COPY
FILED
APR 24 2008
4TH DISTRICT
STATE OF UTAH
UTAH COUNTY

E. NEAL GUNNARSON, Bar No. 1273
Assistant Attorney General
MARK L. SHURTLEFF, Bar No. 4666
Utah Attorney General
5272 South College Drive, #200
Murray, Utah 84123
Telephone: (801) 281-1221
Facsimile: (801) 281-1224
Attorneys for Plaintiff

IN THE FOURTH JUDICIAL DISTRICT COURT IN AND FOR

UTAH COUNTY, STATE OF UTAH

THE STATE OF UTAH.	:	**AFFIDAVIT OF PROBABLE CAUSE**
Plaintiff,	:	
Vs.	:	
CASEY RYAN CARTER, DOB: January 20, 1980	:	Case No. 081401187
	:	Judge Davis
Defendant.		

STATE OF UTAH)
:ss
COUNTY OF UTAH)

I, DAVE HERMANSEN, being first duly sworn upon oath, depose and state the following:

1. I am an Investigator for the State of Utah, Department of Commerce, Division of Securities. I have been employed in this capacity for the past seventeen years. My investigative work has consisted of brokerage firm audits and investigations involving securities

fraud. I have also been employed in the private sector of the securities industry as a stockbroker for an additional eight years. I am a graduate of Weber State University.

2. This investigation was opened by the Utah Division of Securities on July 12, 2007 as a result of a complaint filed by Joe Strongo, alleging fraudulent conduct against Casey Ryan Carter and Aussie Enterprises, LLC , which is owned and controlled by Carter.

INVESTIGATION BACKGROUND

3. During the course of this investigation, I have interviewed and/or received information from the following individuals: Joe Strongo (victim), Jason Anderson, Tom Gaunaris, Wes Walker, Superior Development Group. Inc. (Texas), Bank of American Fork (Aussie Enterprises account #04117867) and others.

4. My review of the corporation documents on file with Utah Division of Corporations indicate that Aussie Enterprises was registered in the State of Utah on August 15, 2006. The registration expired on August 15, 2007. Carter was listed as the company's manager and registered agent.

5. My review of the bank records obtained from the Bank of American Fork for Aussie Enterprises revealed the account was opened on August 16, 2006. Carter was the sole signatory for the account.

6. In addition to Strongo's investment and complaint filed with the Division, I also interviewed three other victims who invested funds with Carter. The victims were Jason Anderson ($100,000), Wes Walker ($50,000) and Tom Gauneris ($11,000). As a result of the information I

received from these individuals, I encouraged them to file a complaint with the Division. However, they chose not to file their complaints because Carter promised to pay them for their investment.

CASE HISTORY

7. In or about March/April 2007, in Utah County, Carter solicited Strongo to invest in a hard money real estate transaction, which would yield a return of his principal plus a 160% to 180% return within 30 days. During the course of this solicitation, Carter refused to provide any of the details pertaining to the real estate property other than to state that the property must be held in his name (Carter's).

8. Based upon the above high yielding investment solicitation by Carter, on March 2, 2007, per Carter's instructions, Strongo wired transferred $20,000 to the Bank of American Fork for the benefit of Aussie Enterprises.

9. On or about March 4, 2007, Strongo became concerned about the investment and informed Carter that he wanted his money back. At this time, Carter informed him that a refund was not possible because his $20,000 investment was not used for the real estate investment as promised. Carter stated to Strongo that his funds were pooled with other investors' funds to buy shares of Superior Development Group, Inc. Carter further stated the funds to buy Superior shares were sent to a Royce Teets, who was a stock promoter in the State of Florida representing MWC Group LLC. Carter informed Strongo he would still receive a return of 160% to 180% within 30 days, and in addition, he was purchasing Superior shares below market value for $1.60 although they were actually worth $2.00. Carter also provided Carter with a copy of an *unsigned* agreement

between Carter and MWC Group representing the purchase of 25,000 shares of Superior. Carter further stated that Strongo now owned 12,500 shares of this share block and he would receive a stock certificate shortly.

10. At the end of the 30 day investment period Strongo requested the return of his investment and interest but was unsuccessful. In May 2007, Carter stated he would transfer Carter's 12,500 shares of Superior to Strango's brokerage account at Ameritrade. Strongo provided the transfer papers to Carter but Carter failed to make the transfer.

11. Over the course of the next several months, Carter repeatedly promised to liquidate Strongo out of his investment but failed to do so. To date, Strongo has not received evidence of his ownership in the real estate investment, the Superior stock certificate, his $20,000 principal investment or the promised return of 160% to180%.

12. My review of the Aussie Enterprise bank account controlled by Carter revealed that on March 6, 2007, in Salt Lake County, State of Utah, Carter did wire transfer $50,000 to MWC Group, Royce Teets, in Miami, Florida. According to records obtained from the Florida Department of State, Division of Corporations, MWC Group was registered in April 2006 and is currently active. The registered agent is Jeff Galpren located in Boca Raton, Florida. My search to locate Royce Teets for an interview has been unsuccessful.

13. On or about April 2, 2008, I contacted Superior to inquire of the stock owed to Strongo. According to a director of the company, Superior had never heard of

Strongo, Carter, Royce Teets or MWC Group having ownership in their company.

COUNT 1
Securities Fraud
(a second degree felony)

14. In or about March 2007, in Utah County, State of Utah, Carter solicited Stongo to invest in a hard money real estate property. In return, Carater told Strongo that Strongo would receive his investment back within 30 days plus a return of 160% to 180%. On March 2, 2007, per Carter's instructions, Strongo wired $20,000 from his bank account to Carter's Aussie Enterprises account. During the coarse of the investment solicitation, Carter made the following misrepresentations and omitted to state the following regarding the investment:

Misrepresentations:

a. Strongo's investment funds would be used for a real property investment;

b. Strongo would receive a return on his investment of 160% to180% within 30 days; and,

c. Strongo would receive his $20,000 principal investment in 30 days.

Omissions:

a. The background and experience of Carter and Aussie Enterprises;

b. Risk factors regarding the investment for the real property;

c. How the investment funds would be secured;

d. The type and location of the real property;

e. The total purchase price of the property;

f. Liens, judgments and property taxes pertaining to the real property;

g. Strongo's percentage of ownership in the real property;

h. Agent commissions for selling the investment;

i. Use of proceeds;

j. That their funds could be diverted to another investment; and,

k. Prospectus.

DATED this 24th day of April, 2008

DAVE HERMANSEN, AFFIANT

SUBSCRIBED AND SWORN to before me on this 24 day of April, 2008

Judge, Fourth Judicial District Court

COPY
APR 24 2008
4TH DISTRICT
STATE OF UTAH
UTAH COUNTY

E. NEAL GUNNARSON, Bar No. 1273
Assistant Attorney General
MARK L. SHURTLEFF, Bar No. 4666
Utah Attorney General
5272 South College Drive, #200
Murray, Utah 84123
Telephone: (801) 281-1221
Facsimile: (801) 281-1224

IN THE FOURTH JUDICIAL DISTRICT COURT IN AND FOR

UTAH COUNTY, STATE OF UTAH

THE STATE OF UTAH,	:	Bail $ 100,000
Plaintiff,	:	**CRIMINAL INFORMATION**
vs.	:	
CASEY RYAN CARTER, DOB: January 20, 1980	:	Case No: 081401187
	:	Judge Davis
Defendant.	:	

The undersigned, Investigator DAVE HERMANSEN, upon oath, states on information and belief that the defendant has committed the following crimes:

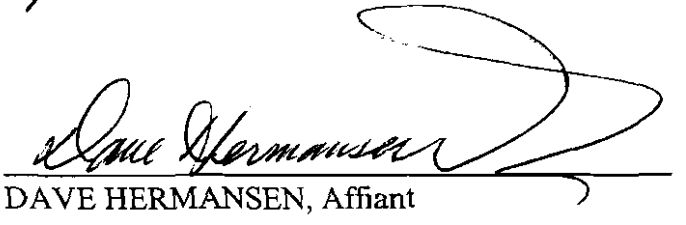
SECURITIES FRAUD, a second degree felony, 1 count

COUNT 1
SECURITIES FRAUD
a second degree felony

Commencing on or about March/April 2007, in the State of Utah, Utah County, the

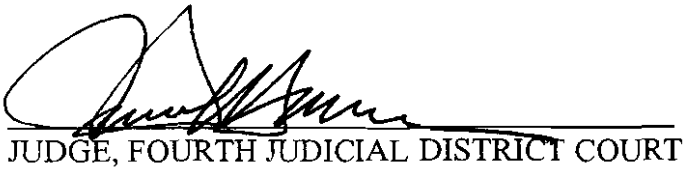
defendant, in connection with the offer or sale of a security, directly or indirectly, to **JOE STRONGO**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a second degree felony under Utah Law.

DATED this 24 day of April, 2008.



DAVE HERMANSEN, Affiant

SUBSCRIBED AND SWORN to before me on this 24 day of April, 2008.



JUDGE, FOURTH JUDICIAL DISTRICT COURT

This CRIMINAL INFORMATION is based upon evidence from the following witnesses:

1. Joe Strongo
2. Jason Anderson
3. Tom Gaunaris
4. Wes Walker
5. Superior Development Group, Inc. (Texas)
6. Bank of American Fork
7. And others.

APPROVED FOR PRESENTMENT AND FILING this 23 day of April, 2008.

MARK L. SHURTLEFF
Utah Attorney General

By: _____
E. NEAL GUNNARSON
Assistant Attorney General