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Utah Department of Commerce  
Division of Securities

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Utah Department of Commerce  
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Salt Lake City, UT 84114-6760  
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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:**

**ATLANTIS DEVELOPMENT TEAM, LLC,  
CAMRIE RENEE TAUAESE,**

**Respondents.**

**STIPULATION AND CONSENT  
ORDER**

**Docket No.**

**Docket No.**

11-12-0006  
11-12-0007

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The Utah Division of Securities (the Division), by and through its Director of Enforcement, Michael Hines, and Atlantis Development Team, LLC and Camrie Renee Tauaese, hereby stipulate and agree as follows:

1. Atlantis Development Team, LLC and Camrie Renee Tauaese were the subjects of an investigation conducted by the Division into allegations that they 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 completely resolve this matter by way of a stipulation and consent order.

3. By entering into this stipulation and consent order, Atlantis Development Team, LLC and Camrie Renee Tauaese waive the filing of an order to show cause and a notice of agency action, including any further notice and opportunity to respond, and/or agree that this stipulation constitutes the Notice of Agency Action required by statute.
4. Respondents waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf. Respondents understand that by waiving a hearing that they are waiving the requirement that the Division prove the allegations against them by a preponderance of evidence, waiving their right to confront and cross-examine witnesses who may testify against them, to call witnesses in their own behalf, and any and all rights to appeal the findings, conclusions and sanctions set forth in this Stipulation and Consent Order. Respondents also understand that they have a right to be represented by counsel in this matter, understand the role counsel would play in protecting their rights and interests, and freely, voluntarily and knowingly waive the right to counsel in this proceeding.
5. Respondents acknowledge 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. Respondents admit the jurisdiction of the Division over them and over the subject matter of this action.

### **I. THE DIVISION'S FINDINGS OF FACT**

### **THE RESPONDENTS**

7. Atlantis Development Team, LLC (Atlantis) is a Utah Limited Liability Company registered on March 14, 2007. Tauaese is a member and registered agent. Atlantis's status as a business entity expired as of July 16, 2010. Atlantis has never been licensed with the Division.
8. Camrie Renee Tauaese (Tauaese) was, at all times relevant to the matters asserted herein, a resident of Utah. Tauaese has never been licensed in the securities industry in any capacity.

### **GENERAL ALLEGATIONS**

9. In September 2008, Respondents offered and sold investment contracts to an investor and collected a total of \$35,000.
10. Investment contracts are securities under the Act.
11. Respondents made misstatements and omissions of material facts to the investor.
12. The investor lost \$35,000 of their principal investment.

### **INVESTOR L.H.**

13. In or about late August 2008, L.H. learned about an investment opportunity with Tauaese from L.H.'s brother, who is Tauaese's father.
14. On or about September 1, 2008, L.H. met Tauaese, Tauaese's father, and another relative to discuss an investment opportunity with Tauaese. The meeting took place in the relative's home in Rancho Cucamonga, California.
15. During the meeting, Tauaese made the following statements about an investment with

Tauaese:

- a. Tauaese needed \$35,000 from L.H. to use as an earnest money deposit for a property purchase;
  - b. The property was located near Park City, Utah;
  - c. Tauaese would double L.H.'s principal and would only need L.H.'s funds for two weeks;
  - d. Tauaese was going to earn a return on the investment as well; and
  - e. The deal was "safe" and "no risk."
16. After the meeting, Tauaese continued to discuss the investment through multiple telephone conversations. Tauaese was in Utah and/or calling from a Utah phone number during the conversations.
17. During the conversations, Tauaese repeated her earlier statements and added the following:
- a. The property for which L.H.'s funds would be used was valued at about \$21 million, but Tauaese could purchase the property for \$7.9 million;
  - b. Tauaese had two options for use of the property: (1) purchase the property and then resell it to prearranged buyers for a profit or (2) develop the property;
  - c. Tauaese had a silent partner who would get involved after the deal was finalized at which point, L.H. would receive her principal;
  - d. Tauaese had a line of credit to make payments in case the property did not sell;

- e. Tauaese was “pre-approved” for funding; and
  - f. The deal was “safe” and “no risk;”
  - g. Tauaese had worked with hard-money lenders on similar deals in the past;
  - h. The principal would be paid back quickly;
  - i. If the deal did not close by the end of October 2008, Tauaese would repay the \$35,000 plus a \$650 fee in order to cover the loan costs.
18. L.H. told Tauaese that she would need a home equity loan in order to invest.<sup>1</sup>
19. Based on Tauaese’s statements, L.H. invested \$35,000 with Tauaese by wiring the funds to Tauaese’s Washington Mutual Bank account in Utah on or about September 18, 2008.
20. In exchange for the investment funds, L.H. received from Tauaese a signed *Joint Venture Agreement* between L.H. and Atlantis<sup>2</sup>.
21. In or about April 2009, significantly after the original term of the investment (October 2008), Tauaese told L.H. that property deal was not Tauaese’s deal, but a family friend’s. Tauaese said that investment funds were used on the property, but the money was “tied up.”

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1 In an interview with the Division, Tauaese claimed she did not learn about the home equity loan until after L.H. invested.

2 This was the first time L.H. had learned of Atlantis.

22. In an interview with an investigator for the Division, Tauaese said that banks and hard money lenders had told her she needed \$25,000 for an earnest deposit and \$10,000 for lender fees<sup>3</sup>.
23. Tauaese used L.H.'s investment funds in the following manner:
  - a. \$25,000 paid to Wolf Mountain Holding, LLC for an earnest deposit;
  - b. \$4,500 paid to Lauton Funding for lending fees;
  - c. \$2,800 paid to PLG for lending fees; and
  - d. \$2,660 used for Tauaese's personal expenses.
24. Tauaese still owes L.H. \$35,000 in principal alone.

#### **SECURITIES FRAUD**

25. In connection with the offer and sale of a security, Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
  - a. That the investment was safe, when in fact, Respondents had no reasonable basis for making such a statement; and
  - b. That the investment was no risk, when in fact, Respondents had no reasonable basis for making such a statement.
26. In connection with the offer and sale of a security, 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. Some or all of the information typically provided in an offering circular or prospectus

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<sup>3</sup> The lender fees were less than Tauaese anticipated.

regarding Tauaese and Atlantis, such as:

- i. Financial statements;
- ii. Atlantis' operating and business history;
- iii. The market for Atlantis' service(s);
- iv. The nature of the competition for the service(s);
- v. The track record of Tauaese and Atlantis to other investors;
- vi. The number of other investors;
- vii. The risk factors for investors;
- viii. Discussion of relevant suitability factors for the investment;
- ix. Any conflicts of interest the issuer, the principals, or the agents may have with regard to the investment;
- x. Agent commissions or compensation for selling the investment;
- xi. Any involvement of Tauaese and/or Atlantis or its principals in certain legal proceedings, including bankruptcy or prior violations of state or federal securities laws;
- xii. Whether the investment was a registered security or exempt from registration;  
and
- xiii. Whether the person selling the investment was licensed.

## **II. THE DIVISION'S CONCLUSIONS OF LAW**

27. Based on the Division's investigative findings, the Division concludes that:

- a. The investment opportunities offered and sold by Respondents are securities under § 61-1-13 of the Act;
- b. Respondents violated § 61-1-1 of the Act by making misstatements of material facts and by omitting to state material facts in connection with the offer and sale of a security.

### **III. REMEDIAL ACTIONS/SANCTIONS**

28. Respondents admit the Division's findings and conclusions and consent to the sanctions below being imposed by the Division.
29. Respondents represent that any information they provided to the Division as part of the Division's investigation of this matter is accurate.
30. Respondents agree to the imposition of a cease and desist order, prohibiting them from any conduct that violates the Act.
31. Pursuant to Utah Code Ann. § 61-1-20(1)(f) and in consideration of the guidelines set forth in Utah Admin. Code Rule R164-31-1, the Division imposes a fine against Respondents in the amount of \$35,000. If the Division finds that Respondents materially violate any term of this Stipulation and Consent Order, thirty days after notice and an opportunity to be heard before an administrative officer solely as to the issue of a material violation, Respondents consent to a judgment ordering the entire fine immediately due.
32. \$2,600 of the fine amount is due seventeen months from the entry of this Stipulation and

Consent Order according to the following terms:

- a. \$1,000 upon the entry of this Stipulation and Consent Order; and
  - b. \$100 on the first day of each month.
33. Each dollar paid by Respondents to the investor towards restitution (\$35,000) shall be credited by the Division toward payment of the fine. Respondents shall send to the Division the cancelled checks or other confirmation for each payment made to the investor.
34. Tauaese agrees that until the \$35,000 fine amount is paid in full, she will be barred from (i) associating<sup>4</sup> 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.
35. Respondents agree 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**

36. Respondents acknowledge that this Stipulation and Consent Order, upon approval by the Securities Commission shall be the final compromise and settlement of this matter.
37. Respondents further acknowledge 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

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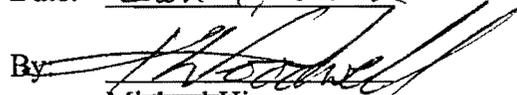
<sup>4</sup> "Associating" includes, but is not limited to, acting as an agent of, receiving compensation directly or indirectly from, or engaging in any business on behalf of a broker-dealer, agent, investment adviser, or investment adviser representative licensed in Utah. "Associating" does not include any contact with a broker-dealer, agent, investment adviser, or investment adviser representative licensed in Utah incidental to any personal relationship or business not

force or effect whatsoever.

38. Respondents acknowledge that the Stipulation and Consent Order does not affect any civil or arbitration causes of action that third-parties may have against them arising in whole or in part from their actions, and that the Stipulation and Consent Order does not affect any criminal causes of action that may arise as a result of their conduct referenced herein.
39. 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: Jan 9, 2012

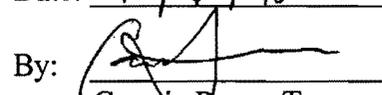
By:   
Michael Hines

Director of Enforcement

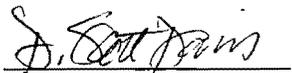
*Keith Woodwell*

Respondent Tauaese

Date: 1/6/12

By:   
Camrie Renee Tauaese

Approved:



D. Scott Davis

Assistant Attorney General

J.N.

**INDIVIDUAL ACKNOWLEDGMENT**

State/Commonwealth of Utah }  
County of Utah } ss.

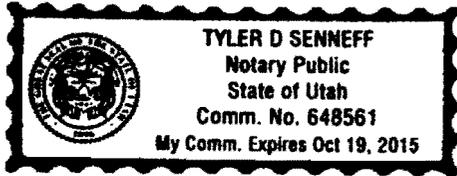
On this the 6 day of January, 2012, before me,  
Tyler D. Sennett, the undersigned Notary Public,  
Name of Notary Public  
personally appeared Carrie Tavaise  
Name(s) of Signer(s)

- personally known to me – OR –
- proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same for the purposes therein stated.

WITNESS my hand and official seal.

Tyler D. Sennett  
Signature of Notary Public



Place Notary Seal/Stamp Above

Any Other Required Information  
(Printed Name of Notary, Expiration Date, etc.)

**OPTIONAL**

Not required by law, this information can be useful to those relying on the document and prevent fraud.

**Description of Any Attached Document**

Title or Type of Document: Certificate of mailing

Document Date: 01/06/2012 Number of Pages: 2

Signer(s) Other Than Named Above: \_\_\_\_\_

RIGHT THUMBPRINT OF SIGNER #1	RIGHT THUMBPRINT OF SIGNER #2
Top of thumb here	Top of thumb here

**ORDER**

IT IS HEREBY ORDERED THAT:

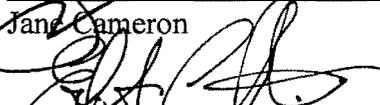
1. The Division has made a sufficient showing of Findings of Fact and Conclusions of Law to form a basis for this settlement.
2. Respondents cease and desist from violating the Utah Uniform Securities Act.
3. Division imposes a fine of \$35,000 off-set by restitution payments to the investor.
4. If Respondents materially violate any of the terms of this Stipulation and Consent Order, a judgment will be entered ordering the full fine amount, jointly and severally, due immediately.
5. Tauaese agrees to be barred from the securities industry in Utah until the full \$35,000 fine is paid in full.
6. Respondents cooperate with the Division in any future investigations.

**BY THE UTAH SECURITIES COMMISSION:**

DATED this 26th day of January, 2012

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

  
\_\_\_\_\_  
Jane Cameron

  
\_\_\_\_\_  
Erik Christiansen

  
\_\_\_\_\_  
Laura Polacheck

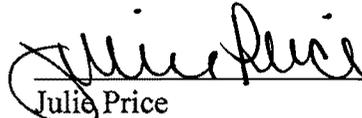
\_\_\_\_\_  
Jan Graham

**CERTIFICATE OF MAILING**

I, Julie Price, hereby certify that on the 31st day of January 2012, I mailed, by certified mail, a true and correct copy of the forgoing **Stipulation and Consent Order** to:

Atlantis Development Team, LLC  
Camrie Renee Tauaese  
2014 E. 800 S.  
Spanish Fork, UT 84660

Certified Receipt #: 7007 0220 0001 0063 5663

  
\_\_\_\_\_  
Julie Price  
Administrative Secretary