



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

Department of Commerce

Division of Securities

FRANCINE A. GIANI
Executive Director

KEITH WOODWELL
Director, Division of Securities

May 29, 2014

MEDIA ALERT

Oregon man ordered to pay \$413K for defrauding Utah investors in elaborate foreign currency trading and Brazilian emerald selling schemes

*"Jack Phillips took \$330K from 4 Utah investors, promised 300-500% return with no risk"
(For immediate release...)*

SALT LAKE CITY, Utah – The Utah Securities Commission issued a Final Order against Jack Phillips, an Oregon resident, for conning Utah investors into several phony investment schemes involving travel cards, foreign currency trading, and importing Brazilian emeralds for sale all while promising guaranteed returns of 300 to 500% with no risk to investors. The Final Order states Phillips violated Utah law for: offering an unregistered security, not holding a Utah license to sell securities, failing to disclose his prior criminal record, misrepresenting key information about the investments and any possible risks associated with investing in foreign currencies and reselling imported gemstones, and failing to disclose financial statements and company background information to potential investors.

"Mr. Phillips promoted so many fanciful pitches that our investigative file read like a Hollywood script," commented Keith Woodwell, "Instead of receiving valuable gemstones and currency profits, our victims were left with huge financial losses, low-grade uncut emeralds and travel cards that bore no value over the paper they were printed on."

According to the terms of the Final Order, Jack Phillips is directed to pay a \$413,750 state fine, cease and desist all securities-related activities, is permanently banned from associating with any investment advisor or broker dealer licensed in Utah for life, barred from representing any issuer or solicitor of investment funds for life, and can never become licensed in the securities industry in Utah. The case was presented to the Utah Securities Commission by Keith Woodwell, Division Director and Paul Amann, Assistant Utah Attorney General. The case was investigated by Adam Sweet, investigator with the Division of Securities.

"We congratulate the Attorney General's office for their hard work on putting this case together with our Division of Securities. Commerce continues to appreciate the renewed energy and leadership at the Attorney General's office," stated Francine A. Giani, Executive Director, Utah Department of Commerce.

About the Utah Securities Commission

The Division of Securities is advised by an independent commission comprised of five Utah citizens. Each member is appointed by the governor and serves a four-year term. Two members must come from the securities brokerage community, one member must be a member of the securities section of the Utah State Bar, one member must come from a corporation which is not a reporting company, and one member must come from the public at large who has no active participation in the securities business. Section § [61-1-18.5](#) is the statutory authority for the Securities Commission.

About the Utah Division of Securities

The Division of Securities enhances Utah's business climate by protecting Utah's investors through education, enforcement, and fair regulation of Utah's investment industry while fostering opportunities for capital formation. Investors should do business with licensed securities brokers and advisers and report any suspicion of investment fraud to the Utah Division of Securities by calling (801) 530.6600; toll free at 1.800.721.7233 or logging on to www.securities.utah.gov.

For media enquiries contact:

Jennifer Bolton

Public Information Officer

Utah Department of Commerce

(801) 530-6646 office

(801) 652-8322 cell

jenniferbolton@utah.gov

Follow us on Twitter@UtahCommerce