$848 used to pay travel expenses;
 - e. \$672 used to pay insurance premiums; and
 - f. The majority of the remaining \$5,377 on groceries, auto repairs, and other personal expenses.
20. Despite requests that his principal be returned, C.B. has only received payments from Robert totaling \$9,600.
21. Robert still owes C.B. \$165,400 in principal.

CAUSES OF ACTION

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

22. In connection with the offer and sale of a security to the investors, Robert directly or

indirectly, made false statements, including but not limited to, the following:

- a. Funds would stay in a “holding tank” for 90-120 days, when in fact, Robert used the funds immediately for unrelated expenses;
- b. The funds would be used to invest in real estate properties, when in fact, Robert used the funds for unrelated expenses; and
- c. The investment was “guaranteed” and C.B. should not lose any money, when in fact, Robert had no reasonable basis for making such a statement.

23. In connection with the offer and sale of a security, Robert, 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 much of C.B.’s investment funds would go to Alan F. Mecham;
- b. That much of C.B.’s investment funds would go to unrelated expenses;
- c. Some or all of the information typically provided in an offering circular or prospectus regarding Robert, such as:
 - i. Financial statements;
 - ii. The track record to other investors;
 - iii. The number of other investors;
 - iv. The identities of the principals of the company with whom C.B. was investing;

- v. Any conflicts of interest the issuer, the principals, or the agents may have with regard to the investment;
 - vi. Any involvement of Robert in certain legal proceedings;
 - vii. Whether the investment is a registered security or exempt from registration;
and
 - viii. Whether Robert was licensed to sell securities.
24. Based upon the foregoing, Robert violated § 61-1-1(2) of the Act.

II. THE DIVISION'S CONCLUSIONS OF LAW

25. Based on the Division's investigative findings, the Division concludes that:
- a. The investment opportunities offered and sold by Robert are securities under § 61-1-13 of the Act;
 - b. Robert 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

26. Robert admits the Division's findings and conclusions and consents to the sanctions below being imposed by the Division.
27. Robert represents that any information he provided to the Division as part of the Division's investigation of this matter is accurate.
28. Robert agrees to the imposition of a cease and desist order, prohibiting him from any conduct

that violates the Act.

29. 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 \$5,000 with the following provisions:

a. The \$5,000 fine will be held in abeyance contingent on no securities laws violations for thirty-six months from entry of this Order.

b. If Robert materially violates any of the terms of this Order within the abeyance period following the entry of the Order, thirty days after notice of default and opportunity to be heard before an administrative officer on the sole issue of compliance with this Order, Robert consents to a judgment ordering the entire fine immediately due.

30. Robert 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

31. Robert acknowledges that this Order, upon approval by the Securities Commission shall be the final compromise and settlement of this matter.

32. Robert 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.

33. Robert acknowledges that the Order does not affect any civil or arbitration causes of action that third-parties may have against him rising in whole or in part from their actions, and that

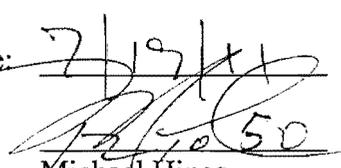
the Order does not affect any criminal causes of action that may arise as a result of him conduct referenced herein.

34. The 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.
35. Violation of this Order is a third degree felony pursuant to § 61-1-21(1) of the Act.
36. Robert has read this Consent Order, understands its contents, and enters into this Stipulation voluntarily.

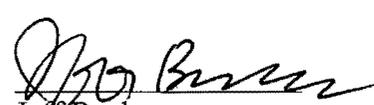
Utah Division of Securities

Date:

By:


Michael Hines
Director of Enforcement

Approved:


Jeff Buckner
Assistant Attorney General
J.S.

Jeff Buckner
Assistant Attorney General
J.S.

Respondent Robert

Date: 7/15/11

By: Bryan Robert
Bryan Joseph Robert

Approved:



Greg Smith
Attorney for Respondent

ORDER

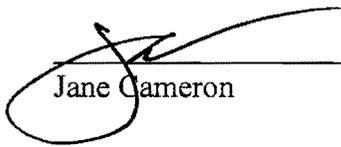
IT IS HEREBY ORDERED THAT:

1. The Division has made a sufficient showing of Findings of Fact and Conclusions of Law to form a basis for this settlement.
2. Robert cease and desist from violating the Utah Uniform Securities Act.
3. Robert pay a fine of \$5,000 to the Division.
4. The fine will be waived contingent on no securities laws violations for thirty-six months from the date of the entry of the Order.
5. If Robert materially violates the Order he consents to a judgment being entered against him for the entire fine amount.
6. Robert cooperate with the Division in any future investigations.

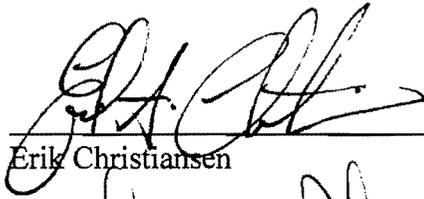
BY THE UTAH SECURITIES COMMISSION:

DATED this 28th day of July, 2011.

Tim Bangerter



Jane Cameron



Erik Christiansen



Laura Polacheck



Jan Graham

Certificate of Mailing

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

Bryan Joseph Robert
c/o Attorney Greg Smith
180 S. 300 W. #170
Salt Lake City, Utah 84101

Certified Mailing # 700702200001000000 60219


Executive Secretary