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

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THE STATE OF UTAH,  
  
Plaintiff,

-vs-

**CARY K BEAGLEY**  
**DOB 09/03/1959,**  
**AKA**  
**9271 South 1480 East**  
**Sandy, UT 84070**  
**D.L.# 816728**  
OTN  
SO#

Defendant.

Screened by: CRAIG STANGER  
Assigned to: CRAIG STANGER

DAO # 11014623

ECR Status: **Non-ECR**  
Initial Appearance:

SUMMONS TO BE ISSUED  
Warrant/Release: Not Booked

**DUPLICATE  
INFORMATION**

Case No.

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The undersigned Jeff Nielsen - UTAH DIVISION OF SECURITIES, Agency Case No. 08-0083, upon a written declaration states on information and belief that the defendant, CARY K BEAGLEY, committed the crimes of:

COUNT 1

SECURITIES FRAUD, 61-1-1 UCA and 61-1-21 UCA, a Second Degree Felony, as follows:

That on or about July 31, 2007, in Salt Lake County, State of Utah the defendant CARY K. BEAGLEY, a party to the offense, did, in connection with the offer, sale, or purchase of a security, directly or indirectly, (1)(a) employ a device, scheme, or artifice to defraud; (b) 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 were made, not misleading; or (c) engage in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; and(2)(a) 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 (b)(i) 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 (ii) in connection with that violation, the violator knowingly accepted any money representing: (A) equity in a person's primary residence; (B) a withdrawal

from any individual retirement account; or (C) a withdrawal from any qualified retirement plan as defined in the Internal Revenue Code.

COUNT 2

SECURITIES FRAUD, 61-1-1 UCA and 61-1-21 UCA, a Second Degree Felony: That on or about July 31, 2007, in Salt Lake County, State of Utah the defendant CARY K. BEAGLEY, a party to the offense, did, in connection with the offer, sale, or purchase of a security, directly or indirectly, (1)(a) employ a device, scheme, or artifice to defraud; (b) 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 were made, not misleading; or (c) engage in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; and (2)(a) 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 (b)(i) 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 (ii) in connection with that violation, the violator knowingly accepted any money representing: (A) equity in a person's primary residence; (B) a withdrawal from any individual retirement account; or (C) a withdrawal from any qualified retirement plan as defined in the Internal Revenue Code.

COUNT 3

SECURITIES FRAUD, 61-1-1 UCA and 61-1-21 UCA, a Second Degree Felony: That on or about April 01, 2008, in Salt Lake County, State of Utah the defendant CARY K. BEAGLEY, a party to the offense, did, in connection with the offer, sale, or purchase of a security, directly or indirectly, (1)(a) employ a device, scheme, or artifice to defraud; (b) 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 were made, not misleading; or (c) engage in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; and (2)(a) 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 (b)(i) 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 (ii) in connection with that violation, the violator knowingly accepted any money representing: (A) equity in a person's primary residence; (B) a withdrawal from any individual retirement account; or (C) a withdrawal from any qualified retirement plan as defined in the Internal Revenue Code.

COUNT 4

SECURITIES FRAUD, 61-1-1 UCA and 61-1-21 UCA, a Second Degree Felony, as follows:

That on or about May 05, 2008, in Salt Lake County, State of Utah the defendant CARY K. BEAGLEY, a party to the offense, did, in connection with the offer, sale, or purchase of a security, directly or indirectly, (1)(a) employ a device, scheme, or artifice to defraud; (b) 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 were made, not misleading; or (c) engage in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; and (2)(a) 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 (b)(i) 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 (ii) in connection with that violation, the violator knowingly accepted any money representing: (A) equity in a person's primary residence; (B) a withdrawal from any individual retirement account; or (C) a withdrawal from any qualified retirement plan as defined in the Internal Revenue Code.

COUNT 5

THEFT, 76-6-404 UCA, a Second Degree Felony, as follows: That on or about May 05, 2008, in Salt Lake County, State of Utah the defendant CARY K. BEAGLEY, a party to the offense, did obtain or exercise unauthorized control over the property of another person with a purpose to deprive the person thereof, and (i) the value of the property or services was or exceeded \$5,000; (ii) the property stolen is a firearm or an operable motor vehicle; (iii) the defendant was armed with a dangerous weapon, as defined in Section 76-1-601, at the time of the theft; or (iv) the property was stolen from the person of another.

COUNT 6

THEFT, 76-6-404 UCA, a Second Degree Felony, as follows: That on or about July 31, 2007, in Salt Lake County, State of Utah the defendant CARY K. BEAGLEY, a party to the offense, did obtain or exercise unauthorized control over the property of another person with a purpose to deprive the person thereof, and (i) the value of the property or services was or exceeded \$5,000; (ii) the property stolen is a firearm or an operable motor vehicle; (iii) the defendant was armed with a dangerous weapon, as defined in Section 76-1-601, at the time of the theft; or (iv) the property was stolen from the person of another.

COUNT 7

PATTERN OF UNLAWFUL ACTIVITY, 76-10-1603 UCA, a Second Degree Felony, as follows: That on or about July 31, 2007, in Salt Lake County, State of Utah the defendant CARY K. BEAGLEY, a party to the offense, did, (a) having received any proceeds derived, whether directly or indirectly, from a pattern of unlawful activity in which the defendant had participated as a principal, use or invest, directly or indirectly, any part of that income, or the proceeds of the income, or the proceeds derived from the investment or use of those proceeds, in the acquisition of any interest in, or the establishment or operation of, any enterprise; (b) through a pattern of unlawful activity, acquire or maintain, directly or indirectly, any interest in or control of any enterprise; (c) having been employed by or associated with any enterprise, conduct or participate, whether directly or indirectly, in the conduct of that enterprise's affairs through a pattern of unlawful activity; or (d) conspire to violate any of the above provisions.

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

Jeff Nielsen, Angelo Ciaciulli, Richard Cifarelli, Michael Hines, William Yanish,

DECLARATION OF PROBABLE CAUSE:

**Background**

Manchester Development Holdings Corp. (MDHC) registered with the Utah Division of Corporations on May 14, 2007. CARY BEAGLEY is listed as the Vice President and Registered Agent. MDHC's status expired as of September 3, 2008. Neither MDHC nor BEAGLEY have held any securities licenses. MDHC has not made any filings with the Utah Division of Securities.

National Entertainment Inc. (NHI) registered with the Utah Division of Corporations on August 13, 2007. BEAGLEY is listed as the Vice President and Registered Agent. NHI's status expired as of December 2, 2008. NHI has not held any securities licenses nor made any filings with the Utah Division of Securities.

In July 2007, BEAGLEY, who was working for the Trump University and/or a company called Prosper Learning, Inc. as a real estate coach, began to raise money from at least three of his real estate students for various investment opportunities. Further BEAGLEY is a person who at all pertinent times resided in Salt Lake County, Utah. In return for \$150,000 from the three individuals, BEAGLEY offered various profits in return for the funds. The offering of profit in return for the use of another person's funds could be an investment contract. BEAGLEY offered one investor a promissory note in return for investment funds. Investment contracts and promissory notes are securities as defined by Utah Code Annotated §61-1-13.

**Investors**

***Cifarelli, Richard***

Richard Cifarelli (Cifarelli) stated that his friend, Angelo Cianciulli (Cianciulli), introduced him to the defendant, CARY BEAGLEY and told him about an investment opportunity in early July 2007. Cianciulli told Cifarelli he was taking a course from the Trump University, and BEAGLEY, who was Cianciulli's real estate coach, had outside investment opportunities. Cifarelli said he and Cianciulli held a conference call with BEAGLEY from Cifarelli's home in Bronx, New York, a couple days later. During the call, BEAGLEY introduced himself as a real estate coach for Trump University. BEAGLEY said he knew Cifarelli was looking to make some investments based on discussions with Cianciulli. BEAGLEY said he had an opportunity for Cifarelli and Cianciulli to purchase a shelf corporation with guaranteed bank financing, which would be obtained by a person BEAGLEY knew, Peter Cruz. BEAGLEY said Cruz would obtain between \$1 million and \$6 million for the corporation through multiple banks using Cifarelli's credit. BEAGLEY said once the funding was obtained, the funds could be invested in different opportunities of which BEAGLEY had knowledge, including a company that trades commodities for a profit. BEAGLEY said he had done similar successful deals for previous investors; however, BEAGLEY did not provide specific examples or disclose the number of investors he had. BEAGLEY said the investment would be \$50,000, which would cover the cost of the corporation as well as the expenses for Cruz to obtain the corporation financing. BEAGLEY said the bulk of the money would be used to pay Cruz to obtain the financing. Cifarelli asked what would happen if Cruz did not obtain financing for the corporation. BEAGLEY told Cifarelli that if the corporation did not obtain financing, he would get all of his money refunded from BEAGLEY himself. Cifarelli asked about sending the money to Cruz directly, but BEAGLEY said the money had to go through him; BEAGLEY did not offer an explanation as to why. Cifarelli asked about reducing the refund to writing, but BEAGLEY told Cifarelli whatever he said was as good as gold, since he worked for Trump University. Cifarelli said he did not know much about BEAGLEY, but BEAGLEY said Trump University would never hire anybody who was not honest. Cifarelli said BEAGLEY talked about himself as being an upstanding citizen, and BEAGLEY said he was "certainly not a criminal." BEAGLEY said he would not steer Cifarelli wrong, and that he made a living helping others make money. BEAGLEY said the investment was "no risk."<sup>3</sup> BEAGLEY said the investments he offered were legitimate and Trump University would not let him hold the position he held if they were not. BEAGLEY stated that he would not make any money on the deal unless Cifarelli did. BEAGLEY told Cifarelli that he was in constant contact with Cruz, and Cruz was pressuring him to get some deals done so Cruz could obtain financing for multiple corporations at the same time. Cifarelli states that BEAGLEY called almost daily after the initial conference call, asking him to wire money as soon as possible to get the deal moving. BEAGLEY also provided Cifarelli with wiring instructions on where to send the funds.

On July 31, 2007, Cifarelli wired \$50,000 to MDHC's Washington Mutual Bank account in Draper, Utah. According to the wire request, Cifarelli named BEAGLEY as the beneficiary of the funds. Cifarelli said BEAGLEY never mentioned MDHC in any of their conversations.

## INFORMATION

DAO No. 11014623

Page 6

Cifarelli said he did not speak with Cruz before investing. Cifarelli said BEAGLEY only discussed using investment funds to obtain financing for the purchase of a corporation. Cifarelli stated did not authorize BEAGLEY to use the funds for any other purpose. Cifarelli said he also provided BEAGLEY with his credit information, including social security number.

Prior to the \$50,000 investment, BEAGLEY failed to provide Cifarelli with any disclosure documents. BEAGLEY also failed to disclose his previous business experiences, any risks involved with the investment, and BEAGLEY's involvement in prior legal proceedings, including numerous civil lawsuits between 1993 and 2007, over \$60,000 in judgments and tax liens entered against BEAGLEY, a chapter 7 bankruptcy filing in 2003, criminal convictions for sex solicitation (1988), theft (2003), and narcotics distribution (2003), and BEAGLEY being supervised by the United States Probation Office at the time he offered the investment to Cifarelli.

Records show Cifarelli's \$50,000 was deposited into MDHC's Washington Mutual Bank account on or about July 31, 2007, bringing the account balance to \$50,025.61. According to a first in first out analysis of the records, the \$50,000 was used in the following manner: \$45,000 paid to Cruz, \$1,240.69 paid to Costco, \$40 in bank fees, \$57.03 paid to a golf course, \$33.66 paid to Wal-mart, \$2,900 paid to BEAGLEY (\$600 may have been used to purchase a cashier's check), \$175 transferred to another Manchester account (of which \$171.45 was used to cover negative account balance), \$70.25 paid to Harmon's, \$78.50 paid to Sinclair, \$60 paid to a dentist, \$127 paid to the Division of Corporations, \$5.49 paid to Wendy's, \$12 to pay an unknown fee, \$52.60 paid to Le Cadeau shop at Stein Eriksen Lodge, and \$147.78 as part of a \$269 payment to Da Vinci Virtual.

Approximately two weeks after wiring the \$50,000, BEAGLEY, Cifarelli, and Cianciulli held a second conference call while Cifarelli was at his home in Bronx, New York. BEAGLEY said he had an opportunity to purchase a second corporation with financing from another person, Kevin Fadden, for \$30,000 instead of \$50,000. BEAGLEY said Fadden's deal was the same as prior deal involving Cruz. BEAGLEY said Fadden would be able to obtain between \$1 million and \$6 million for the second corporation.<sup>5</sup> BEAGLEY told Cifarelli if he moved quickly, BEAGLEY could have Cruz and Fadden each work on a corporation funding deal at the same time. BEAGLEY said to send money as soon as possible since Fadden wanted to get started on obtaining the funding.

Based on BEAGLEY's statements, Cifarelli wired \$30,000 to MDHC's Washington Mutual Bank account in Draper, Utah, on or about August 24, 2007. Cifarelli stated he did not speak with Fadden before investing. Cifarelli said BEAGLEY only discussed using investment funds to purchase a corporation with financing. Cifarelli said he would not have authorized BEAGLEY to use the funds for any other purpose. Prior to the investment, BEAGLEY failed to disclose his previous business experiences, any risks involved with the investment, BEAGLEY's involvement in prior legal proceedings, and some of the information normally provided in disclosure documents. After making the \$30,000 investment, Cifarelli and BEAGLEY had contact, either via telephone or email, about once a week regarding the corporation financing

deals. During this time, BEAGLEY had Cifarelli sign some different forms for the corporations, which Cifarelli returned to BEAGLEY and/or Cruz and Fadden.

Cifarelli states that he became concerned with the corporation deals because funding had not been obtained by December 2007 or January 2008. Cifarelli telephoned BEAGLEY about his concerns and requested the return of his funds. BEAGLEY told Cifarelli he did not have any money to give to Cifarelli, and said the obligation to repay the funds for the corporations was on Cruz and Fadden. Cifarelli states that BEAGLEY mentioned some of the banks where financing was supposedly being obtained, so Cifarelli contacted some of the banks to verify the status of the corporation loans, but the named banks were unaware of loans to be made to Cifarelli's companies.

Cifarelli states that he spoke with Cruz about returning investment funds, but Cruz denied receiving any money from BEAGLEY. Cifarelli said he sent emails to Fadden to request the return of his funds, but Fadden claimed to be "broke." At this time, BEAGLEY offered to move \$30,000 from an account BEAGLEY had with a company called Safevest to a Safevest account for Cifarelli. BEAGLEY said Safevest used investor funds to trade commodities for a 10% monthly profit. BEAGLEY said he had previously invested with Safevest and was making money. BEAGLEY said Safevest had a good track record with investors, and BEAGLEY provided some spreadsheets on Safevest's past performance to Cifarelli. BEAGLEY said the investment was "no risk." BEAGLEY said Cifarelli's funds would be placed into a segregated account, which Cifarelli could review through Safevest's website. Cifarelli said soon after BEAGLEY discussed Safevest, he was able to access an account through Safevest's website to monitor the \$30,000. Cifarelli states that the online account showed he had earned profits that had doubled by about March 2008.

In early March 2008, BEAGLEY, Cifarelli, and Cianciulli held another conference call, both Cifarelli and Cianciulli were at Cifarelli's home in Bronx, New York. During the call, Cifarelli and Cianciulli asked BEAGLEY about investing additional funds with Safevest. BEAGLEY said at least \$25,000 was required to invest. Cifarelli asked about sending funds directly to Safevest. BEAGLEY said Safevest would not accept money from just anyone, but only from people associated with company and that he was associated with Safevest, which was why money had to be invested through him. Cifarelli states that BEAGLEY never specifically indicated whether he received a referral fee on investor funds or how much the fee would be; however, based on their discussion, Cifarelli believed BEAGLEY would be receiving a portion of the funds he referred. BEAGLEY said Cifarelli would have to fill out paperwork in order to invest, including documents stating how much Cifarelli would want to take out of his account each month. One document Cifarelli completed was entitled "Non-Solicitation Letter". The letter, dated March 14, 2008, shows Cifarelli was referred to Safevest by BEAGLEY.

Based on BEAGLEY's statements and the information Cifarelli had seen on Safevest's website, Cifarelli invested by mailing a \$25,000 official check to BEAGLEY's home in Sandy, Utah, in or about early April 2008. The check was made payable to National Entertainment based on BEAGLEY's request. Cianciulli also invested \$25,000 with BEAGLEY by cashier's check

## INFORMATION

DAO No. 11014623

Page 8

based on the returns Cifarelli's Safevest account had shown. Prior to the investment, BEAGLEY failed to disclose his previous business experiences, any risks involved with the investment, BEAGLEY's involvement in prior legal proceedings, and some of the information normally provided in disclosure documents. Cifarelli said he learned from Cianciulli that Safevest had been shut down for being a Ponzi scheme about 20 days after making the \$25,000 investment. Sometime after learning about Safevest being a Ponzi scheme, Cifarelli contacted BEAGLEY to request the return of his funds since he had just sent BEAGLEY the \$25,000. BEAGLEY told Cifarelli he did not have any money to give to Cifarelli. Cifarelli said he told BEAGLEY he was looking to file a complaint with the authorities. BEAGLEY said not to complain, and BEAGLEY would work to repay Cifarelli. BEAGLEY said the only way he could repay Cifarelli was to move forward with other deals, including a corporation for which BEAGLEY was trying to obtain financing. Cifarelli said BEAGLEY had also mentioned he had kept about \$10,000 to \$15,000 of Cifarelli's funds. Cifarelli said he questioned BEAGLEY about his previous statement of not making any money before Cifarelli made money, but BEAGLEY never addressed the question directly. Cifarelli said since investing, he has only been repaid about \$5,000 from BEAGLEY, which Cifarelli split with Cianciulli. Cifarelli said he last spoke with BEAGLEY in or about October 2008. Cifarelli is still owed about \$102,500.

### *Yanish, William*

William Yanish stated that he met BEAGLEY when BEAGLEY was assigned to be Yanish's real estate coach through Prosper around March 2008. Yanish said he never met BEAGLEY in person, but had contact with BEAGLEY by telephone about once a week for about six to eight weeks before he invested funds with BEAGLEY. Yanish said BEAGLEY discussed a few different investment opportunities during their telephone conversations, including an opportunity for Yanish to use his credit in order to obtain financing for himself and another individual through an aged corporation. Yanish said these opportunities never came to fruition, so BEAGLEY discussed a promissory note investment instead. Yanish said he and BEAGLEY had about six telephone calls regarding the promissory note investment prior to April 23, 2008. BEAGLEY told Yanish that if he invested funds for a promissory note, BEAGLEY would use the funds for hard money lending. BEAGLEY said there were some borrowers who could not qualify for traditional financing, so BEAGLEY would be able to lend the funds in return for around 10% per month. BEAGLEY stated he would be investing some of his own funds as well. BEAGLEY said he would only need the funds for about three months, and would be sending the money to Florida.

Prior to April 23, 2008, Yanish had received a \$30,000 bank loan. BEAGLEY said he knew Yanish needed some of the money, so BEAGLEY discussed using \$20,000 of Yanish's loan for the investment. On April 23, 2008, Yanish received a \$20,000 promissory note. The promissory note states BEAGLEY "unconditionally promises to pay...Yanish the principal sum of \$20,000.00, in addition payments of \$2,000.00 will be paid monthly (sic) for two months after which the principal amount of \$20,000.00 will be paid back at the close of 3 months." BEAGLEY appears to have signed the promissory note, which was dated April 22, 2008. Yanish said he signed the promissory note and mailed it back to BEAGLEY, along with a \$20,000

personal check. BEAGLEY returned the check to Yanish via mail, and told Yanish he could not accept the check. BEAGLEY told Yanish needed to wire the funds, and provided wire instructions.

On May 5, 2008, Yanish wired \$20,000 to BEAGLEY's personal Washington Mutual Bank account. Yanish said BEAGLEY did not discuss using the funds for any other purpose than to make a hard money loan, and that he would not have authorized BEAGLEY to use the funds for any other purpose. Prior to the investment, BEAGLEY failed to disclose any risks involved with the investment, BEAGLEY's involvement in legal proceedings, BEAGLEY having been on supervised release through the US Probation Office at the time he offered the investment to Yanish, and some of the information normally provided in disclosure documents.

Records show that Yanish's \$20,000 was deposited into BEAGLEY's Washington Mutual Bank account on May 5, 2008, bringing the account balance to \$21,200.01. According to a first in first out analysis of the records, the \$20,000 was used in the following manner: \$14,959.19 as part of a \$16,000 payment to a company in Florida called Wealth Building Solutions, \$20 in bank fees, \$155.53 paid to Utah Glass Pros, \$45 paid to Paypal, \$9 paid to Pioneer Carwash, \$252 paid to another investor, \$2,800 paid to BEAGLEY, \$11.60 paid to Home Depot, \$36.31 paid to an unknown entity, \$41.64 paid to Cartridge World, \$213.28 paid to City of Tehachapi, \$269 paid to Da Vinci Virtual, \$912 paid to Hercules Flyer Inc, and \$275.45 as part of a \$2,000 withdrawal.

About two months after investing, BEAGLEY told Yanish the borrower wanted to extend the loan term. BEAGLEY asked about extending the promissory note on a month to month basis, to which Yanish agreed. Yanish said he and BEAGLEY extended the note an additional month on a couple of occasions. Yanish said BEAGLEY paid him about \$8,000 total between June and October 2008. Yanish said he received half of the promised interest for the months of September and October 2008, which caused Yanish some concern. In or about October 2008, Yanish called BEAGLEY and requested the return of his \$20,000. BEAGLEY told Yanish he was not able to get the funds back from the borrower at the time. Yanish said BEAGLEY made excuses until about November 2008, when Yanish last had contact with BEAGLEY. Yanish said he has not received any other funds to date.

### **Misrepresentations of Material Fact**

- BEAGLEY said he was “certainly not a criminal,” when in fact, BEAGLEY had been convicted of various crimes in the past.
- BEAGLEY said the investments were “no risk,” when in fact, BEAGLEY had no reasonable basis on which to make this statement.
- BEAGLEY said he would never make money unless Cifarelli made money on the deal, when in fact, BEAGLEY did not send all of Cifarelli’s funds to the other parties, and BEAGLEY later admitted to Cifarelli he had kept about \$10,000 of Cifarelli’s funds.

### **Omissions of Material Fact**

- (Corporation investments) BEAGLEY said he had an opportunity to purchase a couple of shelf corporations, and then a couple of people would obtain guaranteed bank financing between \$1 million and \$6 million for the corporations. BEAGLEY said once the funding was obtained, the funds could be invested in different opportunities. BEAGLEY said he had done similar deals for previous investors which were successful. BEAGLEY said one investment would be \$50,000, and the other would be \$30,000. BEAGLEY said Cifarelli would get all of his money returned if funding was not obtained, which BEAGLEY would refund himself. BEAGLEY said the investments had to go through BEAGLEY. BEAGLEY said whatever he said was as good as gold. BEAGLEY said Trump University would never hire anybody who was not honest, and BEAGLEY said he was “certainly not a criminal.” BEAGLEY said he would not steer Cifarelli wrong, and BEAGLEY said he made a living helping others make money. BEAGLEY said the investments were “no risk.” BEAGLEY said the investments he offered were legitimate, or else Trump University would not let BEAGLEY hold the position he held. BEAGLEY said he would never make money unless Cifarelli made money on the deals. BEAGLEY failed to disclose the following based on these statements:
  - Specific examples or the number of investors BEAGLEY had
  - Information on BEAGLEY’s company, MDHC;
  - BEAGLEY’s previous business experiences;
  - Any risks involved with the investment;
  - BEAGLEY’s involvement in prior legal proceedings, including numerous civil suits between 1993 and 2007, in excess of \$60,000 in judgments and tax liens entered against BEAGLEY, a chapter 7 bankruptcy filing in 2003, and criminal convictions for sex solicitation (1988), theft (2003), and narcotics distribution (2003); and,
  - BEAGLEY was on supervised release through the United States Probation Office at the time he offered the investments to Cifarelli.

- (Safevest) BEAGLEY said Safevest used investor funds to trade commodities for a profit. BEAGLEY said Safevest offered 10% per month interest in return for a \$25,000 minimum investment. BEAGLEY said he had invested with Safevest and was making money. BEAGLEY said Safevest had a good track record to its investors. BEAGLEY said the investment was “no risk.” BEAGLEY said Cifarelli’s funds would be placed into a segregated account. BEAGLEY failed to disclose the following based on these statements:
  - Any risks involved with the investment;
  - BEAGLEY’s involvement in prior legal proceedings, including numerous civil suits between 1993 and 2007, in excess of \$60,000 in judgments and tax liens entered against BEAGLEY, a chapter 7 bankruptcy filing in 2003, and criminal convictions for sex solicitation (1988), theft (2003), and narcotics distribution (2003); and,
  - BEAGLEY was on supervised release through the United States Probation Office at the time he offered the investments to Cifarelli.
  
- BEAGLEY (Promissory Note) offered Yanish a promissory note in return for funds. BEAGLEY said he would use the funds for hard money lending to earn a 10% per month profit. BEAGLEY said he would be investing some of his own funds as well. BEAGLEY said he would only need the funds for about three months, and would be sending the money to Florida. BEAGLEY discussed using \$20,000 of Yanish’s funds. BEAGLEY’s promissory note states BEAGLEY “unconditionally promises to pay...Yanish the principal sum of \$20,000.00, in addition payments of \$2,000.00 will be paid monthly (sic) for two months after which the principal amount of \$20,000.00 will be paid back at the close of 3 months.” BEAGLEY appears to have signed the promissory note. BEAGLEY failed to disclose the following based on these statements:
  - BEAGLEY did not discuss his business or investing experience, except that BEAGLEY had experience in real estate investing;
  - BEAGLEY did not discuss if the promissory note offered was collateralized;
  - BEAGLEY failed to provide any financial statements on the investment;
  - BEAGLEY did not say to whom he would loan Yanish’s funds;
  - BEAGLEY failed to disclose any risks with the investment;
  - BEAGLEY did not discuss any of his previous legal proceedings, including BEAGLEY’s involvement in numerous civil suits between 1993 and 2007, in excess of \$60,000 in judgments and tax liens entered against BEAGLEY, a chapter 7 bankruptcy filing in 2003, and criminal convictions for sex solicitation (1988), theft (2003), and narcotics distribution (2003);
  - BEAGLEY did not disclose he was on supervised release through the United States Probation Office at the time he offered the investment to Yanish;

- BEAGLEY did not disclose the registration status of the promissory note offered; and,
- BEAGLEY did not say if he was licensed to sell securities.

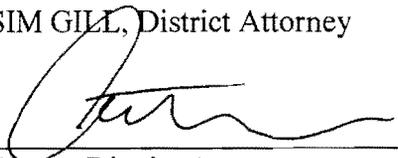
Pursuant to Utah Code Annotated § 78B-5-705 (2008) I declare under criminal penalty of the State of Utah that the foregoing is true and correct to the best of my belief and knowledge.

Executed on: August 29, 2011

  
\_\_\_\_\_  
Jeff Nielsen  
Declarant

Authorized for presentment and filing:

SIM GILL, District Attorney

  
\_\_\_\_\_  
Deputy District Attorney  
7th day of July, 2011  
JC / DAO # 11014623



RETURN ON SUMMONS

Personal

STATE OF UTAH            )  
  :ss  
COUNTY OF SALT LAKE )

I hereby certify and return that I received the within and hereto annexed Summons on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and served the same upon CARY K BEAGLEY, the within named Defendant, personally, by delivering to and leaving with said Defendant, in Salt Lake County, State of Utah, a true copy of said Summons on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

I further certify that, at the time of such service, on the copy of the Summons so served, I endorsed the date and place of service and added my name and official title thereto.

Dated at Salt Lake County, Utah, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By  
\_\_\_\_\_

STATE vs CARY K BEAGLEY  
DAO # 11014623  
Page 1

**OTHER PENDING CASES FOR DEFENDANT**

<u>Court</u>	<u>Court Case #</u>	<u>Trial Judge</u>	<u>DAO #</u>	<u>Charge</u>
		NONE		

**Metro Jail  
Book and Release Instructions**

You have been instructed to report to the Metro Jail to complete the *Book and Release* process. You are being provided the following instructions in order to facilitate this process as quickly as possible.

**LOCATION:**

The Metro Jail is located at 3415 South 900 West. Parking is available in the visitor's parking lot which is located south of the building. You will need to report to the Security Officer located at the top of the ramp in the visiting area.

**TIMES:**

4:00 AM to 8:00 AM  
10:30 AM to 12:00 PM  
3:30 PM to 5:00 PM  
8:30 PM to 11:00 PM

If you cannot come during these hours, you will not be turned away; however, Jail staff may be able to process you quicker during these hours. Due to unforeseen operational problems or circumstances beyond our control it may occasionally take several hours to complete the *Book and Release* process. We will make every effort to process you as quickly as possible.

**WHAT TO BRING:**

Court documents – Summons, Warrants, and/or Pretrial Services documents.  
Government issued photo identification such as Driver's License, State ID, Passport or Military ID.

**WHAT NOT TO BRING:**

Family or friends as seating is very limited.  
Children as they cannot be left unattended while you are being processed. Personal items not necessary for the process as it may slow down the process.

Following these guidelines will facilitate this process being completed as quickly as possible. If you have any questions call the Metro Jail at (801) 743-5000 or Pretrial Services at (801) 743-5025. Thank you