

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:

**U.S. TIGER, INC.
JARED BRENT MUIR,
ADAM CALVIN LEFFLER,**

Respondents.

ORDER TO SHOW CAUSE

Docket No. SD-17-0007
Docket No. SD-17-0008
Docket No. SD-17-0009

It appears to the Director of the Utah Division of Securities (Director) that U.S. Tiger, Inc., Jared Brent Muir, and Adam Calvin Leffler(Respondents) have engaged in acts and practices that violate the Utah Uniform Securities Act, Utah Code Ann. § 61-1-1, *et seq.* (the Act). Those acts and practices are more fully described herein. Based upon information discovered in the course of the Utah Division of Securities' (Division) investigation of this matter, the Director issues this Order to Show Cause in accordance with the provisions of § 61-1-20(1) of the Act.

STATEMENT OF JURISDICTION

1. Jurisdiction over Respondents and the subject matter is appropriate because the Division alleges that Respondents violated § 61-1-1 (securities fraud) of the Act while engaged in the offer and sale of securities in or from Utah.

STATEMENT OF FACTS

THE RESPONDENTS

2. Jared Brent Muir (Muir) was, at all times relevant to the matters asserted herein, a resident of Utah. Muir has never been licensed in the securities industry in any capacity.
3. Adam Calvin Leffler (Leffler) was, at all times relevant to the matters asserted herein, a resident of Utah. Leffler has never been licensed in the securities industry in any capacity.
4. U.S. Tiger, Inc. (U.S. Tiger) is a Utah corporation as of November 23, 2007. Leffler is listed as its Director, its registered agent, and as an officer. U.S. Tiger's status is in good standing as of November 23, 2011. U.S. Tiger, Inc. has never been licensed with the Division.

GENERAL ALLEGATIONS

5. On or about October 27, 2011, while conducting business in California and Salt Lake County, Utah, Muir and Leffler offered and sold investments to California residents L.G. and S. S. L.G. and S.S. each invested \$40,000 with Muir and Leffler.
6. Leffler issued promissory notes to L.G. and S.S., promising to repay principal plus interest within three months of the investment, and also promised an ownership interest in U.S. Tiger

to L.G. and S.S.

7. Leffer also issued stock certificates to L.G. and S.S.
8. Promissory notes and stock certificates are securities under the Act and applicable case law.
9. Respondents made misstatements and omissions of material facts to the investors.
10. L.G. lost \$38,000 of her principal investment, and S.S. lost \$37,000 of her principal investment.

1st Investment

11. L.G. met Muir in August 2011 when he was assigned to be her “Master Mentor” at Armando Montelongo Companies (AMC) in Fontana, California. Leffler shared an office with Muir, and was also a “Master Mentor,” at AMC.
12. At that time, Muir told L.G. of a potential investment opportunity with Leffler. Muir and Leffler told L.G. that Leffler’s company, U.S. Tiger, was looking for someone to invest \$80,000 in the company for which 10% interest would be paid and 2% interest in the company would be given.
13. Leffler told L.G. that he founded the company to produce medicine dispensing spoons called Medical Effective Delivery Systems or M.E.D.S. The spoons were intended for use by long-term care facilities in administering of medications to their patients.
14. Leffler said the investment was needed to pay the costs of manufacturing the machines that would produce the spoons.

15. L.G. was unable to invest \$80,000, so she invited her friend S.S. to invest. Leffler agreed that L.G. and S.S. could each invest \$40,000, and each would receive 10% interest on their investments, and a 1% ownership of U.S. Tiger.
16. On or about October 25, 2011, Muir contacted L.G. by telephone to discuss a potential \$80,000 investment in U.S. Tiger.
17. During the telephone conversation, Muir made the following statements regarding the investments:
 - a. U.S. Tiger and its owner, Leffler, were looking for a minimum investment of \$80,000;
 - b. The investment could be split between L.G. and S.S.;
 - c. L.G. and S.S. would each be repaid their investments, plus 10% interest within three months, and each would be given a 1% ownership interest in U.S. Tiger;
 - d. Leffler would not allow Muir to invest any more money because he did not want Muir to increase his ownership interest in the company;
 - e. Muir would help L.G. raise the \$80,000 to invest if she was unable to, or if S.S. decided she did not want to invest; and
 - f. If Muir helped L.G. with the investment, he would “keep it between” the two of them.
18. On or about October 27, 2011, Leffler contacted L.G. and S.S. by telephone and email to

discuss the potential investment.

19. During those conversations, Leffler made the following statements regarding investing with him and his company:
 - a. U.S. Tiger was looking for a minimum investment of \$80,000;
 - b. L.G. and S.S. had one week to decide whether or not to invest, or the offer would be rescinded and other investors found;
 - c. L.G. and S.S. could split the \$80,000 investment;
 - d. That in return for their investment, L.G. and S.S. would each be repaid their principal plus 10% interest within three months, and each would be given a 1% ownership interest in U.S. Tiger;
 - e. f. That the spoons were ready for mass production;
 - g. The promissory notes given to L.G. and S.S. would be secured by the product for which the loan was being sought, i.e., approximately 1,000,000 specially engineered spoons;
 - h. The investment funds were needed to cover the costs of shipping a manufacturing machine from China to the United States;
 - i. U.S. Tiger had pending orders from a nursing home called Brookdale;
 - j. U.S. Tiger had pending orders from a distributor called McKesson for millions of spoons;

- k. The spoon product information was published in a long-term care magazine;
 - l. The spoon product was showcased at a trade show;
 - m. L.G. and S.S. could work as independent contractors for U.S. Tiger as well as sales representatives. The spoons they would be selling would be the ones manufactured with part of the investment funds; and
 - p. Owners of U.S. Tiger, including L.G. and S.S., were no longer percentage owners because they had become shareholders of the company.
20. On or about October 27, 2011, L.G. invested \$40,000 in U.S. Tiger. On or about November 4, 2011, S.S. also invested \$40,000 in U.S. Tiger.
21. On November 1, 2011, Muir and Leffler met L.G. and S.S. at L.G.'s apartment in California to sign the promissory notes, copies of which were then given to L.G. and S.S.
22. On or about March 7, 2012, Leffler issued L.G. and S.S. stock certificates representing ownership of 100,000 shares each in U.S. Tiger.
23. L.G.'s and S.S.'s entire investment monies were sent to Spectrum Packaging, LLC, to manufacture and improve the machinery that would be used to produce the spoons.
24. L.G. received \$2,000 cash from Leffler on or about February 4, 2012, and S.S. received \$3,000 cash from Leffler on April 4, 2012.
25. Leffler still owes L.G. \$38,000, and S.S. \$37,000, in principal alone.

2nd Offer to Invest

26. On or about April 6, 2012, Leffler offered L.G. and S.S. a document entitled “Promissory Note – Renewal.” Leffler made the following statements regarding the renewal:
- a. The “Renewal” constituted an new agreement, voiding the promissory notes, and signing the “Renewal” would replace the promissory notes;
 - b. The “Renewal” stated that L.G. and S.S. were owed \$40,000 each in principal, interest would accrue at 40% annually, repayments would be applied to principal first and then to interest, interest would only accrue on the remaining principal balance;
 - c. The \$2,000 payment made to L.G. On February 4, 2004, and the \$3,000 payment to S.S. on April 4, 2004, would be deducted from the interest due under the “Renewal;”
 - d. Every three months that the “Renewal” went unpaid, Tiger would issue L.G. and S.S. a warrant allowing them to purchase up to 10,000 shares of common stock up to, but not exceeding, 24 months following the date of the renewal for \$1.00 per share, which reflected par value at the time of the renewal;
 - k. The terms of the agreement constituted a loan and a promise to pay;
 - m. The notes would be secured by the product for which the loan was being obtained, i.e., approximately 750,000 specially engineered spoons;
27. L.G. and S.S. chose not to sign the renewal promissory notes.

CAUSES OF ACTION

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

28. 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 spoons were ready for mass production, when in fact U.S. Tiger and Spectrum Packaging LLC were still working to develop the machinery needed to produce the spoons correctly; and
 - b. The promissory notes given to L.G. and S.S. would be secured by the product for which the loan was being sought, i.e., approximately 1,000,000 specially engineered spoons, when in fact U.S. Tiger's spoon inventory was held as raw materials rather than a finished product, and U.S. Tiger only had enough raw material to manufacture 500,000 spoons rather than the 1,000,000 spoons represented to L.G. and S.S.; and
29. In connection with the offer and sale of a security, Respondents failed to provide material facts and information to L.G. and S.S., including but not limited to some or all of the information typically provided in an offering circular or prospectus regarding Muir, Leffler and U.S. Tiger, such as:
- a. Financial statements;
 - b. The market for U.S. Tiger's product(s);
 - c. The nature of the competition for the product(s);
 - d. The track record of Muir, Leffler and U.S. Tiger with other investors;
 - e. The number of other investors;
 - f. The risk factors for investors;
 - g. Discussion of relevant suitability factors for the investment;

- h. Any conflicts of interest Muir, Leffler and/or U.S. Tiger may have had with regard to the investment;
 - i. Any commissions or compensation for selling the investment;
 - j. Any involvement of Muir, Leffler and/or U.S. Tiger in certain legal proceedings, including bankruptcies, judgments, or prior violations of state or federal securities laws;
 - k. That Transwest Credit Union filed for debt collection against Leffler on December 8, 2010;
 - l. That Leffler filed for Chapter 13 Bankruptcy on March 13, 1996 and again on December 20, 1996;
 - m. That U.S. Tiger was attempting to license the M.E.D.S. product to a medical marijuana company in California called NuMeds;
 - n. That investment funds would be going to Spectrum Packaging LLC, and any related information about Spectrum Packaging and its involvement in the investment;
 - o. Whether the investment was a registered security or exempt from registration; and
 - p. Whether the persons selling the investments were licensed in the securities industry.
30. The investment opportunities offered and sold by Respondents are securities under § 61-1-13 of the Act;
31. 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.

ORDER

The Director, pursuant to § 61-1-20 of the Act, hereby orders Respondents to appear at a formal hearing to be conducted in accordance with Utah Code Ann. §§ 63G-4-202, -204 through -208, and held before the Utah Division of Securities. The hearing will occur on **February 6, 2013**, at **9:00 a.m.**, at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd Floor, Salt Lake City, Utah. The purpose of the hearing is to establish a scheduling order and address any preliminary matters. If Respondents fail to file an answer and appear at the hearing, the Division of Securities may hold Respondents in default, and a fine may be imposed in accordance with Utah Code Ann. § 63G-4-209. In lieu of default, the Division may decide to proceed with the hearing under § 63G-4-208. At the hearing, Respondents may show cause, if any they have:

- a. Why Respondents should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;
- b. Why Respondents should not be ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. §§ 61-1-1 and 61-1-3, or any other section of the Act;
- c. Why Respondents should not be barred from being licensed in any capacity in the securities industry in the State of Utah; and
- d. Why Respondents should not be ordered to pay to the Division a fine amount to be determined by the Utah Securities Commission after a hearing in accordance with the provisions of Utah Admin. Rule R164-31-1, which may be reduced by restitution

paid to the investors.

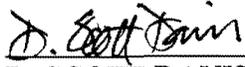
DATED this 3rd day of January, ~~2012.~~ 2013.


KEITH WOODWELL
Director, Utah Division of Securities



The seal is circular with the text "DEPARTMENT OF COMMERCE" at the top, "GREAT SEAL OF THE STATE OF UTAH" around the inner border, and "DIVISION OF SECURITIES" at the bottom. The year "1896" is at the bottom center. The seal features a central emblem with a mountain, a river, and a sun.

Approved:



D. SCOTT DAVIS
Assistant Attorney General
M.E.

Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
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Salt Lake City, UT 84114-6760
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OF THE DEPARTMENT OF COMMERCE
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IN THE MATTER OF:

**U.S. TIGER, INC.
JARED BRENT MUIR,
ADAM CALVIN LEFFLER,**

Respondents.

NOTICE OF AGENCY ACTION

Docket No. ~~00-12-0007~~
Docket No. ~~00-12-0008~~
Docket No. ~~00-12-0009~~

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

You are hereby notified that agency action in the form of an adjudicative proceeding has been commenced against you by the Utah Division of Securities (Division). The adjudicative proceeding is to be formal and will be conducted according to statute and rule. See Utah Code Ann. § 63G-4-201 and 63G-4-204 through -209; see also Utah Admin. Code R151-4-101, *et seq.* The facts on which this action is based are set forth in the accompanying Order to Show Cause. The legal authority under which this formal adjudicative proceeding is to be maintained is Utah Code Ann. § 61-1-20. You may be represented by counsel or you may represent yourself in this proceeding. Utah Admin. Code R151-4-110.

You must file a written response with the Division within thirty (30) days of the mailing date of this Notice. Your response must be in writing and signed by you or your representative. Your

response must include the file number and name of the adjudicative proceeding, your version of the facts, a statement of what relief you seek, and a statement summarizing why the relief you seek should be granted. Utah Code Ann. § 63G-4-204(1). In addition, pursuant to Utah Code Ann. § 63G-4-204(3), the presiding officer requires that your response:

- (a) admit or deny the allegations in each numbered paragraph of the Order to Show Cause, including a detailed explanation for any response other than an unqualified admission. Allegations in the Order to Show Cause not specifically denied are deemed admitted;
- (b) identify any additional facts or documents which you assert are relevant in light of the allegations made; and
- (c) state in short and plain terms your defenses to each allegation in the Order to Show Cause, including affirmative defenses, that were applicable at the time of the conduct (including exemptions or exceptions contained within the Utah Uniform Securities Act).

Your response, and any future pleadings or filings that should be part of the official files in this matter, should be sent to the following:

Signed originals to:

Administrative Court Clerk
c/o Julie Price
Utah Division of Securities
160 E. 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
(801) 530-6600

A copy to:

D. Scott Davis
Assistant Attorney General
Utah Division of Securities
160 East 300 South, 5th Floor
Salt Lake City, UT 84114-0872
(801) 366-0358

An initial hearing in this matter is set for **February 6, 2013** at the Division of Securities, 2nd

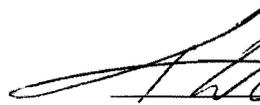
Floor, 160 E. 300 S., Salt Lake City, Utah, at **9:00 A.M.** The purpose of the initial hearing is to enter a scheduling order addressing discovery, disclosure, and other deadlines, including pre-hearing motions, and to set a hearing date to adjudicate the matter alleged in the Order to Show Cause.

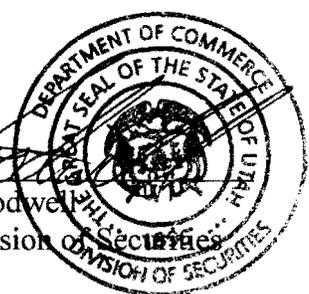
If you fail to file a response, as described above, or fail to appear at any hearing that is set, the presiding officer may enter a default order against you without any further notice. Utah Code Ann. § 63G-4-209; Utah Admin. Code R151-4-710(2). After issuing the default order, the presiding officer may grant the relief sought against you in the Order to Show Cause, and will conduct any further proceedings necessary to complete the adjudicative proceeding without your participation and will determine all issues in the proceeding. Utah Code Ann. § 63G-4-209(4). In the alternative, the Division may proceed with a hearing under § 63G-4-208.

The Administrative Law Judge will be Jennie Jonsson, Utah Department of Commerce, 160 East 300 South, P.O. Box 146701, Salt Lake City, UT 84114-6701, telephone (801) 530-6035. This adjudicative proceeding will be heard by Ms. Jonsson and the Utah Securities Commission. You may appear and be heard and present evidence on your behalf at any such hearings.

You may attempt to negotiate a settlement of the matter without filing a response or proceeding to hearing. To do so, please contact the Utah Attorney General's Office. Questions regarding the Order to Show Cause should be directed to D. Scott Davis, Assistant Attorney General, 160 E. 300 South, 5th Floor, Box 140872, Salt Lake City, UT 84114-0872, Tel. No. (801) 366-0358.

Dated this 3rd day of January, ~~2012~~ 2013.


Keith M. Woodwell
Director, Division of Securities



CERTIFICATE OF MAILING

I, Julie Price, hereby certify that on the 8th day of January 2013, I mailed, by certified mail and regular mail, a true and correct copy of the forgoing **Order to Show Cause and Notice**

of Agency Action to:

U.S. Tiger, Inc.
Jared Brent Muir
4841 West Autumn Hue Circle
Herriman, UT 84096

Certified Receipt #: 7007 0220 0001 0064 8342

Adam Calvin Leffler
1821 West Antilles Drive
Salt Lake City, UT 84116

Certified Receipt #: 7007 0220 0001 0064 8359



Julie Price
Administrative Secretary