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March 6, 2013

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Utah Department of Commerce
Division of Securities

To Whom It May Concern:

This letter is in regards to the Order to Show Cause, Docket No. SD-13-0013, and to admit or deny the allegations within.

1. Admit – I am a licensed insurance agent and not licensed in the securities industry.
2. Admit – I was affiliated with Horizon Financial and Insurance Group as an insurance agent.
3. Admit – I did refer clients to Mr. Randall who offered private placement offerings.
4. Admit – Mr. Randall purported to offer private placement offerings.
5. Admit that I received sales compensation but am unable to validate the Horizon entities operated as a Ponzi scheme and comingled and transferred investors monies among the Horizon entities due to having no contact or involvement with that part of the business.
6. Admit – I did refer some of my insurance clients to Mr. Randall to discuss the investments.
7. Cannot admit or deny. Mr. Randall purported the investments were registered under the State Division of Securities.
8. Admit – I arranged meetings with my clients and Mr. Randall when asked to and only attended when requested by my clients.
9. Admit – Approximately 11 of my clients invested with Mr. Randall.
10. Deny – I did not assist my clients in filling out the paperwork required to transfer their monies. This was handled by the client and the staff of Mr. Randall in charge of the investments.
11. Admit – Although I am unaware of the exact amount of money invested the \$517,000 appears to be a close approximation.
12. Admit – I was not initially compensated for referring people to Mr. Randall but did receive compensation on approximately the last 4 investors. These compensations were by check with no credits against rent owed, office expenses, or chargebacks for cancelled policies.
13. Admit – I cannot recall the exact amount of compensation but feel the \$6,600 is a close approximation.
14. Cannot admit or deny – I was made aware of one or two cases in late 2009 whose interest payments were delayed. I was made aware of this again in 2010 but cannot say when payments ceased entirely to investors.
15. Admit and Deny – I admit that I did refer clients to Mr. Randall, arranged some of the appointments, attended some of the meetings with my clients, and received compensation. I did not however solicit clients to put their investments with Mr. Randall and his investment company. Mr. Randall and his investments were an option for my clients to look at for investment opportunities and were referred to meet with him just as I have referred clients to many different Attorneys, Property and Casualty Insurance agents, and other professionals in the community. I never met with a client with the intention of placing their monies with Mr. Randall.

I am deeply disheartened by the loss which my clients and others have felt through the actions of Mr. Randall. I feel Mr. Randall took advantage of not only my clients but me as an agent and I mistakenly trusted him and believed the information he gave us was true and legal. I have tried to assist my clients the best way I legally could through this process and have never nor would I ever intentionally place my clients in a situation that I believed was detrimental to them. I have worked in the insurance industry for over 13 years and during that time have never had any type of actions or violations against me.

Sincerely,

A handwritten signature in cursive script that reads "Scott Steinmetz". The signature is written in black ink and is positioned above the printed name.

Scott Steinmetz