

Division of Securities  
Utah Department of Commerce  
160 East 300 South  
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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:**

**DAVID RODNEY CROSBY,**

**Respondent.**

**STIPULATION AND CONSENT  
ORDER**

**Docket No. SD-13-0029**

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The Utah Division of Securities (the Division), by and through its Director of Enforcement, Dave R. Hermansen, and David Rodney Crosby (Crosby) hereby stipulate and agree as follows:

1. Crosby was the subject of an investigation conducted by the Division 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 Crosby on April 12, 2013, alleging securities fraud and the sale of unregistered securities.
3. Crosby waives any right to a hearing to challenge the Division's evidence and present

evidence on his behalf. Crosby understands that by waiving a hearing, 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 (Order).

4. Crosby understands that he has a right to be represented by counsel, and he voluntarily and knowingly waives the right to have counsel represent him in this matter.
5. Crosby acknowledges that this Order does not affect any enforcement action that might be brought by a criminal prosecutor or any other local, state, or federal enforcement authority.
6. Crosby 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. Crosby was, at all relevant times, a resident of the state of California. At various times between 1980 and 1998, Crosby successfully completed the Series 6, 7, 26, and 63 exams. According to the licensing records included on the Central Registration

Depository (CRD)<sup>1</sup> system, Crosby was licensed as a broker-dealer agent for WMA Securities, Inc. in California from 1994 until 1998.<sup>2</sup> His license with that state terminated for failure to pay the renewal fee. Since that time, Crosby has submitted several applications for licensure in California but withdrew or had such applications purged prior to qualifying for a license. Crosby has not been licensed in the securities industry since 1998 and has never been licensed in the state of Utah.

#### GENERAL ALLEGATIONS

8. From May 2007 to August 2007, Crosby offered and sold investment contracts to investors, in or from Utah, and collected a total of at least \$145,150, of which \$96,500 was specifically to be used for investing.
9. Investment contracts are securities under the Act.
10. Crosby made omissions in connection with the offer and sale of securities to the investors identified below.
11. The investors lost \$79,363.35 in principal alone.

#### INVESTOR M.T.

12. In or around early to mid-2007, M.T. met Crosby while attending real estate investment meetings in Utah and California.

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1 CRD is a computerized database maintained by the Financial Industry Regulatory Authority. CRD contains employment, licensing, and disciplinary information on broker-dealers, agents, investment advisers, and investment adviser representatives.

2 Licensing records included on CRD for Crosby date back to 1990. While it appears that Crosby held securities licenses prior to this date, his complete licensing record is not available.

13. M.T.'s friend invited her to attend the meetings, during which Crosby presented an investment in his company, First Legacy Funding Group, Inc. (FLFG).<sup>3</sup>
14. Richard Trefflich (Trefflich), a principal of FLFG, and Tina Cimarusti (Cimarusti), another representative of the company, were sometimes present for the meetings.
15. At the meetings, Crosby explained how FLFG operated. With respect thereto, Crosby made the following statements:
  - a. Investing in real estate was a good way to earn money;
  - b. Investor money would be pooled together to purchase condos in Ogden, Utah;
  - c. FLFG would help investors pull equity out of their homes, through a refinance, to be invested;
  - d. If a potential investor had poor credit and could not refinance, a lease option would be used:
    - i. The investor would sell his or her house to a FLFG member and use the proceeds to invest in condos;
    - ii. The investor would continue to live in his or her home, making payments to FLFG, rather than the bank that owned the mortgage;
    - iii. Once the investor's credit improved, he or she would purchase the home

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<sup>3</sup> FLFG was a California corporation that registered with the California Secretary of State on August 17, 2006. FLFG initially registered with the Utah Division of Corporations on April 19, 2007. As of August 6, 2008, the entity's status changed from active to expired for failure to file a renewal. FLFG registered with the Utah Division of Corporations for a second time on August 18, 2008. That registration expired on December 8, 2009 for again failing to file a renewal. During its existence, Crosby served as FLFG's president. FLFG has never been registered with the Division.

back; and

- iv. The fee for this service was \$15,000;
  - e. Investors with good credit could hold title to the condos in their name, while those investors with poor credit would have to wait until their credit improved to hold title;
  - f. FLFG would find and purchase the condos, perform maintenance, and find and manage tenants;
  - g. Investors would get monthly interest payments from the rents collected; and
  - h. Individuals could earn commissions, up to 10% of the amount refinanced, for referring others to FLFG.
16. Crosby also took M.T. and other potential investors to Ogden after the meetings to point out specific condos as the ones FLFG would purchase with investor funds.
17. M.T. was interested in investing, but she had poor credit and did not hold the title to her home.<sup>4</sup>
18. As a result, Crosby decided M.T. should sell her home to Cimarusti under the lease option described above.
19. On August 15, 2007, M.T. received \$85,455.43 from the sale of her home.
20. On August 16, 2007, M.T. wired \$16,650 to Cimarusti; \$15,000 went to Cimarusti as a “fee” for purchasing M.T.’s home, and the remaining \$1,650 was used for the appraisal

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<sup>4</sup> M.T.’s son and brother-in-law held the title to M.T.’s home.

and other paperwork fees. Also on August 16, 2007, M.T. wired \$24,000 to FLFG for FLFG's 10% fee and additional charges.

21. On August 18, 2007, M.T. wrote Cimarusti an \$8,000 check, which was to protect Cimarusti in case M.T. was unable to cover her mortgage payments.<sup>5</sup>
22. On August 18, 2007, M.T. also provided a \$22,000 check, payable to FLFG, to either Crosby or Cimarusti, to go toward the purchase of two condos in Ogden, Utah.
23. M.T. did not receive any disclosure documentation or other memorialization prior to or after her investment.
24. M.T. received five payments of \$183.33 from the condos, for a total repayment of \$916.65 of her \$22,000 investment.<sup>6</sup> M.T.'s total loss was \$21,083.35.

INVESTOR S.T.

25. S.T. met Crosby in early to mid-2007 at the Ramada Inn near the Salt Lake City airport. S.T. was attending a real estate investment meeting with a friend, M.M., and Crosby was conducting the meeting.
26. Following the initial meeting, S.T. attended several other real estate investment meetings hosted by Crosby and FLFG.
27. At the meetings, Crosby explained how FLFG operated. With respect thereto, Crosby made the following statements:

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<sup>5</sup> When M.T. tried to use that money for credit toward her mortgage payment, Crosby told her that Cimarusti had used it for another investment. In July 2009, Crosby confirmed that the \$8,000 was gone.

<sup>6</sup> M.T. provided FLFG with an additional \$48,650 for "fees" and a deposit. Because M.T. did not consider those amounts to be an investment, they are not included in the total amount invested. In total, M.T. parted with \$70,650.

- a. Crosby was an LDS bishop and had a lot of experience in real estate investing;
  - b. Crosby had a business with many customers in Los Angeles;
  - c. Crosby had helped Cimarusti, a prior investor, make a lot of money;
  - d. Investor money would be pooled together to purchase condos in Ogden, Utah, and all the investors would become members of a newly formed corporation;
  - e. Investors would be paid monthly returns from the rents collected; and
  - f. Investors would not have to be involved in managing or renting the condos because FLFG would handle that.
28. Crosby also took S.T. and other potential investors to see two condos in Ogden and said those were the condos FLFG would purchase with investor funds.
29. Crosby brought mortgage modification paperwork, for “Pick and Pay” loans through World Savings Bank, to some meetings for investors to fill out. S.T. filled out the paperwork through Crosby.

#### FIRST INVESTMENT

30. On August 8, 2007, S.T. wired \$5,000 to FLFG.
31. In exchange for the \$5,000, S.T. was to receive a fractional interest in one or two condos.<sup>7</sup>
32. S.T. used money from her savings, not her loan modification, to invest with FLFG.
33. S.T. did not receive any disclosure documentation or other memorialization prior to her

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<sup>7</sup> S.T. does not know if each investment was for a different condo, or if each investment went toward both condos.

investment.

#### SECOND INVESTMENT

34. On August 23, 2007, at the Ramada Inn by the Salt Lake City airport, S.T. gave Crosby a \$9,500 check, payable to FLFG.
35. In exchange for the \$9,500, S.T. was to receive a fractional interest in one or two condos.<sup>8</sup>
36. S.T. used money from her savings, not her loan modification, to invest with FLFG.
37. S.T. did not receive any disclosure documentation or other memorialization prior to her investment.
38. In February 2008, after S.T.'s lawyer contacted FLFG for the return of S.T.'s funds, S.T. received a Membership Certificate for 5.882% of Enoch Elite Properties 1 LLC (Enoch Elite Properties),<sup>9</sup> dated February 8, 2008, and bearing what appears to be Trefflich's signature.
39. S.T. had never heard of Enoch Elite Properties until she received the certificate.
40. For both investments, S.T. received payments of \$200 per month for approximately one year. Therefore, S.T. has been repaid \$2,400 of her \$14,500 investment, for a total loss of \$12,100.

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<sup>8</sup> *Id.*

<sup>9</sup> Enoch Elite Properties 1 LLC was a Utah limited liability company that registered with the Utah Division of Corporations on February 8, 2008. As of June 7, 2010, the entity's status changed from active to expired. During its existence, Crosby and Trefflich served as Managers.

INVESTOR N.N.

41. N.N. met Crosby in early to mid-2007 at FLFG meetings in private residences and hotels in Provo and Salt Lake City. N.N. was invited by a friend, M.M., to attend these meetings on real estate investing.
42. At the meetings, Crosby explained how FLFG operated. With respect thereto, Crosby made the following statements:
  - a. Investing in real estate was a good way to earn money;
  - b. FLFG would handle everything from finding condos to purchase and tenants, to making necessary repairs, and N.N. and other investors would receive monthly checks from the rents collected;
  - c. Investor funds would be pooled together to purchase condos in Ogden, Utah;
  - d. Some investors could hold title to the condos in their names; and
  - e. A condo could be purchased for \$10,000, with a \$4,000 down payment.
43. Crosby also took N.N. and other potential investors to a large building in Ogden and said the condos FLFG would purchase with investor funds were inside.
44. Crosby helped N.N. refinance his house through Wachovia Bank.

FIRST INVESTMENT

45. On or about June 13, 2007, Cimarusti went to N.N.'s home in Spanish Fork, Utah and told him to give her a \$5,000 check, payable to FLFG, which N.N. did.
46. In exchange for the \$5,000, N.N. was to receive a fractional interest in one or two

condos.<sup>10</sup>

47. The investment funds came from equity in N.N.'s primary residence, a fact known to Crosby because he helped N.N. refinance the home to acquire the funds.
48. N.N. did not receive any disclosure documentation or other memorialization prior to or after his investment.

#### SECOND INVESTMENT

49. On August 13, 2007, after being told that there was an additional \$19,000 cost for the investment, Cimarusti returned to N.N.'s home, where he gave her a \$19,000 check made payable to FLFG.
50. In exchange for the \$19,000, N.N. was to receive a fractional interest in one or two condos.
51. The \$19,000 in investment funds also came from equity in N.N.'s primary residence.
52. N.N. did not receive any disclosure documentation or other memorialization prior to or after his investment.
53. For both investments, N.N. received payments of \$200 per month for approximately eighteen months. Therefore, N.N. has been repaid \$3,600 of his \$24,000 investment, for a total loss of \$20,400.

#### INVESTORS S.P AND L.P.

54. S.P. and L.P. learned of FLFG and Crosby through a friend, M.M.

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<sup>10</sup> N.N. does not know if each investment was for a different condo, or if each investment went toward both condos.

55. Because S.P. and L.P. do not speak English, they did not meet with Crosby prior to investing. Instead, M.M. attended FLFG meetings and later told S.P. and L.P. what Crosby had said.
56. At the meetings M.M. attended, Crosby explained how FLFG operated. With respect thereto, Crosby made the following statements:
- a. Investing in real estate was a good way to earn money;
  - b. FLFG would handle everything from finding condos and tenants, to making necessary repairs, and investors would receive monthly checks from the rents collected;
  - c. Investor money would go into a limited liability company, and the limited liability company would purchase condos in Ogden, Utah; and
  - d. Investors could own three condos for \$36,000.
57. S.P. and L.P. decided to refinance their home through FLFG and Wachovia. As a result of the refinance, S.P. and L.P. pulled \$51,000 in equity out of their home.

#### FIRST INVESTMENT

58. On or about May 21, 2007, L.P. gave M.M. a \$7,500 check, payable to FLFG, to give to Crosby. In exchange for the \$7,500, S.P. and L.P. were to receive a fractional interest in one or three condos.<sup>11</sup>

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<sup>11</sup> S.P. and L.P. do not know if the first investment was for one condo and the second investment for the other two condos, or if each investment went toward all three condos.

59. The investment funds came from equity in S.P. and L.P.'s primary residence, a fact known to Crosby because he helped S.P and L.P. refinance the home to acquire the funds.
60. S. P. and L.P. did not receive any disclosure documentation or other memorialization prior to their investment.
61. After Crosby received the check, he took M.M., S.P, and L.P. to Ogden. They drove past a large building, and Crosby told S.P. and L.P. that they owned three units inside.

#### SECOND INVESTMENT

62. On August 13, 2007, about one month after the refinance of L.P. and S.P.'s home was finalized, L.P. and M.M. went to a Wells Fargo branch to invest \$28,500 of the equity with FLFG.
63. On that date, L.P. transferred the money into FLFG's account.
64. In exchange for the \$28,500, L.P. and S.P. were to increase their fractional interest in the condos.
65. The investment funds again came from equity in S.P. and L.P.'s primary residence, a fact known to Crosby because he helped S.P and L.P. refinance the home to acquire the funds.
66. S. P. and L.P. did not receive any disclosure documentation or other memorialization prior to their investment.
67. In November 2008, S.P. and L.P. received a letter from FLFG, signed by Trefflich, dated November 14, 2008. The letter congratulates S.P. and L.P. and says an enclosed certificate shows their share of ownership of the properties through Enoch Elite

Properties.

68. The Membership Certificate states S.P. and L.P. own 8.824% of Enoch Elite Properties. The certificate is dated February 8, 2008 and appears to bear Trefflich's signature.
69. For both investments, L.P. and S.P. received payments of \$365 per month for approximately 24 months, from September 2007 to December 2009. Therefore, S.P. and L.P. have been repaid \$10,220 of their \$36,000 investment, for a total loss of \$25,780.

#### **CAUSES OF ACTION**

##### **Securities Fraud under § 61-1-1 of the Act (Investor M.T.)**

70. The Division incorporates and re-alleges paragraphs 1 through 69.
71. The investment contract offered and sold by Respondent is a security under § 61-1-13 of the Act.
72. In connection with the offer and sale of a security to investor M.T., Crosby, 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. Crosby failed to disclose the address of the condos to be purchased;
  - b. Crosby failed to disclose how much money would need to be raised to purchase and maintain a condo and what would happen if FLFG could not raise that amount;
  - c. Crosby failed to disclose that he was previously licensed to sell securities in the

state of California but was not currently licensed, and he had never been licensed to sell securities in the state of Utah;

- d. Crosby failed to disclose that he had several federal and state tax liens from 1997 to 2007, including a California state tax lien for \$54,182 filed on November 26, 2003; and
- e. Some or all of the information typically provided in an offering circular or prospectus regarding Crosby and FLFG, such as:
  - i. Financial statements;
  - ii. Risk factors;
  - iii. Suitability factors for the investment;
  - iv. Business experience and operating history; and
  - v. Whether the investment is a registered security or exempt from registration.

**Securities Fraud under § 61-1-1 of the Act  
(Investor S.T.)**

- 73. The Division incorporates and re-alleges paragraphs 1 through 69.
- 74. The investment contracts offered and sold by Respondent are securities under § 61-1-13 of the Act.
- 75. In connection with the offer and sale of securities to investor S.T., Crosby, 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. Crosby failed to disclose the address of the condos to be purchased;
- b. Crosby failed to disclose how much money would need to be raised to purchase and maintain a condo and what would happen if FLFG could not raise that amount;
- c. Crosby failed to disclose that S.T.'s investment was actually membership in Enoch Elite Properties;
- d. Crosby failed to disclose that he was previously licensed to sell securities in the state of California but was not currently licensed, and he had never been licensed to sell securities in the state of Utah;
- e. Crosby failed to disclose that he had several federal and state tax liens from 1997 to 2007, including a California state tax lien for \$54,182 filed on November 26, 2003; and
- f. Some or all of the information typically provided in an offering circular or prospectus regarding Crosby, FLFG, and Enoch Elite Properties such as:
  - i. Financial statements;
  - ii. Risk factors;
  - iii. Suitability factors for the investment;
  - iv. Business experience and operating history; and
  - v. Whether the investment is a registered security or exempt from

registration.

**Securities Fraud under § 61-1-1 of the Act  
(Investor N.N.)**

76. The Division incorporates and re-alleges paragraphs 1 through 69.
77. The investment contracts offered and sold by Respondent are securities under § 61-1-13 of the Act.
78. In connection with the offer and sale of securities to investor N.N., Crosby, 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. Crosby failed to disclose the address of the condos to be purchased;
  - b. Crosby failed to disclose how much money would need to be raised to purchase and maintain a condo and what would happen if FLFG could not raise that amount;
  - c. Crosby failed to disclose that he was previously licensed to sell securities in the state of California but was not currently licensed, and he had never been licensed to sell securities in the state of Utah;
  - d. Crosby failed to disclose that he had several federal and state tax liens from 1997 to 2007, including a California state tax lien for \$54,182 filed on November 26, 2003; and
  - e. Some or all of the information typically provided in an offering circular or

prospectus regarding Crosby and FLFG, such as:

- i. Financial statements;
- ii. Risk factors;
- iii. Suitability factors for the investment;
- iv. Business experience and operating history; and
- v. Whether the investment is a registered security or exempt from registration.

**Securities Fraud under § 61-1-1 of the Act  
(Investors S.P and L.P.)**

79. The Division incorporates and re-alleges paragraphs 1 through 69.
80. The investment contracts offered and sold by Respondent are securities under § 61-1-13 of the Act.
81. In connection with the offer and sale of securities to investors S.P. and L.P., Crosby, 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. Crosby failed to disclose the address of the condos to be purchased;
  - b. Crosby failed to disclose how much money would need to be raised to purchase and maintain a condo and what would happen if FLFG could not raise that amount;
  - c. Crosby failed to disclose that S.P and L.P.'s investment was actually membership

in Enoch Elite Properties;

- d. Crosby failed to disclose that he was previously licensed to sell securities in the state of California but was not currently licensed, and he had never been licensed to sell securities in the state of Utah;
- e. Crosby failed to disclose that he had several federal and state tax liens from 1997 to 2007, including a California state tax lien for \$54,182 filed on November 26, 2003; and
- f. Some or all of the information typically provided in an offering circular or prospectus regarding Crosby, FLFG, and Enoch Elite Properties such as:
  - i. Financial statements;
  - ii. Risk factors;
  - iii. Suitability factors for the investment;
  - iv. Business experience and operating history; and
  - v. Whether the investment is a registered security or exempt from registration.

**Sale of Unregistered Securities under § 61-1-7 of the Act**

- 82. The Division incorporates and re-alleges paragraphs 1 through 69.
- 83. The investment contracts offered and sold by Respondent are securities under § 61-1-13 of the Act.
- 84. The securities were offered and sold in this state.

85. The securities were not registered or notice filed under the Act, and Respondent did not file any claim of exemption relating to the securities.
86. Based upon the foregoing, Respondent violated § 61-1-7 of the Act.

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

87. Based on the Division's investigative findings, the Division concludes that:
- a. The investment opportunities offered and sold by Crosby are securities under § 61-1-13 of the Act; and
  - b. Crosby violated § 61-1-1(2) of the Act by omitting to state material facts in connection with the offer and sale of securities, disclosure of which was necessary in order to make representations made not misleading.
  - c. Crosby violated § 61-1-7 of the Act by selling securities in the state of Utah without prior registration, exemption, or notice filing, in accordance with the provisions of the Act.

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

88. Crosby neither admits nor denies the Division's findings of fact and conclusions of law but consents to the sanctions below being imposed by the Division.
89. Crosby agrees to the imposition of a cease and desist order, prohibiting him from any conduct that violates the Act.
90. Crosby agrees that he will be barred from (i) associating<sup>12</sup> with any broker-dealer or

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<sup>12</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

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.

91. Pursuant to § 61-1-20(1)(f) of the Act and in consideration of the guidelines set forth in Utah Administrative Code Rule R164-31-1, the Division imposes a fine of \$30,000 against Crosby, to be paid in equal monthly payments of \$500 over a five-year period, with the first monthly payment to be due one month from the entry of the Order, and the remaining monthly payments due on the same day of the following months until payment in full. If the Division finds that Crosby materially violates any term of this Order, thirty days after notice and an opportunity to be heard before an administrative officer solely as to the issue of a material violation, Crosby consents to a judgment ordering the unpaid balance of the fine immediately due and payable.
92. Each dollar paid by Crosby to the investors toward restitution shall be credited by the Division toward payment of the fine. Crosby shall send to the Division the cancelled checks for each payment made to the investors.

#### **IV. FINAL RESOLUTION**

93. Crosby acknowledges that this Order, upon approval by the Securities Commission, shall be the final compromise and settlement of this matter.
94. Crosby further acknowledges that if the Securities Commission does not accept the terms

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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.

of the Order, it shall be deemed null and void and without any force or effect whatsoever.

95. Crosby acknowledges that the Order does not affect any civil or arbitration causes of action that third-parties may have against him rising in whole or in part from his actions and that the Order does not affect any criminal causes of action that may arise as a result of his conduct referenced herein.
96. Crosby acknowledges that a violation of this Order is a third degree felony pursuant to § 61-1-21(1)(b) of the Act.
97. The 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. Upon entry of the Order, any further scheduled hearings are canceled.

Utah Division of Securities

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Dave R. Hermansen  
Director of Enforcement

Respondent Crosby

Date: June 17, 2013

By: [Signature]  
David Rodney Crosby

Approved:

\_\_\_\_\_  
Paul G. Amann  
Assistant Attorney General  
N.B.

Utah Division of Securities

Date: June 19, 2013  
By: [Signature]  
Dave R. Hermansen  
Director of Enforcement

Respondent Crosby

Date: \_\_\_\_\_  
By: \_\_\_\_\_  
David Rodney Crosby

Approved:

[Signature]  
Paul G. Amann  
Assistant Attorney General  
N.B.

## 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. Crosby cease and desist from violating the Utah Uniform Securities Act.
3. Crosby is barred from (i) associating 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.
4. The Division impose a fine of \$30,000 against Crosby, offset by restitution payments to the investors.
5. The fine shall be paid in equal monthly payments of \$500 over a five-year period, with the first monthly payment to be due one month from the entry of this Order, and the remaining monthly payments due on the same day of the following months until payment in full.
6. If Crosby materially violates any of the terms of this Order, the unpaid balance of the fine amount shall be imposed and become due immediately.

**BY THE UTAH SECURITIES COMMISSION:**

DATED this 14 day of August, 2013.

  
\_\_\_\_\_  
Brent Baker

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

  
\_\_\_\_\_  
David Russon

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

  
\_\_\_\_\_  
Gary Cornia

**Certificate of Mailing**

I certify that on the 14<sup>th</sup> day of August, 2013, I mailed, by regular mail, a true and correct copy of the Stipulation and Consent Order to:



  
\_\_\_\_\_  
Executive Secretary