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JUN 13 2012

Utah Department of Commerce
Division of Securities

Colby J. Sanders (INDIVIDUALLY)

254 North 3050 West

Layton, UTAH 84041

801-735-9736 (MOBILE)

Respondent

**Before the Division of Securities of the Department of Commerce of the
State of Utah**

In the Matter of :

Colby J. Sanders

Amended order to show cause

Docket No.: sd-11-0069, sd-11-0070, sd-11-0071,
sd-11-0072, sd-11-0073, sd-11-0074, sd-11-0075,
sd-11-0076, sd-11-0078

Judge: Angela Hendricks
Utah Department of Commerce

ANSWER

Respondent Colby J. Sanders, (“**Respondent**”) does hereby answer the Complaint (“**Complaint**”) filed by the Division of Securities set forth above (“**Division**”) as follows.

With respect to the general allegations of the Complaint, Respondent admits, denies, and otherwise responds as follows:

Statement of Jurisdiction

1. Deny

Statement of Facts

2. With insufficient information I am unable to admit or deny so I therefore Deny.

3. With insufficient information I am unable to admit or deny so I therefore Deny.

4. With insufficient information I am unable to admit or deny so I therefore Deny.

5. With insufficient information I am unable to admit or deny so I therefore Deny.

6. With insufficient information I am unable to admit or deny so I therefore Deny.

7. With insufficient information I am unable to admit or deny so I therefore Deny.

8. With insufficient information I am unable to admit or deny so I therefore Deny.

9. With insufficient information I am unable to admit or deny so I therefore Deny.

10. Admit

11. . With insufficient information I am unable to admit or deny so I therefore Deny.

12. With insufficient information I am unable to admit or deny so I therefore Deny.

13. . With insufficient information I am unable to admit or deny so I therefore Deny.

14. . I was not part of these conversations between Mr. Barlow and J.M. and K.H. so I therefore Deny

15. I was not part of these conversations between Mr. Barlow and J.M. and K.H. so I therefore Deny.

A. I was not part of these conversations between Mr. Barlow and J.M. and K.H. so I therefore Deny.

B. I was not part of these conversations between Mr. Barlow and J.M. and K.H. so I therefore Deny.

C. I was not part of these conversations between Mr. Barlow and J.M. and K.H. so I therefore Deny.

D. I was not part of these conversations between Mr. Barlow and J.M. and K.H. so I therefore Deny.

E. I was not part of these conversations between Mr. Barlow and J.M. and K.H. so I therefore Deny.

F. I was not part of these conversations between Mr. Barlow and J.M. and K.H. so I therefore Deny.

G. I was not part of these conversations between Mr. Barlow and J.M. and K.H. so I therefore Deny.

H. I was not part of these conversations between Mr. Barlow and J.M. and K.H. so I therefore Deny.

16. I was not part of these conversations between Mr. Barlow and J.M. so I therefore Deny.

17. I was the project manager of this project and was only brought in to discuss the specifics of the project design and build so I therefore Deny.

18. I was not part of these conversations between Mr. Barlow and J.M. so I therefore Deny.

A. I was not part of these conversations between Mr. Barlow and J.M. so I therefore Deny.

B. I was not part of these conversations between Mr. Barlow and J.M. so I therefore Deny.

C. I was not part of these conversations between Mr. Barlow and J.M. so I therefore Deny.

D. I was not part of these conversations between Mr. Barlow and J.M. so I therefore Deny.

E. I was not part of these conversations between Mr. Barlow and J.M. so I therefore Deny.

F. I was not part of these conversations between Mr. Barlow and J.M. so I therefore Deny.

G. I was not part of these conversations between Mr. Barlow and J.M. so I therefore Deny.

H. I was not part of these conversations between Mr. Barlow and J.M. so I therefore Deny.

19. I was not part of these conversations between Mr. Barlow and J.M. so I therefore Deny.
20. I was not part of these conversations between Mr. Barlow and J.M. so I therefore Deny
21. Jared Wright was in control of producing and sending all documents that went out to Fortius clients. With insufficient information I am unable to admit or deny so I therefore Deny.
22. . Jared Wright was in control of producing and sending all documents that went out to Fortius clients. With insufficient information I am unable to admit or deny so I therefore Deny.
23. . Jared Wright was in control of producing and sending all documents that went out to Fortius clients With insufficient information I am unable to admit or deny so I therefore Deny.
24. With insufficient information I am unable to admit or deny so I therefore Deny.
25. With insufficient information I am unable to admit or deny so I therefore Deny.
26. With insufficient information I am unable to admit or deny so I therefore Deny.
27. With insufficient information I am unable to admit or deny so I therefore Deny.
28. With insufficient information I am unable to admit or deny so I therefore Deny.
29. With insufficient information I am unable to admit or deny so I therefore Deny.

30.

A. I was not part of these conversations between Mr. Barlow and J.M. and K.H.
so I therefore Deny.

B. I was not part of these conversations between Mr. Barlow and J.M. and K.H.
so I therefore Deny.

C. I was not part of these conversations between Mr. Barlow and J.M. and K.H.
so I therefore Deny.

D. I was not part of these conversations between Mr. Barlow and J.M. and K.H.
so I therefore Deny.

E. I was not part of these conversations between Mr. Barlow and J.M. and K.H.
so I therefore Deny.

31. With insufficient information I am unable to admit or deny so I therefore
Deny.

32.

A. With insufficient information I am unable to admit or deny so I therefore
Deny.

B. With insufficient information I am unable to admit or deny so I therefore
Deny.

C. With insufficient information I am unable to admit or deny so I therefore
Deny.

D. With insufficient information I am unable to admit or deny so I therefore
Deny.

33. With insufficient information I am unable to admit or deny so I therefore
Deny.

34. With insufficient information I am unable to admit or deny so I therefore Deny.

35. The times that I met with K. H. at the Fortius office was to discuss progress on the Powder Ridge project in which I was the project manager, so I therefore Deny.

36.

A. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

B. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

C. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

D. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

E. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

F. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

G. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

37.

A. Deny

B. Admit in part. Brent Ferrin who was our real estate agent and partner had a few of the units pre-sold with contracts and earnest money with the title company for the condo units at Powder Ridge.

- C. Admit in part. I am sure I told him I thought the project was going to be amazing or something to that effect.
- D. Admit in part. Brent Ferrin, our real estate agent did have buyers and they put up earnest money in escrow and signed purchase contracts.
- E. Deny. I was asked by Barlow and Wright to put together a proposed budget and proposed pro-forma based off the current market trends in Ogden valley and what was going on in the Park City Ski Resort areas. Most of the data was received from realtors in the Park City Ski Resort areas and the Odgen valley resort areas. Based off those numbers they had me put together a data sheet that would break down a simple math equation to show percentage of ownership would equal what percentage of the project. These were rough estimates, as we could not determine what the market would bear, and any changes to construction costs as we were still going through the engineering and architectural process.
- F. Deny. We simply had a preliminary budget and an estimated pro-forma so I would not have made a statement of the exact amount that an investor or fortius would make. That was not my position to quote returns or opportunities. These pro-formas were derived by our Realtor Brent Ferrin who was also our development partner who had a very good knowledge of this type of project.

38.

- A. I was not part of these conversations between Mr. Wright and K.H. so I therefore Deny.
- B. I was not part of these conversations between Mr. Wright and K.H. so I therefore Deny.
- C. I was not part of these conversations between Mr. Wright and K.H. so I therefore Deny.

39. With insufficient information I am unable to admit or deny so I therefore Deny.

40. With insufficient information I am unable to admit or deny so I therefore Deny.

41. With insufficient information I am unable to admit or deny so I therefore Deny.

42. With insufficient information I am unable to admit or deny so I therefore Deny.

43.

A. With insufficient information I am unable to admit or deny so I therefore Deny.

B. With insufficient information I am unable to admit or deny so I therefore Deny.

C. With insufficient information I am unable to admit or deny so I therefore Deny.

D. With insufficient information I am unable to admit or deny so I therefore Deny.

E. With insufficient information I am unable to admit or deny so I therefore Deny.

F. Admit in part. I was to receive \$10,000 per month as the project manager. I do not know where the funds came from to pay that. It was not based off of a client coming in with money or any type of commission being paid. I was not a signer on the account and had no access to the bank account.

G. With insufficient information I am unable to admit or deny so I therefore Deny.

H. With insufficient information I am unable to admit or deny so I therefore Deny.

I. With insufficient information I am unable to admit or deny so I therefore Deny.

J. With insufficient information I am unable to admit or deny so I therefore Deny.

K. With insufficient information I am unable to admit or deny so I therefore Deny.

L. With insufficient information I am unable to admit or deny so I therefore Deny.

44. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

45.

A. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

B. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

C. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

D. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

E. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

F. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

G. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

H. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

I. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

J. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

K. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

L. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

M. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

N. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

46. With insufficient information I am unable to admit or deny so I therefore Deny.

47. With insufficient information I am unable to admit or deny so I therefore Deny.

48.

A. With insufficient information I am unable to admit or deny so I therefore Deny.

B. With insufficient information I am unable to admit or deny so I therefore Deny.

C. With insufficient information I am unable to admit or deny so I therefore Deny.

D. With insufficient information I am unable to admit or deny so I therefore Deny.

E. With insufficient information I am unable to admit or deny so I therefore Deny.

F. With insufficient information I am unable to admit or deny so I therefore Deny.

G. With insufficient information I am unable to admit or deny so I therefore Deny.

H. Admit in part. Same answer as in 44F

I. With insufficient information I am unable to admit or deny so I therefore Deny.

J. With insufficient information I am unable to admit or deny so I therefore Deny.

K. With insufficient information I am unable to admit or deny so I therefore Deny.

L. With insufficient information I am unable to admit or deny so I therefore Deny.

49. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

50.

A. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

B. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

C. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

D. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

E. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

F. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

G. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

H. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

I. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

51. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

52. I was not part of these conversations between Mr. Barlow and K.H. so I therefore Deny.

53. With insufficient information I am unable to admit or deny so I therefore Deny.

54.

A. With insufficient information I am unable to admit or deny so I therefore Deny.

B. With insufficient information I am unable to admit or deny so I therefore Deny.

C. With insufficient information I am unable to admit or deny so I therefore Deny.

D. With insufficient information I am unable to admit or deny so I therefore Deny.

E. With insufficient information I am unable to admit or deny so I therefore Deny.

F. With insufficient information I am unable to admit or deny so I therefore Deny.

G. With insufficient information I am unable to admit or deny so I therefore Deny.

H. With insufficient information I am unable to admit or deny so I therefore Deny.

I. With insufficient information I am unable to admit or deny so I therefore Deny.

J. With insufficient information I am unable to admit or deny so I therefore Deny.

K. With insufficient information I am unable to admit or deny so I therefore Deny.

L. With insufficient information I am unable to admit or deny so I therefore Deny.

55. With insufficient information I am unable to admit or deny so I therefore Deny.

56. With insufficient information I am unable to admit or deny so I therefore Deny.

57. With insufficient information I am unable to admit or deny so I therefore Deny.

58. Admit in Part. My position in Fortius was the project manager for the powder mountain projects. I showed these parcels to J.Q. and L.S. on the upper powder mountain property. They as developers were interested in what we were doing. They asked if we had any pre-sales and I told them we had a realtor that was preparing to take reservations for the first phase of that project. J.Q. and L.S. were interested in that project so I told them they would have to meet with David Barlow and Jared Wright as they were the ones in charge of the investments. I was very specific with J.Q. and L.S. that I was simply the project manager and had no authorization to make any finance decisions.

59. Deny. My conversations with J.Q. were that my position with Fortius was to find exits strategies on properties they currently had in their possessions, underwriting of new deals and that I was Project Manager over the Powder Ridge projects. J.Q. asked if she could get an additional equity position in the projects if she brought in additional investors. I told J.Q. that I could not make those kind of decisions and that she would have to get that from David Barlow and Jared Wright.

60. With insufficient information I am unable to admit or deny so I therefore Deny.

61. Deny. J.Q. and L.S. had asked what type of business Fortius was. It was explained to them that Fortius had done hard money loans in the past and that the company was turning its focus toward development opportunities that came to

Fortius. J.Q. and L.S. had asked where the current developments that Fortius was working on and it was explained to them by David Barlow that Fortius was currently working on projects in Utah and a project in California.

62. Deny. It was explained by David Barlow to L.S. and J.Q. that there was debt on the project and that Fortius was searching for Bank Financing to take out the existing debt and vertical construction.

63. Deny. L.S. and J.Q. wanted to bring in a close friend and see if they could receive a higher percentage rate of equity if they did. I told them that they would have to talk with David Barlow or Jared Wright for that decision as I was just the project manager and could not make those decisions.

64.

A. Deny

B. Deny

C. Deny

D. Deny. It was explained to them that Fortius was changing from being a hard money lender to focus on development.

E. Deny. It was explained to them that the funds would be used to develop projects.

65. With insufficient information I am unable to admit or deny so I therefore Deny.

66. With insufficient information I am unable to admit or deny so I therefore Deny.

67.

A. Deny. The pro-formas showed what percentage that Fortius was holding in the projects. We as individuals were not retaining any ownership.

B. Deny. Jared Wright was in charge of all disclosures to investors and had met with attorneys to verify that he was putting the proper documentation together to stay in compliance.

C. Deny. It was proposed in the cost break down that there was a management fee for project management.

D. Deny. Jared Wright was in charge of all disclosures to investors.

E. Deny. Jared Wright was in charge of all documentation to clients and stated that there was information in the original documents discussing risk. The documents they signed should speak for themselves. Not to mention L.S. and J.Q. stated they were very successful land developers and knew what risks were involved in this type of development and this is why they offered to help develop the project for Fortius.

F. With insufficient information I am unable to admit or deny so I therefore Deny. The Documents they signed should speak for themselves.

G. With insufficient information I am unable to admit or deny so I therefore Deny.

68. Deny. David Barlow was working on a solution for investors that had lost their interests in the project at powder mountain after it was foreclosed on because of lack of bank financing. David Barlow was working with land owners in Eagle Mountain for a development opportunity. David Barlow was proposing if the deal closed that the investors on Powder Mountain could have an equity position in this Eagle Mountain property. That deal never closed. As L.S. and J.Q. could never reach David Barlow they would call me for any updates. I would tell them that I would speak to David and find out what was going on. I was simply passing along information as David was giving it to me. I never told them that

Fortius owned this property. Again I was a project manager and working on the powder mountain projects and Pineview projects at this time. After the Eagle Mountain project did not close, David Barlow proposed that the investors in Powder Mountain could be transferred to the Pineview project once it was funded. I passed that information on to L.S. and J.Q. as David Barlow asked me to call them and give them that information.

69. Deny. L.S. and J.Q. asked if Fortius could find another investor to take out their investment. In speaking with David Barlow he said that he would look and see if through construction financing he could pay them out. The bank financing never came through for Pineview.

70. With insufficient information I am unable to admit or deny so I therefore Deny.

71. Admit in Part. I did meet A.B. one time in the Fortius office as I was asked to come in and give an update as to where the project was in the approval process and how the engineering and architectural was coming along. We went through the rendering and drawing as they were builders and were interested in the design and architect.

72.

A. Deny. I made no representations to A.B.

B. Deny.

C. Deny. It was explained to A.B. and J.Q. by David Barlow and Jared Wright that the financing would be bank financing and they would have to use the property as collateral. With A.B. and J.Q. both being in the construction and development industry understood how the banks would need to take the property as collateral and would not be owned free and clear.

D. Admit. The project was designed in multiple phases so they would not all have to be built out at once.

E. Deny.

F. Admit in part. It was discussed with them that fortius was working on another project.

G. I was not present for that discussion so therefore I Deny.

73. With insufficient information I am unable to admit or deny so I therefore Deny.

74.

A. I was the project manager so therefore I deny

B. I was the project manager so therefore I deny

C. I was the project manager so therefore I deny

D. I was the project manager so therefore I deny

E. I was the project manager so therefore I deny

F. I was the project manager so therefore I deny

G. I was the project manager so therefore I deny

75. With insufficient information I am unable to admit or deny so I therefore Deny.

76. With insufficient information I am unable to admit or deny so I therefore Deny.

My role in Fortius from the time I was hired on was a minority role. I was to find exit buyers for properties that Fortius had funded with hard money and had gone into default. I was then asked to be in charge of re-construction on a property in Park City and be in charge of the property management of that. When Fortius decided to change its focus to

development I became the project manager. I never offered terms or conditions to investors into Fortius. I was hardly in the office as I was always in meetings for the projects I was working on. I was asked to come into meetings at the Fortius office when David and Jared were meeting with investors. They would have me give updates on the progress of the developments. They would have all of the discussions with investors on money and returns. My role was to get the necessary approvals and oversee all of the pre and post construction processes. I never had any decision making abilities financially or otherwise as those all had to be made by David Barlow and Jared Wright who were the Majority owners of the company. I was always very upfront with any investor or potential investor that I was simply the project manager and all financial information had to go through David and Jared.

I pray that the Division will release me from this action. I was simply an employee of Fortius as a project manager and had earned 20% ownership in the company over time. My role was project management as David and Jared had control of the documents, investments, raising of funds and control of the books.

Colby Sanders

CERTIFICATE OF MAILING

I hereby certify that on the ___11___ day of ___June_____, 2012, I caused to be mailed a true and correct copy of the foregoing to the following:

*D. Scott Davis
Assistant Attorney General
Utah Division of Securities
160 East 300 south 5th Floor
Salt Lake City, Utah 84114-0872*

Administrative Court Clerk
c/o Julie Price
160 East 300 South 2nd Floor
Salt Lake City, Utah 84114-6760

Colby Sanders