

Division of Securities
Utah Department of Commerce
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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:

PROFITABLE SOLUTIONS, LLC,
EXCLUSIVE CAPITAL FUNDING, LLC,
PS1 GROUP, LLC,
TIMOTHY V. PROVOST, CRD # 4934264 d.b.a.
LH SOLUTIONS,
DANIEL G. MAYNARD

Respondents.

**STIPULATION AND CONSENT
ORDER AS TO DANIEL G.
MAYNARD**

Docket No. SD-11-0093
Docket No. SD-11-0094
Docket No. SD-11-0095
Docket No. SD-11-0096

Docket No. SD-11-0097

The Utah Division of Securities (the Division), by and through its Director of Enforcement, Dave Hermansen, and Daniel G. Maynard (Maynard), hereby stipulate and agree as follows:

1. Maynard was the subject of an investigation conducted by the Utah County Attorney's Office into allegations that he violated certain provisions of the Utah Uniform Securities Act, Utah Code Ann. § 61-1-1, *et seq.*, as amended (the Act).
2. In connection with that investigation, the Division issued an Order to Show Cause against

Respondents on December 12, 2012, alleging securities fraud. Criminal charges were also filed against Maynard,¹ in connection with the investigation.

3. Respondent Maynard waives any right to a hearing to challenge the Division's evidence and present evidence on his behalf. Respondent Maynard understands that by waiving a hearing that he is waiving the requirement that the Division prove the allegations against him by a preponderance of evidence, waiving his right to confront and cross-examine witnesses who may testify against him, to call witnesses on his own behalf, and any and all rights to appeal the findings, conclusions and sanctions set forth in this Stipulation and Consent Order.
4. Respondent Maynard is represented by attorney Brett Tolman and is satisfied with his representation.
5. Respondent Maynard acknowledges that this agreement does not affect any enforcement action that might be brought by a criminal prosecutor or any other local, state, or federal enforcement authority.
6. Respondent Maynard 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

7. Maynard was, at all relevant times, a resident of the State of Utah. Maynard has never been

¹*State of Utah v. Daniel G. Maynard*, Case No. 101401298, Fourth Judicial District Court of Utah (2010). Maynard later pleaded guilty to one count of securities fraud, a class A misdemeanor, and one count of unregistered securities agent, a class A misdemeanor, on December 15, 2011. Maynard was ordered to pay a restitution judgment of \$30,000 and to date has complied with the payment schedule.

licensed in the securities industry in any capacity.

GENERAL ALLEGATIONS

1. From November 2007 to October 2008, Respondent Maynard offered and sold investment contracts to investors, in or from Utah, and collected at least \$12.3 million from forty investors. Some of those investments are listed below.
2. Investment contracts are securities under the Act.
3. Respondent Maynard made material misstatements and omissions in connection with the offer of securities to the investors below.

INVESTOR W.W.

4. In or about February 2008, W.W. was invited to a friend's house in Utah County, Utah to attend a presentation on an investment opportunity in Money & More, Inc. (M&M).² Two other potential investors attended as well.
5. During the meeting, Timothy Vernon Provost (Provost)³ and Maynard made the following statements about an investment in M&M:
 - a. Investor money would be loaned out every month;
 - b. Investors would receive 7% per month after thirty days;

² Money & More, Inc. is a Nevada corporation registered on December 18, 2002. Gale P. Robinson is the director and president. Money & More, Inc. operated as a deferred deposit transaction company (payday loan company), as defined by California Department of Corporations. Gale Robinson used "factor agreements" as a way of raising capital, which was then used to loan out to customers. Those who raised capital received a percentage based on how much money they raised.

- c. Investors could receive their principal back after one year;
 - d. If investors withdrew their investment funds before the one year term was up, there would be a penalty;
 - e. M&M had been in business for seven years and was a reliable company;
 - f. The only way investors could lose their money was if Gale Robinson (Robinson), the owner of M&M, “ran off” with their money⁴;
 - g. The investment was covered by the State of California through a UCC-1 lien;
 - h. There were a few ways to get investor funds returned if the investment went bad;
 - i. They had researched the payday loan industry and M&M was a “safe deal;” and
 - j. When the investors became full partners in the investment, they would be able to see all the paperwork and financial statements concerning the investment.
6. Provost and Maynard were initially investors in M&M, but later Larry O. Bosh (Bosh), Shawn David Benson, and Michael John Smith set them up to solicit investors for M&M. Provost and Maynard created their own companies to do so: Profitable Solutions, LLC, (PSL), Exclusive Capital Funding, LLC, (ECF), PS1 Group, LLC, (PS1), and LH Solutions.
7. Based on the statements of Provost and Maynard, W.W. invested a total of \$300,000 in

³ *State v. Timothy V. Provost*, Case No. 101401298 in Fourth Judicial District Court of Utah. (2010)

⁴ On April 20, 2010, Gale Robinson, Larry O. Bosh, Shawn David Benson, and Michael John Smith were charged with ten counts of securities fraud, a second degree felony, ten counts of unregistered securities agent, a third degree felony, one count of pattern of unlawful activity, a second degree felony, and one count of money laundering, a second degree felony. *State of Utah v. Gale Robinson*, Case No. 101401277 in Fourth Judicial District Court of Utah. (2010)

M&M through Provost and Maynard. With Provost and Maynard's knowledge, W.W. used a home equity loan to raise the \$300,000 that he invested.

8. In exchange for the investment funds, W.W. received a New Member Agreement signed by Provost and a Preliminary Investor Suitability Questionnaire.

INVESTORS J.W. AND T.W.

9. J.W. and T.W. learned about M&M from a family member.
10. In or about April 2008, J.W. and T.W. met with Provost and Maynard in Utah County, Utah to discuss an investment opportunity in M&M.
11. During the meeting, Provost, in the presence of Maynard, made the following statements about an investment in M&M:
 - a. The investment amount would determine the return;
 - b. The beginning payout was 5% per month for a \$100,000 investment and would go up to 7.5% for a \$200,000 investment;
 - c. There were no guarantees, however, there were many "reassurances" about the investment;
 - d. Financial statements would be available at any time;
 - e. There was some risk in any investment;
 - f. People borrow more money in an unsure economy; and
 - g. Provost and Maynard would receive a commission for investors they brought in.

12. Based on the statements of Provost and Maynard, J.W. and T.W. invested a total of \$100,000 in M&M through PS1.

INVESTORS R.P., J.P., M.A., L.H., AND S.P.

13. In or about February 2008, R.P., J.P., M.A., L.H., and S.P. met with Provost and Maynard in Utah County, Utah to attend a presentation on an investment opportunity in M&M.
14. Provost and Maynard described the investment and explained the tiered percentages based on the investment amount.
15. During the meeting, Provost and Maynard made the following statements about an investment in M&M:
 - a. The loans would be backed or guaranteed by UCC-1 filings in California;
 - b. The loans were legal because they were done through Provost and Maynard and through a private placement memorandum (PPM), so they were safe⁵;
 - c. Provost and Maynard need not be licensed because the investment was structured through a PPM;
 - d. There was no need for licensing so long as the investors went through Provost and Maynard's company⁶;

⁵ While Respondent claimed the investment was structured through a PPM, this never happened. Provost and Maynard waited for a PPM to be provided to them from Bosh, but this never happened either.

⁶ On April 9, 2008, Provost and Maynard met with examiners from the Division to discuss the M&M investments. The examiners explained that Provost and Maynard were not in compliance with Utah securities laws and were not properly licensed.

16. Based on the statements of Provost and Maynard, R.P. invested \$37,500 in M&M through PSL. J.P. invested \$37,500 and M.A. invested \$75,000.
17. A short time later, two more investors invested \$50,000 with PSL by pooling the money with R.P., J.P., and M.A.
18. L.H. and S.P. were offered but did not invest. However, Provost and Maynard paid S.P. and L.H. a finder's fee of 1% for referring investors.

INVESTORS T.S. AND K.A.

19. On February 27, 2008 in Utah County, Utah, approximately thirty potential investors attended a presentation on an investment opportunity in M&M. Provost, Maynard, and Bosh were the presenters.
20. During the meeting, Provost, in the presence of Maynard, made the following statements about an investment in M&M:
 - a. Risk in the investment was minimal because M&M was audited by the U.S. Securities and Exchange Commission and the California Division of Securities every month;
 - b. Also, the risk was minimal because there was a UCC-1 against M&M's accounts receivables; and
 - c. There was an insurance policy on the investment.
21. Bosh told the investors how well M&M was doing and that the future of the investment was

bright. Bosh went on to explain the progress of the company, how the investments were performing, trends of the market, and how successful M&M was.

22. Bosh told investors he had a working knowledge of M&M and that he had a desire to purchase the company.
23. Based on the statements of Provost, Bosh, and Maynard, T.S. invested a total of \$490,000 in M&M through PS1. K.A. invested a total of \$1 million.
24. In exchange for the investment funds, T.S. and K.A. received a New Member Agreement and a Preliminary Investor Suitability Questionnaire.

SECURITIES FRAUD UNDER § 61-1-1 OF THE ACT

25. The Division incorporates and re-alleges paragraphs 1 through 24.
26. The investment opportunities offered and sold by Respondent Maynard are securities under § 61-1-13 of the Act.
27. In connection with the offer and sale of securities, Respondent Maynard, directly or indirectly, made false statements, including, but not limited to, the following:
 - a. The investment was safe, when in fact, Respondent Maynard had no reasonable basis for making such a statement;
 - b. The investment was legal, when in fact, examiners from the Division had already informed Respondent Maynard that the investments were not in compliance with Utah securities laws; and

- c. Respondent Maynard needs not be licensed because the investment was structured through a PPM, when in fact, examiners from the Division informed Respondent Maynard that he needed to be licensed.
28. In connection with the offer and sale of securities, Respondent Maynard, 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. Complete information concerning the investment;
 - b. On April 3, 2000, Bosh pleaded guilty to two counts of securities fraud;⁷
 - c. Provost and Maynard had spoken with examiners from the Division who explained that the investment was not in compliance and they needed to be licensed; and
 - d. Some or all of the information typically provided in an offering circular or prospectus regarding Respondent Maynard and M&M, such as:
 - i. Financial statements;
 - ii. Risk factors;
 - iii. The number of investors;
 - iv. Suitability factors for the investment;
 - v. Nature of competition; and
 - vi. Whether the investment was a registered security or exempt from registration.

⁷ *State of Utah v. Larry Bosh*, Case No. 001401021 in Fourth Judicial District Court of Utah. (2000)

EMPLOYING AN UNLICENSED AGENT UNDER § 61-1-3(2)(a) OF THE ACT

29. The Division incorporates and re-alleges paragraphs 1 through 24.
30. S.P. and L.H. have not been licensed in the securities industry in any capacity.
31. Provost and Maynard employed and compensated S.P. and L.H. as agents in the offering and/or sale of securities in Utah.
32. Based on the above information, Respondent Maynard violated §61-1-3(2)(a).

SALE OF A SECURITY BY UNLICENSED AGENT UNDER § 61-1-3(1) OF THE ACT

33. The Division incorporates and re-alleges paragraphs 1 through 24.
34. Provost and Maynard offered or sold securities in Utah.
35. When offering these securities on behalf of PSL, ECF, and PS1, Provost and Maynard were acting as agents of an issuer.
36. Provost and Maynard were not licensed to sell securities in Utah as an agent of the issuer.
37. Based on the above information, Respondent Maynard violated §61-1-3(1).

SALE OF AN UNREGISTERED SECURITY UNDER § 61-1-7 OF THE ACT

38. The Division incorporates and re-alleges paragraphs 1 through 24.
39. The investment opportunities offered and sold by Respondent Maynard are securities under § 61-1-13 of the Act.
40. The securities were offered and sold to investors in or from the State of Utah.

41. The securities offered and sold by Respondent Maynard were not registered under the Act.
42. The issuer did not file any claims of exemption relating to the securities nor does it qualify for a self-executing exemption pursuant to § 61-1-14.
43. The issuer did not make a notice filing pursuant to § 61-1-15.5.
44. Based on the above information, Respondent Maynard violated § 61-1-7 of the Act.

II. THE DIVISION'S CONCLUSIONS OF LAW

45. Based on the Division's investigative findings, the Division concludes that:
 - a. Respondent Maynard violated § 61-1-1.
 - b. Respondent Maynard violated §61-1-3(2)(a).
 - c. Respondent Maynard violated §61-1-3(1).
 - d. Respondent Maynard violated § 61-1-7 of the Act.

III. REMEDIAL ACTIONS/SANCTIONS

46. Respondent Maynard admits the Division's findings and conclusions and consent to the sanctions below being imposed by the Division.
47. Respondent Maynard agrees to the imposition of a cease and desist order, prohibiting him from any conduct that violates the Act.

48. Respondent Maynard agrees that he will be barred from (i) associating⁸ with any broker-dealer or investment adviser licensed in Utah; (ii) acting as an agent for any issuer soliciting investor funds in Utah, and (iii) from being licensed in any capacity in the securities industry in Utah.
49. Respondent Maynard 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.
50. Respondent Maynard agrees to pay restitution as ordered in the criminal case, *State of Utah v. Daniel G. Maynard*, Case No. 101401298, Fourth Judicial District Court of Utah (2010).

IV. FINAL RESOLUTION

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

⁸ "Associating" 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. "Associating" 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 business not related to the sale or promotion of securities or the giving of investment advice in the State of Utah.

53. Respondent Maynard acknowledges that the Stipulation and Consent 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 his actions, and that the Stipulation and Consent Order does not affect any criminal causes of action that may arise as a result of his conduct referenced herein.
54. 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 modify, interpret, construe, or otherwise affect the Order in any way.

Utah Division of Securities

Date:

May 8, 2013

By:

[Signature]
 Dave Hermansen
 Director of Enforcement

Respondent Maynard

Date:

2 Apr. 1 2013

By:

[Signature]
 Daniel G. Maynard

Approved:

[Signature]

~~Wade Farroway~~ PAUL G. AMANN
 Assistant Attorney General
 U.C.A. #6465

5/7/13

Approved:

[Signature]

Brett Tolman
 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. Respondent Maynard cease and desist from violating the Utah Uniform Securities Act.
3. Respondent Maynard agrees to be barred from the securities industry in Utah.
4. Respondent Maynard cooperate with the Division in any future investigations.
5. Respondent Maynard agrees to pay restitution as ordered in the criminal case, *State of Utah v. Daniel G. Maynard*, Case No. 101402198, Fourth Judicial District Court of Utah (2010).

BY THE UTAH SECURITIES COMMISSION:

DATED this ____ day of _____, 2012.

Tim Bangerter

Jane Cameron

Laura Polacheck

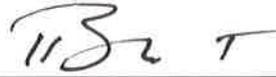
Erik Christiansen

Brent Baker

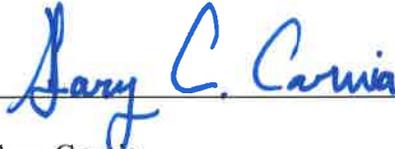
BY THE UTAH SECURITIES COMMISSION:

The foregoing Stipulation and Consent Order is hereby accepted, confirmed and approved by the Utah Securities Commission.

DATED this 30 day of May, 2013.



Tim Bangerter



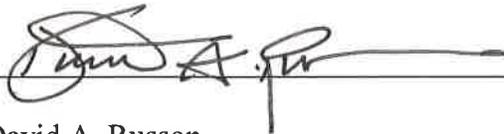
Gary Cornia



Erik Christiansen



Brent Baker



David A. Russon

Certificate of Mailing

I certify that on the 30th day of May, 2013, I mailed, by regular mail, a true and correct copy of the Stipulation and Consent Order to:

Daniel G. Maynard
c/o Brett Tolman
Ray Quinney & Nebeker
36 S. State. St., #1400
Salt Lake City, UT 84111

Certified # 7007 0220 0001 0064 7277

Maynard

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