

**FILED DISTRICT COURT**  
Third Judicial District

FEB 14 2005

SALT LAKE COUNTY

By \_\_\_\_\_ Deputy Clerk

CHARLENE BARLOW, Bar No. 0212  
Assistant Attorney General  
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Utah Attorney General  
5272 South College Drive, #200  
Murray, UT 84123  
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IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR  
SALT LAKE COUNTY, STATE OF UTAH

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THE STATE OF UTAH, : Bail \$ \_\_\_\_\_  
 :  
 Plaintiff, :  
 : **CRIMINAL INFORMATION**  
 vs. :  
 :  
 **VAL D. CHRISTOFFERSEN** : Case No: 051900915  
 DOB: July 7, 1955 :  
 SSN: 529-84-0747 : Judge: \_\_\_\_\_  
 :  
 Defendant. :

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

**SECURITIES FRAUD, a second degree felony (6 counts)**

**ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT,  
a third degree felony (4 counts)**

**PATTERN OF UNLAWFUL ACTIVITY,  
a second degree felony (1 count)**

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

Commencing on or about February 2000, in the State of Utah, County of Salt Lake, the defendant, in connection with the offer or sale of an investment, directly or indirectly, to **Rebecca Paluso**, 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**  
**ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT**  
**a third degree felony**

From on or about February 2000, the defendant, in a position of trust and confidence, or in a business relationship, with a vulnerable adult (**Rebecca Paluso**), and knowingly, by deception or intimidation, obtained or used, or endeavored to obtain or use, the vulnerable adult's funds, credit, assets, or other property with the intent to temporarily or permanently deprive the vulnerable adult of the use, benefit, or possession of the adult's property, for the benefit of someone other than the

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 5**  
**ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT**  
**a third degree felony**

From on or about February 2000, the defendant, in a position of trust and confidence, or in a business relationship, with a vulnerable adult (**Elsie Morton**), and knowingly, by deception or intimidation, obtained or used, or endeavored to obtain or use, the vulnerable adult's funds, credit, assets, or other property with the intent to temporarily or permanently deprive the vulnerable adult of the use, benefit, or possession of the adult's property, for the benefit of someone other than the vulnerable adult, in violation of Utah Code Ann. § 76-5-111. This violation is a third degree felony.

**COUNT 6**  
**SECURITIES FRAUD**  
**a second degree felony**

Commencing on or about March 2000, in the State of Utah, County of Salt Lake, the defendant, in connection with the offer or sale of an investment, directly or indirectly, to **Shirley Lou Davis**, 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 7**  
**ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT**  
**a third degree felony**

From on or about March 2000, the defendant, in a position of trust and confidence, or in a business relationship, with a vulnerable adult (**Shirley Lou Davis**), and knowingly, by deception or intimidation, obtained or used, or endeavored to obtain or use, the vulnerable adult's funds, credit, assets, or other property with the intent to temporarily or permanently deprive the vulnerable adult of the use, benefit, or possession of the adult's property, for the benefit of someone other than the vulnerable adult, in violation of Utah Code Ann. § 76-5-111. This violation is a third degree felony.

**COUNT 8**  
**SECURITIES FRAUD**  
**a second degree felony**

Commencing on or about fall 1999, in the State of Utah, County of Salt Lake, the defendant, in connection with the offer

or sale of an investment, directly or indirectly, to **Roy LePore**, 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 9**  
**ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT**  
**a third degree felony**

From on or about fall 1999, the defendant, in a position of trust and confidence, or in a business relationship, with a vulnerable adult (**Roy LePore**), and knowingly, by deception or intimidation, obtained or used, or endeavored to obtain or use, the vulnerable adult's funds, credit, assets, or other property with the intent to temporarily or permanently deprive the vulnerable adult of the use, benefit, or possession of the adult's property, for the benefit of someone other than the vulnerable adult, in violation of Utah Code Ann. § 76-5-111. This violation is a third degree felony.

income, or the proceeds derived from the investment or use of those proceeds, in the acquisition of any interest in, or establishment or operation of, any enterprise; (2) through a pattern of unlawful activity acquired or maintained, directly or indirectly, any interest in or control of any enterprise; or (3) were employed by, or associated with any enterprise and conducted or participated, whether directly or indirectly, in the conduct of that enterprise's affairs through a pattern of unlawful activity. The unlawful activity included three or more violations of communications fraud. This is a violation of Utah Code Ann. §76-10-1601 and § 76-10-1603(5) (1995), et seq., a second degree felony.

DATED this 14th day of February, 2005

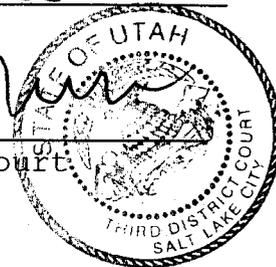
Jill Howe

JILL HOWE, Affiant

Subscribed and sworn to before me  
On this 14 day of Feb  
2005.

Robert M. ...

Judge, Third District Court



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

1. Rebecca Paluso
2. James Bell
3. Virginia Bell
4. Elsie Morton
5. Shirley Lou Davis
6. Roy LePore
7. Lori Ann Morris
8. And Others.

APPROVED FOR PRESENTMENT AND FILING this 10<sup>th</sup> day of February, 2005

MARK L. SHURTLEFF  
Utah Attorney General

By: Charlene Barlow  
CHARLENE BARLOW  
Assistant Attorney General

CHARLENE BARLOW, Bar No. 0212  
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**FILED DISTRICT COURT**  
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FEB 14 2005

SALT LAKE COUNTY

By \_\_\_\_\_ Deputy Clerk

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

---

THE STATE OF UTAH, :  
 :  
 Plaintiff, : **AFFIDAVIT OF PROBABLE CAUSE**  
 :  
 vs. :  
 :  
 **VAL D. CHRISTOFFERSEN** : Case No: 0219009115  
 DOB: July 7, 1955 :  
 SSN: 529-84-0747 : Judge: \_\_\_\_\_  
 :  
 Defendant. :

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STATE OF UTAH )  
 :ss  
 COUNTY OF SALT LAKE )

I, JILL HOWE, being first duly sworn upon oath, depose and state as follows:

1. I am currently employed as a Securities Compliance Investigator for the Utah Department of Commerce, Division of Securities. I graduated from the University of Utah where I

obtained a Bachelor's degree in Sociology, and a certificate in criminology/corrections. I am currently investigating possible violations of securities fraud statutes and related criminal code violations by VAL D. CHRISTOFFERSEN.

2. The facts set forth in this affidavit are based upon the results of an investigation during which I have collected and reviewed business and personal records from witnesses and other sources. I have interviewed and/or obtained information from the following individuals: Rebecca Paluso; James Bell; Virginia Bell; Elsie Morton; Shirley Lou Davis, Roy LePore, Lori Ann Morris; and S. Anthony Taggart.

#### **PARTIES**

3. VAL D. CHRISTOFFERSEN, at all pertinent times, resided at 7463 S. Harvest Ridge Drive, West Jordan, Utah 84084. At the present time, VAL D. CHRISTOFFERSEN resides at 2876 Table Rock Drive, West Jordan, Utah 84084.

4. Records of the Central Registration Depository ("CRD") reveal that Val D. Christoffersen is currently a broker-dealer agent with Fidelity Brokerage Services, LLC, and an investment adviser representative with Strategic Advisers, Inc. Prior to becoming associated with Fidelity and Strategic, Christoffersen was

employed with Securities America, Inc. from April 1991 to January 2001; First Western Advisors from October 1990 to April 1991; and, Alliance Securities Corp. from July 1990 to September 1990.

#### **BACKGROUND**

5. Individuals solicited to invest by Val D. Christoffersen were all previous clients of his. Christoffersen acquired these clients throughout his course of being employed by various brokerage firms. Prior to the investment, Christoffersen established annuities for some of these clients through Integrity Life Insurance Company. Christoffersen operates a tax preparation business on the side and prepares individual tax returns for these same clients.

6. Christoffersen represented to each person solicited that he wanted to obtain ten investors and pool their money to invest in stocks. The types of stocks mentioned were NASDAQ stocks, technology stocks or stocks in general. Christoffersen told investors he had been watching stocks for the past couple of years, and he was going to make them a fortune through this investment.

#### **SECURITIES FRAUD**

7. My investigation has revealed that VAL D. CHRISTOFFERSEN offered or sold an investment to at least seven investors in Utah.

The transactions cited above involve stocks which are securities as defined by Utah Code Annotated 1953 as amended §61-1-13.

8. VAL D. CHRISTOFFERSEN made certain misrepresentations of material facts to one or more investors in connection with the offer or sale of a security, to-wit: that investment funds would be used to purchase stock on behalf of the investors, when in fact, he used investor money for his own living expenses.

9. VAL D. CHRISTOFFERSEN made certain omissions of material facts to one or more investors in connection with the offer or sale of a security, to-wit: that the investment was high risk; that in relation to the investment, Christoffersen did not provide investors proof of investment, account statements or disclosure documents; and Christofferson did not disclose that he had filed for bankruptcy in 1991 and the action was discharged in 1997.

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

10. Rebecca Paluso was first approached to invest in stocks by Val D. Christoffersen in February 2000 at Paluso's home in Sandy, Utah. Christoffersen represented to Paluso that he needed ten people to invest into a pool of funds. The funds would then be used to buy stocks that would "make you a fortune." Christoffersen

didn't identify any specific stocks that her investment funds would be purchasing.

11. On February 15, 2000, Paluso invested \$10,000.00 based on the representations made to her by Christoffersen. The \$10,000.00 was financed from Paluso's annuity, which consisted of retirement funds and proceeds from the sale of Paluso's home. Christoffersen requested the money be withdrawn from the existing annuity and claimed the stock investment would produce better results than the annuity. Paluso never received proof of her investment and was not provided with any disclosure documents.

12. Bank records of Val D. Christoffersen reveal that Paluso's check was deposited into Christoffersen's personal account on February 22, 2000. After the money was deposited, three checks were written; check number 643 in the amount of \$1,747.29 made payable to Office Depot for the purchase of a computer; check number 640 in the amount of \$4,000.00 made payable to Discover Card; and check number 647 in the amount of \$25,000.00 made payable to Etrade Securities, a personal brokerage account belonging to Christoffersen. Ms. Paluso had not been informed about the misrepresentations or omissions identified above prior to her investment.

**COUNT 2**  
**ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT**  
**a third degree felony**  
**(Rebecca Paluso)**

13. Rebecca Paluso was 73 years of age at the time she invested. Christoffersen had a business relationship with Paluso, and by deception, obtained or used Paluso's funds with the intent to temporarily or permanently deprive Paluso of the use, benefit, or possession of her property.

**COUNT 3**  
**SECURITIES FRAUD, a second degree felony**  
**(James & Virginia Bell)**

14. James and Virginia Bell were first approached to invest in stocks by Val D. Christoffersen in Fall 1999 at the Bells' home in Sandy, Utah. Christoffersen represented to the Bells that he was trying to get together a group of ten investors to invest in stocks. Christoffersen didn't mention any specific stocks during his conversations with the Bells, but the Bells understood that Christoffersen would be choosing which stocks to purchase.

15. On February 15, 2000, the Bells invested \$30,000.00 based on the representations made to them by Christoffersen. Of the total amount invested, \$10,000.00 was financed from Virginia's annuity, which consisted of retirement funds. The remaining \$20,000.00 came from an annuity set up for Virginia's grandson, Ian

Staley, which consisted of an inheritance from his parent's life insurance settlement. Virginia is the conservator for Ian Staley's annuity. Christoffersen requested the Bells withdraw the \$30,000.00 from those existing annuities. The Bells never received proof of their investment, and were not provided with any disclosure documents.

16. In July 2000, Christoffersen told the Bells he had not yet invested the \$30,000.00, that it was in a bank account, and that he would inform the Bells when he did invest their money. In May 2001, Christoffersen told the Bells he invested money in Sysco (or Cisco) and had lost all but \$3,000.00. At that point, James Bell asked Christoffersen for detailed information about which stocks he had purchased. The only documentation the Bells received was a one page typewritten note listing five stocks listed in the NASDAQ section of the Salt Lake Tribune.

17. Bank records of Val D. Christoffersen reveal that the Bells' check was deposited into Christoffersen's personal account on February 28, 2000. After the money was deposited, two checks were written; check number 647 in the amount of \$25,000.00 made payable to Etrade Securities, a personal brokerage account belonging to Christoffersen used for purchasing call options; and check number 653 in the amount of \$3,300.00 made payable to Val

Christoffersen and deposited into his personal account at Jordan Credit Union. The Bells had not been informed about the misrepresentations or omissions identified above prior to their investment.

**COUNT 4**  
**SECURITIES FRAUD, a second degree felony**  
**(Elsie Morton)**

18. On February 29, 2000, Elsie Morton wrote a check in the amount of \$20,000.00 to Val D. Christoffersen. Elsie Morton is 80 years old and couldn't recall investing \$20,000.00 with Christoffersen. Morton verified her signature on check number 1068 in the amount of \$20,000.00 and recognized Christoffersen's handwriting as the person who filled out the check. Christoffersen had established an annuity for Morton prior to the \$20,000.00 check, which consisted of retirement funds. On Morton's annuity statement, it indicates a withdrawal on February 22, 2000 in the amount of \$20,067.71. A check dated February 23, 2000 was sent to Morton from Integrity Life Insurance Company for \$20,000.00. The check was deposited into Morton's checking account and a \$20,000.00 check was given to Christoffersen on February 29, 2000.

19. Bank records of Val D. Christoffersen reveal that Morton's check was deposited into Christoffersen's personal account

of March 10, 2000. After the money was deposited, one check was written; check number 654 in the amount of \$50,000.00 made payable to Etrade Securities, a personal brokerage account belonging to Christoffersen used for purchasing call options.

**COUNT 5**  
**ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT**  
**a third degree felony**  
**(Elsie Morton)**

20. Morton was 76 years of age at the time she invested. Christoffersen had a business relationship with Morton, and by deception, obtained or used Morton's funds with the intent to temporarily or permanently deprive Morton of the use, benefit, or possession of her property.

**COUNT 6**  
**SECURITIES FRAUD, a second degree felony**  
**(Shirley Lou Davis)**

21. On March 9, 2000, Shirley Lou Davis wrote a check in the amount of \$10,000.00 to Val D. Christoffersen. Shirley Lou Davis couldn't recall investing \$10,000.00 with Christoffersen. When Davis was shown a copy of check number 1904 in the amount of \$10,000.00, she verified it was her check and handwriting.

22. Bank records of Val Christoffersen reveal that Davis' check was deposited into Christoffersen's personal account on March 17, 2000. After the money was deposited, one check was

written; check number 654 in the amount of \$50,000.00 made payable to Etrade Securities, a personal brokerage account belonging to Christoffersen used for purchasing call options.

**COUNT 7**  
**ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT**  
**a third degree felony**  
**(Shirley Lou Davis)**

23. Shirley Lou Davis was 72 years of age at the time she invested. Christoffersen had a business relationship with Davis, and by deception, obtained or used Davis' funds with the intent to temporarily or permanently deprive Davis of the use, benefit, or possession of her property.

**COUNT 8**  
**SECURITIES FRAUD, a second degree felony**  
**(Roy LePore)**

24. Roy LePore was first approached to invest in stocks by Val D. Christoffersen in Fall 1999 at LePore's home in Salt Lake City, Utah. Christoffersen represented to LePore that he had ten investors and was going to pool their money to invest in the stock market. Christoffersen told LePore his money would be invested in NASDAQ stocks, but Christoffersen did not provide information about specific stocks.

25. On March 29, 2000, LePore invested \$10,000.00 based on the representations made to him by Christoffersen. LePore never

received proof of his investment, and was not provided with any disclosure documents.

26. Bank records of Val D. Christoffersen reveal that LePore's check was deposited into Christoffersen's personal account on April 6, 2000. After the money was deposited, three checks were written; check number 655 in the amount of \$10,000.00 made payable to Etrade Securities, a personal brokerage account belonging to Christoffersen used for purchasing call options; check number 657 in the amount of \$643.00 made payable to East Canyon Resort; and check number 661 in the amount of \$3,000.00 made payable to Val Christoffersen and deposited into his personal account at Jordan Credit Union. Mr. LePore had not been informed about the misrepresentations or omissions identified above prior to his investment.

**COUNT 9**  
**ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT**  
**a third degree felony**  
**(Roy LePore)**

27. LePore was 69 years of age at the time he invested. Christoffersen had a business relationship with LePore, and by deception, obtained or used LePore's funds with the intent to temporarily or permanently deprive LePore of the use, benefit, or possession of his property.

**COUNT 10**  
**SECURITIES FRAUD, a second degree felony**  
**(Lori Ann Morris)**

28. Lori Ann Morris was first approached to invest in stocks by Val D. Christoffersen in Spring 2000 at Morris' home in Salt Lake City, Utah. Christoffersen represented to Morris he had a group of six or seven people whose money he was going to pool for the purpose of investing. Christoffersen told Morris he had been watching technology stocks for a long time, and believed it would be a good investment. Christoffersen discussed with Morris specific technology stocks that would be purchased; however, Morris cannot recall what they were.

29. On April 20, 2000, Morris invested \$10,000.00 based on the representations made to her by Christoffersen. Morris stated the investment was very casual and informal. Morris never received proof of her investment, and was not provided with any disclosure documents.

30. Bank records of Val D. Christoffersen reveal that Morris' check was deposited into Christoffersen's personal account on April 20, 2000. After the money was deposited, three checks were written; check number 665 in the amount of \$3,300.00 made payable to Val Christoffersen and deposited into his personal account at Jordan Credit Union; check number 667 in the

amount of \$420.00 made payable to Val Christoffersen and deposited into his personal account at Jordan Credit Union; and check number 668 in the amount of \$3,300.00 made payable to Val Christoffersen and deposited into his personal account at Jordan Credit Union. Ms. Morris had not been informed about the misrepresentations or omissions identified above prior to her investment.

**COUNT 11**  
**PATTERN OF UNLAWFUL ACTIVITY**  
**a second degree felony**

31. Commencing on or about February 2000, the defendant engaged in conduct which constituted the commission of at least three episodes of unlawful activity as defined in Utah Code Ann. §76-10-1603. The defendant: (1) received proceeds derived, directly or indirectly, from a pattern of unlawful activity as more fully defined in Counts 1 through 10 above, in which he participated as principal, or he used or invested, directly or indirectly, any part of that income, or the proceeds derived from the investment or use of proceeds from those persons identified in Counts 1 through 10 above, in the acquisition of any interest in, or establishment or operation of, any enterprise; (2) through a pattern of unlawful activity acquired or maintained, directly or indirectly, any interest in or control of any enterprise; or (3) was employed by, or associated with any enterprise and

conducted or participated, whether directly or indirectly, in the conduct of that enterprise's affairs through a pattern of unlawful activity. The unlawful activity included three or more violations of securities fraud. This is a violation of Utah Code Ann. §76-10-1603(5), a second degree felony.

**SUMMARY**

32. Based on my review of the evidence there is probable cause to believe that Val D. Christoffersen has committed the crimes of:

**SECURITIES FRAUD**  
a second degree felony, 6 counts

**ABUSE, NEGLECT OR EXPLOITATION OF AN ELDER ADULT**  
a third degree felony, 4 counts

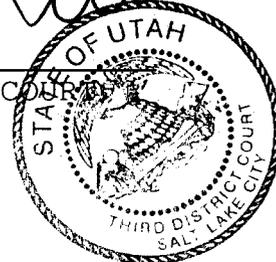
**PATTERN OF UNLAWFUL ACTIVITY**  
a second degree felony, 1 count

DATED this 14th day of February, 2005.

Jill Howe  
JILL HOWE, Affiant

SUBSCRIBED AND SWORN before me on this 14 day of Feb, 2005.

[Signature]  
JUDGE, THIRD DISTRICT COURT



**FILED DISTRICT COURT**  
Third Judicial District

CHARLENE BARLOW, Bar No. 0212  
Assistant Attorney General  
MARK L. SHURTLEFF, Bar No. 4666  
Utah Attorney General  
5272 South College Drive, #200  
Murray, UT 84123  
Telephone: (801) 281-1221  
Facsimile: (801) 281-1224

FEB 14 2005

SALT LAKE COUNTY  
By \_\_\_\_\_ Deputy Clerk

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

THE STATE OF UTAH, : Bail \$ 25,000.00  
 :  
 Plaintiff, :  
 : **WARRANT OF ARREST**  
 vs. :  
 :  
 **VAL D. CHRISTOFFERSEN** : Case No: 0519009105  
 DOB: July 7, 1955 :  
 SSN: 529-84-0747 : Judge: \_\_\_\_\_  
 :  
 Defendant. :

THE STATE OF UTAH TO ANY PEACE OFFICER IN THE STATE OF UTAH,  
GREETINGS:

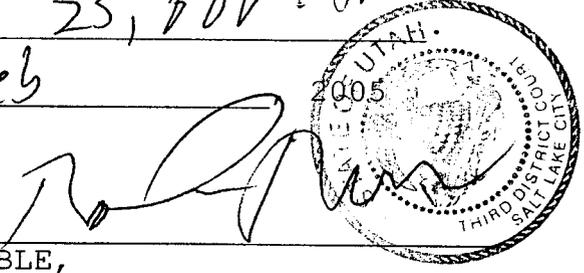
An Information, upon oath, having been this day made before me by Investigator Jill Howe, and it appearing from the Information, or Affidavit filed with the Information, that there is probable cause to believe that the public offense of:  
**Securities Fraud, a second degree felony, 6 counts; Abuse, Neglect or Exploitation of an Elder Adult, a third degree felony,**

4 counts; and, Pattern of Unlawful Activity, a second degree felony, has been committed, and that the defendant, VAL D. CHRISTOFFERSEN, has committed these offenses,

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 \$ 25,300.00

DATED this 14 day of Feb



HONORABLE,  
JUDGE, THIRD DISTRICT COURT

Defendant's Address:

7463 South Harvest Ridge Drive  
West Jordan, UT 84084

