

SECURITIES COMMISSION MEETING

MINUTES

February 25, 2010

Securities Staff

Keith Woodwell, Director
Dave Hermansen, Manager of Compliance
Benjamin Johnson, Manager of Corporate Finance
George Robison, Manager of Licensing
Nadene Adams, Administrative Assistant
Thomas Brady, Analyst
Chip Lyons, Analyst
Julie Price, Executive Secretary

Commission Staff

Laura Polacheck, AARP
Jane Cameron, Zions Bank
Erik Christiansen, Parsons Behle & Latimer
Michael O'Brien, VanCott Bagley Cornwall & McCarthy

Minutes – A motion was made and seconded to approve the September 17, 2009 minutes. There was a correction to the minutes as indicated by the wrong date. The correct date should be November 18, 2009. The motion passed unanimously with the correction.

Directors Report – Keith Woodwell gave an update on the status of the Division's base budget for fiscal year 2010 and the current balance of the Securities Investor Education and Training Fund. Keith explained that the Legislature had swept \$1,800,000 from the Education and Training Fund as part of the efforts by the Legislature to balance the General Budget in the current fiscal year. This left a balance of approximately \$460,000 in the Education and Training Fund. As part of the sweep the Legislature gave the Department of Commerce credit against any further budget cuts in the current fiscal year. Keith reported that the Division is on track to break even on its FY2010 base budget of \$1,624,600.

Keith reported on recent personnel changes within the Division. Julie Price was introduced as the new Division Executive Secretary; she replaces Pam Radzinski who has transferred to the Real Estate Division. Julie previously worked for the Division of Real Estate. Diana Parrish, an investigator in the Division's Enforcement Section has announced that she will retire on March 18; however, Diana will continue to work on contract 10 hours per week for the next several months to complete the cases that she is currently investigating. Keith also announced that Joseph Gatton, a Compliance Section Examiner, will be leaving the Division in the fall to go to law school. Due to budget cuts and a Department-wide hiring freeze, the Division is unlikely to be able to replace Diana and Joseph in the immediate future.

Keith also provided an update on recent investor education efforts of the Division.

Compliance Section Report- Dave Hermansen provided a report on recent cases handled by the Compliance Section.

Corporate Finance Section Report – Benjamin Johnson provided a report on current trends in the Corporate Finance Section. There has been a drop in the number of registrations and exemptions filed with the Division in the past quarter. The Division will soon be moving to electronic filing of Form Ds as part of a nation-wide effort to roll out the federal electronic filing system to all the states.

Enforcement Section Report – Tom Brady provided a report on recent cases handled by the Enforcement Section.

Licensing Section Report – George Robison provided a report on current licensing trends and new rules promulgated for licensees.

Education Fund Expenditure Report – Benjamin Johnson reviewed the updated expenditure report for the Education and Training Fund and discussed the line items that were being requested by the Division for Commission

approval. The Commission reviewed the report and voted to approve the Division's requests.

The grant request for Perfect Home Living was presented by Keith Woodwell. The commission reviewed the request and put it to a vote. The grant request was denied because the grant did not meet the statutory requirements.

Approval of Stipulation and Consent Orders

Banc of America Securities/Investment –Dave Hermansen reported on the NASAA settlement for Banc of America's sales of auction rate securities. Utah's share of the fine imposed is \$179,449.72.

Action: Laura Polacheck made a motion to approve the Stipulation and Consent Order. Both Eric Christiansen and Michael O'Brien recused themselves. There was not enough commission members present for a vote. This matter will be sent to Tim Bangerter for his consideration.

Donald Westly Dennett – Tom Brady reported on the background of the case and the details of the proposed Stipulation and Consent Order.

Action: Laura Polacheck made a motion to approve the Stipulation and Consent Order. Michael O'Brien recused himself. The motion was seconded and carried.

Jeremy A. King – Tom Brady reported on the background of the case and the details of the proposed Stipulation and Consent Order.

Action: Laura Polacheck made a motion to approve the Stipulation and Consent Order. The motion was seconded and carried.

Tyree Mackey – Tom Brady reported on the background of the case and the details of the proposed Stipulation and Consent Order.

Action: Laura Polacheck made a motion to approve the Stipulation and Consent Order. The motion was seconded and carried.

Poulson Investing LLC. – Tom Brady reported on the background of the case and the details of the proposed Stipulation and Consent Order.

Action: Laura Polacheck made a motion to approve the Stipulation and Consent Order. The motion was seconded and carried.

Thomas Royal Woolstenhulme- Tom Brady reported on the background of the case and the details of the proposed Entry of Default Order.

Action: Laura Polacheck made a motion to approve the Default Order. The motion was seconded and carried.

Consideration of Proposed Rule Amendments: Chip Lyons presented the proposed rule amendments on dishonest and unethical business practices (R164-6-1g). Chip explained that the rule incorporates the NASAA model rule on the use of senior designations. The commission approved the rule amendment as written.

Next Meeting – Thursday, April 28, 2010, at 2:00pm.

Meeting Adjourned.

Approved: _____
Laura Polacheck
Chairman

Date: _____