

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 SECOND JUDICIAL DISTRICT COURT IN AND FOR
DAVIS COUNTY, STATE OF UTAH

THE STATE OF UTAH, :
 :
 Plaintiff, : **AFFIDAVIT OF PROBABLE CAUSE**

vs. :

~~JOHN CARROLL HAMMANS~~ : Case No: 081700417
DOB: March 27, 1975 :
 : Judge: Michael G. Allphin
Defendant. :

STATE OF UTAH)
 :ss
COUNTY OF DAVIS)

I, JONATHAN STEWART, 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. Prior to my employment with the Division of Securities, I was employed by the Utah Division of Consumer Protection as an investigator. I 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 statutes and related criminal code violations by JOHN CARROLL HAMMANS.

2. The facts set forth in this affidavit are based upon the results of an investigation during which I have interviewed and/or collected and reviewed records from witness and other sources. I have received information from Jill Taylor, now Jill Barker, and Jeremy Barker.

PARTIES

3. John Carroll Hammans, at all pertinent times, resided in Clinton, Davis County, Utah.
4. A search on the Utah's Department of Commerce web site reveals that Clear Investing, LLC, filed with the Utah Division of Corporations on March 25, 2005. Corporate documents show that Hammans was listed as a Member, and his wife Mandy was listed as the Registered Agent and a Member.

BACKGROUND

5. HAMMANS told Taylor he needed \$100,000 to invest in real estate and if she invested she would receive a percentage of any profits.
6. HAMMANS told Taylor he would be buying foreclosed properties, fixing them up, and selling them for a 20-30% profit, although this return was not guaranteed.
7. HAMMANS told Taylor he had found a new deal that was local, he only needed \$65,000 to complete the deal and he would return her money within three to six months.

- g. HAMMANS did not talk to Taylor about the liquidity of the investment;
- h. HAMMANS did not discuss pertinent suitability factors with Taylor;
- i. HAMMANS did not tell Taylor if the investment was a registered security or exempt from registration;
- j. HAMMANS did not tell Taylor whether the person selling the investment was licensed to sell securities;
- k. HAMMANS did not tell Taylor he was going to use a portion of her money to make mortgage payments on a property in Florida he had been trying to sell for over eight months;
- l. HAMMANS did not tell Taylor he was going to use a portion of her money for personal expenses.

COUNT 1
SECURITIES FRAUD, a second degree felony
(Jill Taylor)

- 12. Jill Taylor said that she first met HAMMANS at Hill Air Force Base (“HAFB”) in Davis County, Utah where her late husband Scott Taylor worked. Taylor said that when her husband found out he had brain cancer, HAMMANS was always trying to help out.
- 13. Taylor’s husband passed away in October of 2005. In January and February 2006, HAMMANS visited her at her home and called her on the phone. During these visits and telephone conversations HAMMANS told Taylor he needed \$100,000 for an investment. HAMMANS told her he would be putting the money in real estate and she would get a

percentage of any profits. Taylor told HAMMANS she was not interested in investing.

14. At the beginning of June 2006 at the E-Club Restaurant located at the HAFB, Taylor and Jeremy Barker, her current husband, met with HAMMANS to discuss the investment opportunity. HAMMANS told her he would be buying foreclosed properties, fixing them up, and selling them for a 20-30% profit, although this return was not guaranteed. At the end of this meeting Taylor told HAMMANS she was not interested in investing with him.
15. On June 20, 2006, Taylor was in her driveway getting ready to take her daughter swimming when HAMMANS came to her home. HAMMANS asked her if she would be more comfortable with an investment of \$65,000 instead of \$100,000. HAMMANS told her he had a new deal that was local, and she would get her money back in three to six months.
16. Taylor decided to invest by writing a personal check to Clear Investing, LLC and giving it to HAMMANS that day in her front yard.
17. Taylor never heard back from HAMMANS as to the status of the property she had helped purchase. When she was able to talk to HAMMANS, HAMMANS never gave her a straight answer about what her money was used for or when she would be getting her money back.
18. The first time Taylor learned HAMMANS had not used her money to buy a local property was when Barker received an email from HAMMANS on July 10, 2006 that

said HAMMANS had made an offer on the local property and it was not accepted. In the email, HAMMANS also said that “without 100K it is difficult to get into deals because most properties that come around at the 65K price are not worth the homeless living in.”

19. Although demand has been made, Taylor has not received back any of her investment money.

COUNT 2
THEFT, a second degree felony
(Jill Taylor)

20. HAMMANS told Taylor her money would be used to buy a local property.
21. A source and use analysis of Clear Investing’s bank account shows that Taylor’s investment money was not used to purchase a local property. Taylor’s money was used to make mortgage payments of over \$21,000 on a property in foreclosure HAMMANS already owned; an additional \$20,000 was paid to ARO Properties, out of California, \$128 was spent eating out, \$2,632 was paid to Elton Price, \$562 was paid to Firestone, \$114 was paid to Henry Youman, almost \$2,500 was spent at retail establishments, \$257 was paid to Lexington Law, \$5,000 was paid to Lunberg Associates, \$1,500 was paid to Next Step, \$244 was paid to Property Leads Now, \$390 was paid to Ultimate Aviation, (another company owned by HAMMANS), \$1,309 was paid to Utah State University for tuition, \$3,039 was paid to Vision Investment Group, \$400 was paid to Wasatch Early Learning, and \$4,592 was withdrawn for an unknown reason.

SUMMARY

There is probable cause to believe that HAMMANS committed the crimes of:

SECURITIES FRAUD
a second degree felony, 1 count

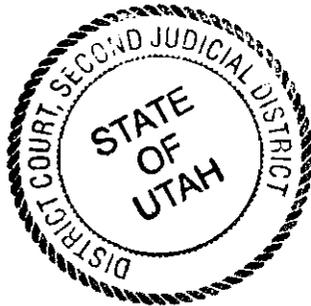
THEFT
a second degree felony, 1 count

DATED this 13 day of MARCH, 2008.



JONATHAN STEWART, Affiant

SUBSCRIBED AND SWORN before me this
13th day of March 2008
2008.



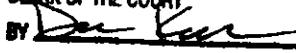


JUDGE, SECOND DISTRICT COURT

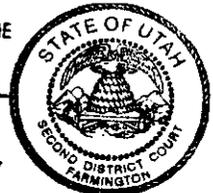
STATE OF UTAH }
COUNTY OF DAVIS } SS.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL ON FILE IN MY OFFICE.

DATED THIS 13th DAY OF Mar 20 08
ALYSON E. BROWN
CLERK OF THE COURT

BY  DEPUTY

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IN THE SECOND JUDICIAL DISTRICT COURT IN AND FOR
DAVIS COUNTY, STATE OF UTAH

THE STATE OF UTAH, :
 :
 Plaintiff, : **CRIMINAL INFORMATION**
 :
 vs. :
 :
 JOHN CARROLL HAMMANS, : Case No. 081700417 FS
 DOB: March 27, 1975 :
 : Judge Michael G. Alphin
 Defendant. :

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 October 2005, in the State of Utah,

County of Davis, the defendant, in connection with the offer or sale of a security, directly or indirectly, to **JILL TAYLOR**, 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

Commencing on or about June 2006, the defendant obtained or exercised unauthorized control over the property of **JILL TAYLOR**, with a purpose to deprive her thereof. The value of the property exceeds \$5,000.00. This is a violation of Utah Code Ann. § 76-6-404, a second degree felony.

DATED this 13 day of March, 2008.

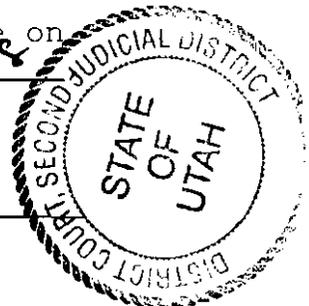


JONATHAN STEWART, Affiant

SUBSCRIBED AND SWORN to before me on
this 13th day of March 2008
2008.



JUDGE, SECOND DISTRICT COURT



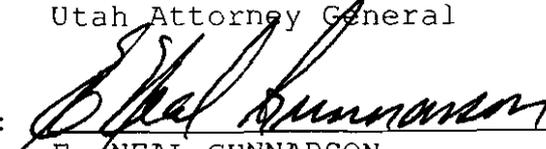
This CRIMINAL INFORMATION is based upon evidence from the following witnesses:

1. Jill Taylor (now Jill Barker)
2. Jeremy Barker
3. And others

AUTHORIZED FOR PRESENTMENT AND FILING this 12 day of March, 2008.

MARK L. SHURTLEFF
Utah Attorney General

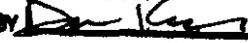
By:


E. NEAL GUNNARSON
Assistant Attorney General

STATE OF UTAH }
COUNTY OF DAVIS } ss.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL ON FILE IN MY OFFICE.

DATED THIS 13th DAY OF Mar 2008
ALYSON E. BROWN
CLERK OF THE COURT

BY  DEPUTY

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defendant, JOHN CARROLL HAMMANS, 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 \$ 26,000.00.

DATED this 13th day of March, 2008.

[Signature]
HONORABLE,
JUDGE, SECOND DISTRICT COURT

Defendant's Last Known Address:

2616 North 720 West
Clinton, UT 84105



STATE OF UTAH }
COUNTY OF DAVIS } ss.

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL ON FILE IN MY OFFICE.

DATED THIS 13th DAY OF Mar 20 08

ALYSON E. BROWN
CLERK OF THE COURT

BY [Signature] DEPUTY

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