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March 5, 2009

**MEDIA ALERT**

**Grace C. Kelson Found Guilty of Securities Fraud for taking \$149K from three investors**

*"Investors promised 5 to 6 times return on investment for company to develop land in Brazil, Park City"*  
(For immediate release...)

**SALT LAKE CITY, Utah** – Keith M. Woodwell, Director of the Utah Division of Securities, and Mark Shurtleff, Utah Attorney General, announced today that Grace Carvalho Kelson was convicted of three Counts of Securities Fraud, one count of Offer or Sale of Unregistered Securities, one Count of Sale by an unlicensed Broker-Dealer, Agent or Investment Advisor, and one Count of Pattern of Unlawful Activity to three investors. Judge Atherton ordered Kelson into custody in Third District Court and set sentencing for April 17, 2009.

"Grace Kelson sold these investors a bridge in Brooklyn, except in this case it was a Letter of Credit to develop a luxury resort in Brazil. Don't let scam artists con you with exotic investment opportunities. Protect your money by taking the extra steps to investigate any investment offer," said Keith M. Woodwell, Director of the Utah Division of Securities.

The charges against Kelson stem from her solicitation of funds for a start up company called SDC Financial Services. Kelson raised \$149,400 from three investors, two of whom were employees of a Utah mortgage company where Kelson used office space. Investors were told Kelson needed the money to purchase a Letter of Credit which could be used to guarantee a bank loan of \$15 million to develop property Kelson owned in Brazil and Park City, Utah. Kelson claimed they would receive five to six times their initial investment in two to four weeks and were given promissory notes to that effect. Kelson did not pay back investors and instead used \$24,000 of investor funds on personal care, groceries, the down payment on a condominium, and other living expenses. Kelson failed to tell investors about 33 past law suits which resulted in over \$764,000 in judgments. To date, none of the investors have received money back from Kelson.

"This scam should be a warning to everyone to hold and protect their money from anyone who promises easy money," says Attorney General Mark Shurtleff. "As the economy continues to suffer we will likely see more people suffering from con artists who are eager to take money by any means."

The charges against Kelson were filed March 2004 and a warrant was issued for her arrest. Kelson was arrested three years later in Atlanta, Georgia as she returned to the United States from abroad. Kelson's preliminary hearing took place in May 2007, after which she was bound over for trial. After several delays, the jury trial was scheduled for February 2009. The case was prosecuted by the Financial Crimes Unit of the Utah Attorney General's office and was investigated by the Utah Division of Securities.

Investors are urged to contact the Division of Securities to make sure anyone offering investments is licensed, by calling (801) 530.6600, toll free at 1.800.721.7233 or logging on to [www.securities.utah.gov](http://www.securities.utah.gov).

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