



hold a Bachelor of Science degree from the University of Utah in Sociology with a Certificate in Criminology. I am currently investigating possible violations of securities fraud by JASON KIM BROWN.

2. The facts set forth in this affidavit are based upon the results of an investigation during which I have collected and reviewed records from two witnesses and other sources. I have received information from Vickie Walker and James T. Dunn.

#### **PARTIES**

3. JASON KIM BROWN, at all pertinent times, resided in South Jordan, Salt Lake County, Utah and his last known address was 11064 Sir Barton Lane, South Jordan, Utah 84095.

#### **BACKGROUND**

4. BROWN told Vickie Walker he had an investment that had a good return.

5. BROWN told Walker he was building storage units in Billings, Montana for U-Haul, several other widows had already invested with him, the investment would be for at least a year, and she could get her money back after a year with 12% interest.

6. BROWN told Walker the return on her investment was guaranteed.

7. BROWN told Walker it was a great project, the investment was safe, and if she left her money in until the end of the project, approximately three to four years, she could potentially double her investment.

#### **SECURITIES FRAUD**

8. On September 20, 2007 BROWN accepted \$250,000 from the above named investor. Although request has been made, Walker has not received back any of her investment funds

from BROWN. The transaction involves an investment contract which is a security as defined by Utah Code Ann. § 61-1-13 (1953, as amended).

9. BROWN misrepresented material facts to Walker in connection with the offer or sale of a security, including, but not limited to:

- a. BROWN told Walker he was going to use her investment money for U-Haul storage units in Billings, Montana;
- b. BROWN told Walker that the return on her investment was guaranteed;

10. BROWN omitted the following material facts in connection with the offer or sale of a security, including, but not limited to:

- a. BROWN failed to provide investors with any written disclosures, such as:
  - i. Financial Statements;
  - ii. Risk factors for investors;
  - iii. Suitability factors for the investment;
  - iv. Brown's business and operating history; and,
  - v. Brown's track record to previous investors.
- b. BROWN failed to tell Walker how he was going to be able to generate a guaranteed return of 12% per year;
- c. BROWN failed to tell Walker he had been notified he was being sued for \$282,500.00 by Janet Svendsen;
- d. BROWN failed to tell Walker he was being sued by Bobby B. Bardsley;
- e. BROWN failed to tell Walker her money was going to be used for BROWN's and

Jerry Kershaw's personal expenses; and,

f. BROWN failed to tell Walker her money was going to be used for a project in Herriman, Utah.

**COUNT 1**  
**SECURITIES FRAUD, a second degree felony**  
**(Walker)**

11. Vickie Walker met Jason Kim BROWN in 2006 when he moved into Walker's South Jordan neighborhood.

12. In 2007, Walker received an insurance settlement from the death of her husband.

13. After Walker received the settlement, BROWN approached Walker in church and told her he had an investment that had a good return, that he felt bad for her, and that he wanted to help her.

14. Walker told BROWN that keeping her home was her biggest concern.

15. BROWN would periodically visit Walker at her home in South Jordan, Utah to see how she was doing and to talk to her about the investment.

16. BROWN told Walker he wanted to help her, that he was building storage units in Billings, Montana for U-Haul; several other widows had already invested with him; the investment would be for at least a year; and she could get her money back after a year at 12% interest.

17. BROWN told Walker the return on her investment was guaranteed.

18. BROWN called this her "get out of jail card."

19. BROWN described the investment to Walker as being a very good, sound, safe, and secure investment.

20. BROWN told Walker it was a great project, the investment was safe, and if she left her money in until the end of the project, approximately three to four years, she could potentially double her investment.

21. Walker eventually committed to invest \$200,000 with BROWN.

22. BROWN told Walker he would provide her with documents about her investment.

23. Prior to investing, Walker attended a realtor's conference in San Diego, California in September of 2007.

24. While in California, BROWN called Walker several times asking her when she was going to be home and telling her that he needed to get the investment check from her.

25. When Walker returned from California she went to BROWN's house to give him the investment check.

26. BROWN told Walker to make the check out for \$250,000 instead of \$200,000. BROWN said that if she gave him the extra \$50,000 the deal would be closed and he would not have to go out and get an additional \$50,000 from another investor and they could get going on the project.

27. On September 20, 2007, Walker gave a personal check for \$250,000 made payable to West States to BROWN while at his home in South Jordan, Utah.

28. When Walker received a copy of her cancelled check, "Billings Montana" had been written on the memo line, which Walker says she did not write.

29. Walker never received the promised documentation about her investment with West States.

30. After investing, Walker asked BROWN occasionally how the investment was going and BROWN would tell her that the money was good.

31. BROWN wanted to buy a motor home from Walker and Walker agreed to let BROWN make payments directly to her. When BROWN stopped making payments, Walker became suspicious.

32. On July 16, 2009, Walker's attorney sent a letter to BROWN demanding return of her \$250,000 plus 12 percent interest per year and stating that if the money was not returned Walker would file a lawsuit and pursue all of her remedies against BROWN.

33. On August 10, 2009, Walker's attorney sent a second letter to BROWN. The letter was responding to a phone call BROWN made to Walker's attorney in response to the July 16, 2009 letter.

34. The letter references the fact that BROWN told Walker's attorney that not all of Walker's money was used to invest in the storage unit project in Billings, Montana, and that some of her money was used to invest in property in Herriman, Utah. This was the first time Walker had heard about her money being used for anything other than the storage unit project.

35. The letter stated that Walker's attorney asked BROWN to contact him if he had a settlement proposal and that he had not heard back from BROWN.

36. Although request has been made, Walker has not received back any of her investment money from BROWN or West States Investments, Inc.

37. BROWN did not disclose to Walker that a portion of her funds would be transferred from West States Investments to Drake Financial, Inc. Drake Financial is a Utah corporation registered with the Utah Division of Corporations on January 2, 2003. BROWN is listed as the registered agent, director and secretary.

38. This Affiant's review of the bank records for West States Investments and Drake Financial show that Jason Brown and his wife, Mindy Brown, are both signatories on the Drake Financial account. Both Jason Brown and Mindy Brown signed checks from this account.

**COUNT 2**  
**THEFT, a second degree felony**  
**(Walker)**

39. BROWN told Walker her money would be used to build storage units in Billings, Montana for U-Haul.

40. A source and use analysis of Walker's \$250,000 investment shows that \$38,535.10 was paid to Parr Waddoups Brown Gee & Loveless, \$26,456.48 was paid to Jerry L. Kershaw, \$24,500 was paid to Herriman Plaza, \$21,700 was paid to West States Construction, \$20,100 was paid to Jason Brown, \$20,000 was paid to Mark Webber, \$13,000 was transferred to Drake Financial, \$11,500 was transferred to an account ending in 7634, \$10,000 was paid to Legacy Funding, \$7,840 was paid to Larry and Della Mutchie, \$6,625.80 was paid to Regency Blue Cross, \$5,500 was transferred to an account ending in 7642, \$5,000 was paid to Shem Jessop, \$3,920 was paid to Vern and Ardyce Mitchell, \$3,895 was paid to Barnes Bank, \$3,800

was paid to Larry Rigby, \$3,500 was transferred to a business credit card, \$2,700 was paid to Brett Wood, \$2,250 was paid to Jared Crane, \$2,052.96 was paid to Vickie Walker, \$1,996.44 was paid to Edge Motorsports, \$1,824.68 was spent at Big O Tires, \$1,660 was paid to Mark Scott, \$1,275 was paid to J&S Excavating, \$1,237.16 was paid to Verizon Wireless, \$1,189 was paid to Geddes & Sons, \$913.56 was paid to South Valley Leasing, \$847.17 was paid to Ford Credit, \$808.60 was paid to Key Bank, \$750 was paid to an unknown payee, \$741.43 was paid to Wells Fargo, \$636.22 was transferred to an account ending in 7659, \$570.40 was paid to JB's Custom Meats, \$544.94 was paid to Fastsign, \$475 was paid to Stanco Electric, \$350 was used for Petty Cash, \$337.17 was paid in Client Analysis Service Charges, \$250 was paid to Ron's Plastering, \$242 was paid to South Valley Large Animal Clinic, \$154.57 was paid to Herriman City, \$125 was paid to Mike Tyson Trenching, \$120 was paid to Scott King, and \$75.17 was paid to Ed Kenley Ford.

41. A source and use analysis of \$10,700 of Walker's investment money transferred to BROWN's personal checking shows that \$8,716.52 was paid to Countrywide Mortgage, \$547 paid bank fees, \$500.77 was spent at Target, \$232.88 was spent at Fotogenix, \$220.91 was spent at Build-A-Bear, \$131.26 was spent at restaurants, \$119.10 was spent at clothing stores, \$108.86 was spent at Roberts, \$80.00 was spent at Value Parenting.com, \$27.70 was spent at Mrs. Fields Cookies, and \$15.00 was spent at Cottonwood Pediatrics.

42. A source and use analysis of \$8,000 of Walker's investment money transferred to Drake Financial's checking account shows that \$3,000 was paid to American Express, \$1,342 was paid to Salt Lake Credit Union, \$710.24 was paid to Fotogenix, \$669 was paid in bank

charges, \$265 was paid to WF Bus Credit, \$262.56 was spent at Roberts, \$230 was paid to Photo-Kicks, \$214 was spent at RC Willey, \$150 was paid to Marie Huerta, \$114.13 was spent at Harmons, \$110.93 was paid to Comcast Cable Comm, \$110 was withdrawn in cash, \$110 was paid to Academy of Elite Martial Arts, \$105 was paid to Rachel Hale, \$96.26 was paid to Liberty Mutual, \$95 was paid to Local Motion Dance Studio, \$84.07 was paid to an unknown payee, \$81.04 was paid to Winder Farms, \$75.96 was spent at Maverik Cntry Stre, \$34.75 was spent at Target, \$30.00 was paid to BSA, \$26.73 was paid to Questar Gas, \$24.57 was paid to Riverton Music, \$23.15 was spent at the UPS Store, \$20.25 was paid to Golds Gym, and \$15 was paid to Wasatch Pediatrics.

43. A source and use analysis of \$5,000 of Walker's investment money transferred to Drake Financial's checking account \$878.95 paid to Fotogenix, \$787.02 was paid to Salt Lake Credit Union, \$450 was paid to Marie Huearta, \$370.21 paid to Isagenix International, \$268 paid to WF Bus Credit, \$264.46 was paid to Michael Hopkins, \$259.65 was paid to Pottery Barn Kids, \$191.90 was paid to Garnet Hill, \$150 was paid to Marie Huerta, \$134.15 was paid to AIG Insurance, \$133.20 was paid to the Academy of Elite Martial Arts, \$114.44 was paid to Direct TV, \$108.70 was paid to Comcast Cable Comm, \$107 was paid in bank charges, \$124 was paid to Charlene Campbell, \$114.14 was paid to someone named Jennifer, \$99.37 was paid to Godiva, \$96.86 was paid to Winder Farms, \$96.26 was paid to Liberty Mutual, \$85 was paid to Local Motion Dance Studio, \$60 was paid to Tranquility, \$57.85 was paid to The Land of Nod, \$55 was paid to Rachel Hale, \$50 was paid to Copper Hills High School, \$28.25 was paid to Gold's Gym, \$20 was paid to PCMC Foundation, \$16.76 was paid to Feature Films for Families,

\$15 was paid to Wasatch Pediatrics, and \$13.83 was spent at Party America.

44. A source and use analysis of \$9,400 of Walker's investment money transferred to BROWN's personal checking shows that \$8,894.70 was paid to Countrywide Mortgages, \$196.45 was spent at Target, \$131.40 was spent at Barnes & Noble, \$110 paid bank fees, \$48.15 was spent at Gymboree, \$15 was paid to Value Parenting.com, and \$4.30 was spent at Mrs. Fields.

### SUMMARY

Based on my review of the evidence there is probable cause to believe that BROWN committed the crimes of:

**SECURITIES FRAUD, a second degree felony, 1 count**

**THEFT, a second degree felony, 1 count**

DATED this 6 day of September, 2010.

  
\_\_\_\_\_  
JONATHAN STEWART, Affiant

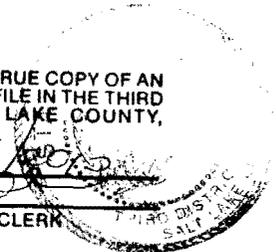
SUBSCRIBED AND SWORN before me this  
9 day of September,  
2010.

  
\_\_\_\_\_  
JUDGE, THIRD DISTRICT COURT



I CERTIFY THAT THIS IS A TRUE COPY OF AN ORIGINAL DOCUMENT ON FILE IN THE THIRD DISTRICT COURT, SALT LAKE COUNTY, STATE OF UTAH.

DATE: Sept 7 2010  
\_\_\_\_\_  
DEPUTY COURT CLERK

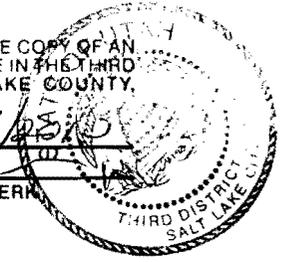


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FILED  
THIRD DISTRICT COURT  
10 SEP -7 AM 8:37  
SALT LAKE DEPARTMENT  
BY DA  
DEPUTY CLERK

I CERTIFY THAT THIS IS A TRUE COPY OF AN ORIGINAL DOCUMENT ON FILE IN THE THIRD DISTRICT COURT, SALT LAKE COUNTY, STATE OF UTAH.

DATE: Sept 7 2010  
DEPUTY COURT CLERK



IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR  
SALT LAKE COUNTY, STATE OF UTAH

THE STATE OF UTAH, : Bail \$ \_\_\_\_\_  
 :  
 Plaintiff, :  
 :  
 vs. :  
 :  
 JASON KIM BROWN, : Case No: 101906478  
 DOB: March 4, 1969 :  
 :  
 Defendant. : Judge SKANCHY

The undersigned, JONATHAN STEWART, upon oath, states on information and belief that the defendant has committed the following crimes:

**SECURITIES FRAUD**  
a second degree felony (1 count)

**THEFT**  
a second degree felony (1 count)

**COUNT 1**  
**SECURITIES FRAUD**  
**a second degree felony**

Commencing on or about September 2007, in the State of Utah, Salt Lake County, the defendant, in connection with the offer or sale of a security, directly or indirectly, to **VICKIE WALKER**, 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.

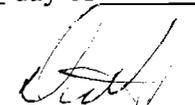
**COUNT 2**  
**THEFT**  
**a second degree felony**

From on or about September 2007, the defendant obtained or exercised unauthorized control over the property of **VICKIE WALKER**, with a purpose to deprive her thereof. The value of the property is or exceeds \$5,000.00. This is a violation of Utah Code Ann. § 76-6-404, a second degree felony.

DATED this 6 day of September, 2010.

  
\_\_\_\_\_  
JONATHAN STEWART, Affiant

SUBSCRIBED AND SWORN to before me on this  
9 day of September, 2010.

  
\_\_\_\_\_  
JUDGE, Third Judicial District Court

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

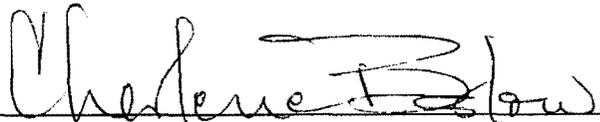
1. Vickie Walker
2. James T. Dunn
3. And others.

2010.

AUTHORIZED for presentment and filing this 2<sup>d</sup> day of September,

MARK L. SHURTLEFF  
Utah Attorney General

By:

  
\_\_\_\_\_  
CHARLENE BARLOW  
Assistant Attorney General



**YOU ARE THEREFORE COMMANDED** to arrest the above named defendant forthwith and bring the defendant before this court, or before the nearest or most accessible magistrate for setting bail. If the defendant has fled justice, you shall pursue the defendant into any other county of this state and there arrest the defendant. The offenses listed above are felonies.

Bail is set in the amount of \$ 25,000.

DATED this 9 day of September, 2010.

  
\_\_\_\_\_  
HONORABLE  
JUDGE, THIRD DISTRICT COURT

I CERTIFY THAT THIS IS A TRUE COPY OF AN ORIGINAL DOCUMENT ON FILE IN THE THIRD DISTRICT COURT, SALT LAKE COUNTY, STATE OF UTAH.

DATE: Sept 14 2010

\_\_\_\_\_  
DEPUTY COURT CLERK

Defendant's Last Known Address:

11064 Sir Barton Lane  
South Jordan, UT 84095

