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IN THE THIRD DISTRICT COURT, SALT LAKE DEPARTMENT

IN AND FOR THE COUNTY OF SALT LAKE, STATE OF UTAH

THE STATE OF UTAH

Plaintiff,

vs.

JEFFREY B. JOHNSON

DOB: 10/14/1964,

AKA: NONE

3271 East Walker Oaks Court

Cottonwood Heights, UT

OTN

SO#

DL# 145809995

Defendant.

Screened by: STEVEN GIBBON

Assigned to: STEVEN GIBBON

(TUESDAY)

DAO# 09007895

Bail: \$10,000

Warrant/Release: NON-JAIL

INFORMATION

Case No.

The undersigned Jonny Stewart - UTAH DIVISION OF SECURITIES, Agency Case No. 09-0015, upon a written affidavit states on information and belief that the defendant, JEFFREY B. JOHNSON, committed the crime of:

COUNT 1

SECURITIES FRAUD, (941) 61-1-1 UCA, second degree felony, as follows: That on or about June 23, 2008 at 6807 South Pine Rock Circle, in Salt Lake County, State of Utah the defendant, in connection with the offer, sale, or purchase of a security, directly or indirectly, did:

- (1) employ a device, scheme, or artifice to defraud;
- (2) make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or
- (3) engage in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; and
 - (i) at the time the crime was committed, the property, money, or thing unlawfully obtained or sought to be obtained was worth \$10,000 or more; or
 - (ii) (A) at the time the crime was committed, the property, money, or thing unlawfully obtained or sought to be obtained was worth less than \$10,000; and
 - (B) in connection with that violation, the violator knowingly accepted any money representing:
 - (I) equity in a person's home;
 - (II) a withdrawal from any individual retirement account; or
 - (III) a withdrawal from any qualified retirement plan as defined in the Internal Revenue Code.

COUNT 2

SECURITIES FRAUD, (940) 61-1-1 UCA, third degree felony, as follows: That on or about June 18, 2008 at 6807 South Pine Rock Circle, in Salt Lake County, State of Utah the defendant, in connection with the offer, sale, or purchase of a security, directly or indirectly, did:

- (1) employ a device, scheme, or artifice to defraud;
- (2) make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or
- (3) engage in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; and, at the time the crime was committed, the property, money, or thing unlawfully obtained or sought to be obtained was worth less than \$10,000.

THIS INFORMATION IS BASED ON EVIDENCE OBTAINED FROM THE FOLLOWING WITNESSES:

Jonny Stewart, Robert Ellefsen, Michael Hives

AFFIDAVIT OF PROBABLE CAUSE:

The statement of Robert Ellefsen that on June 18, 2008, the defendant, JEFFREY B. JOHNSON told Robert E. Ellefsen ("Ellefsen") he needed \$5,500 for thirty days and JOHNSON would pay Ellefsen a return of 10%. Ellefsen gave JOHNSON \$5,500 in cash that same day. In return for his investment, Ellefsen received a promissory note for \$5,500. The note, dated June 18, 2008, bears JOHNSON's signature as the borrower. This transaction took place in Mr. Ellefsen's home, located at 6807 S. Pine Rock Circle in Salt Lake County.

A few days later, JOHNSON told Ellefsen that JOHNSON and his associate George Lawrence Critchfield ("Critchfield") needed money to collect \$900,000 of inheritance money out of Switzerland. JOHNSON told Ellefsen that Critchfield was going to Europe to pick up the money himself. JOHNSON told Ellefsen he and Critchfield needed \$21,500 to pay for inheritance tax. JOHNSON told Ellefsen if he gave them \$21,500 for three days they would give him \$10,000. On June 23, 2008 Ellefsen got an official check from Washington Mutual for \$11,500 made payable to Lawrence Critchfield, and \$10,000 cash and gave it to JOHNSON while JOHNSON was in Ellefsen's home. In return for his investment, Ellefsen received a check with no date from G.L. Critchfield and Associates, LLC for \$21,500, a promissory note for \$21,500, and a letter from Critchfield addressed to Alan Mecham, Critchfield's attorney. JOHNSON misrepresented material facts to Ellefsen including but not limited to:

1. Ellefsen would receive a return of 10% on his investment of \$5,500;
2. Ellefsen would receive a return of 10% plus a \$10,000 processing fee on an investment of \$21,500.

JOHNSON directly or indirectly omitted material facts in discussions with Ellefson in connection with the offer or sale of a security, including but not limited to:

1. Ellefson was not told about risk factors for investors;
2. Ellefson was not told that JOHNSON had filed for bankruptcy in 2004;
3. Ellefson was not told that the promissory notes were securities that needed to be registered with the Utah Division of Securities, or qualify for an exemption from registration;
4. Ellefson was not told that JOHNSON was not licensed to sell securities in or from Utah .

For a few days following his investment, Ellefson spoke to JOHNSON several times. JOHNSON told Ellefson he talked to Critchfield while Critchfield was in Europe. However, one of the days that JOHNSON told Ellefson that Critchfield was in Europe was the same day that Ellefson's check to Mr. Critchfield was deposited into Critchfield's account. JOHNSON said Critchfield was having problems securing the inheritance and he had to stay in Europe for longer than expected. On January 8, 2009, Ellefson's attorney mailed a letter to Critchfield demanding payment in full within five working days. Ellefson has received no return of principal or interest from his investment with JOHNSON and Critchfield, and is still owed a total of \$21,500 in principal alone.

Pursuant to Utah Code Annotated § 46-5-101 (2007) I declare under criminal penalty of the State of Utah that the foregoing is true and correct to the best of my belief and knowledge.

Executed on: _____

Jonny Stewart
Affiant

Authorized for presentment and filing

LOHRA L. MILLER, District Attorney



Deputy District Attorney
20th day of May, 2009
/ JLP / DAO # 09007895

