

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE  
OF THE STATE OF IDAHO**

STATE OF IDAHO, Department of Finance, Securities Bureau,	)	Docket No. 2013-7-8A
	)	
Complainant,	)	<b>AGREEMENT &amp; ORDER</b>
	)	
	)	
vs.	)	
	)	
Douglas S. Roberts,	)	
	)	
Respondent.	)	

The Director of the Department of Finance (“Department”) has conducted an inquiry into the securities activities of Respondent Douglas S. Roberts (“Roberts”). Pursuant to said investigation, it appears that violations of the Idaho Uniform Securities Act, Idaho Code § 30-14-101 *et seq.* may have occurred. The Director and Respondent have agreed to resolve this matter without a public hearing or other adjudication. Therefore, the Director deems it appropriate and in the public interest that this Agreement and Order be entered. Respondent consents to the entry of this Agreement and Order.

**I. BACKGROUND**

1. Roberts is an Idaho resident who resides in Ada County, Idaho.
2. During all times pertinent to this Order, Marc S. Jenson resided either in Utah or California. Jenson was the subject of a securities fraud proceeding initiated by the State of Utah in 2005, in which Jenson entered a plea of “no contest” in 2008 to charges of selling unregistered securities as part of a plea in abeyance arrangement.
3. Jenson knew Roberts through marriage to a Roberts relative. Jenson sometimes spoke to Roberts at family gatherings, informing Roberts of business ventures with which Jenson was involved. During 2008, Jenson informed Roberts that Jenson had acquired and possessed a series of original art pieces that had an appraised valuation exceeding \$22 million. At that time, Jenson indicated that he was in the process of marketing the artwork.

4. Later in 2008, Jenson began a directed effort to talk with Roberts more frequently about Jenson's business activities, with an apparent view toward influencing Roberts to assist him with some of his business ventures. One of the business projects that Jenson promoted to Roberts involved the federal EB-5 immigrant visa program. Under this program, foreign nationals who were committed to investing significant sums in U.S. businesses that created jobs in the U.S. could obtain visas to immigrate into the United States. Jenson informed Roberts that he was actively seeking to liquidate the artwork to unlock Jenson's equity to assist in funding Jenson's business ventures, including the business opportunity related to the EB-5 program.

5. In late 2008, Jenson solicited funds directly from Roberts as a short-term loan, telling Roberts that a sale of the artwork was imminent. Due to their long-standing relationship, Roberts agreed to lend Jenson money and forwarded a significant amount to him over a period of approximately 10 days in late November and early December of 2008.

6. In January 2009, Roberts traveled to California at Jenson's request to learn more about Jenson's business activities, including the business being developed by Jenson and his apparent partners related to the EB-5 program. Thereafter, Roberts became more involved with Jenson and his apparent business partners. At or near that time, Jenson solicited Roberts to assist him in identifying sources of funds that Jenson could use in his business activities. An agreement was reached that Roberts would assist in identifying lenders/investors and that such individuals or entities would receive an indirect security interest in the artwork that Jenson continued to insist was close to being liquidated. The indirect security interest was documented through a security agreement, apparently prepared by Jenson's attorney, giving Roberts a blanket security interest in the artwork as an agent for persons loaning funds to Jenson. Roberts' security interest was subordinate to a first lien on the artwork to secure an earlier \$1.3 million loan made by another individual to Jenson.

7. Roberts engaged in promotional activities on behalf of Jenson and aided Jenson in raising money from Idaho residents. Roberts also became further involved in related aspects of some of Jenson's business ventures. While Roberts was generally aware of the securities law proceeding filed by the State of Utah against Jenson, Jenson provided Roberts with written information about the proceeding, which Jenson represented had been prepared by knowledgeable and reputable attorneys, that convinced Roberts not to be overly concerned about Jenson's activities, and Roberts passed that information along to some Idaho lenders. At some point during his

efforts, Roberts agreed to execute documents wherein he personally guaranteed Jenson's performance on some loans made to Jenson. For his part, Jenson provided "Secured Promissory Notes" to Idaho lenders. All of the documents relating to the loans were prepared by Jenson's attorney.

8. As a result of Roberts' direct efforts, Jenson issued more than \$600,000 in notes to Idaho investors. Also as a result of Roberts' efforts, other Idahoans assisted Jenson in borrowing funds from other Idaho investors. Roberts personally guaranteed performance on more than \$1,000,000 in loans made to Jenson by Idaho residents.

## **II. FINDINGS OF THE DEPARTMENT OF FINANCE**

9. Between January 2009 and April 2009, Roberts aided in the offer, sale and issuance of secured promissory notes to various Idaho individuals. Roberts issued personal guarantees to multiple Idaho individuals in conjunction with the notes issued by Jenson.

10. Idaho Code § 30-14-301 provides that it is unlawful for any person to sell or to offer to sell any security in this state unless (a) the security is a federal covered security; (b) the security, transaction or offer is exempted from registration under sections 30-14-201 through 30-14-203, Idaho Code; or (c) the security is registered under the Act.

11. Respondent materially aided in the offer and sale of unregistered, non-exempt securities in violation of § 30-14-301.

12. Idaho Code § 30-14-501 provides that, in connection with the offer and sale of a security, it is unlawful to omit material facts, to misrepresent material facts, or to engage in a scheme or artifice to defraud.

13. Respondent violated I.C. § 30-14-501. For example, the Respondent, through his representations, may have led investors to have a false sense of security by referring investors to documentary material that Respondent believed to explain and/or dispel certain derogatory facts regarding Jenson.

## **III. AGREEMENT, ACKNOWLEDGEMENT & REMEDIES**

1. For the purpose of resolving the Department's investigation, the Respondent neither admits nor denies the Complainant's findings that he engaged in violations of Idaho Code § 30-14-301 or Idaho Code § 30-14-501.

2. Respondent agrees not to solicit, recommend, offer or sell any securities in the state of Idaho for a period of two (2) years. Respondent further agrees that for an additional period of two (2) years he shall not solicit, recommend, offer or sell any securities in the state of Idaho without obtaining prior specific written approval of the Complainant.

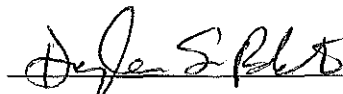
3. Respondent agrees not to apply for registration in Idaho as a securities salesperson or investment adviser representative for a period of two (2) years. Respondent further agrees that for an additional period of two (2) years he shall not apply for registration in Idaho as a securities salesperson or investment adviser representative without obtaining prior specific written approval of the Complainant.

4. Respondent represents that the information provided to Complainant in its investigation of this matter is accurate and complete.

5. Respondent agrees to cooperate with the Complainant in the event the Complainant initiates enforcement action against any other Idaho resident related to this matter involving Marc Jenson.


6. Respondent agrees to comply with all provisions of the Idaho Uniform Securities Act in the future. In the event that the Respondent commits a violation of the Act within one (1) Year of the date of this Order, Respondent acknowledges that Complainant can incorporate the allegations giving rise to this Order in any future proceeding, and hereby waives any statute of limitations applicable to these allegations.

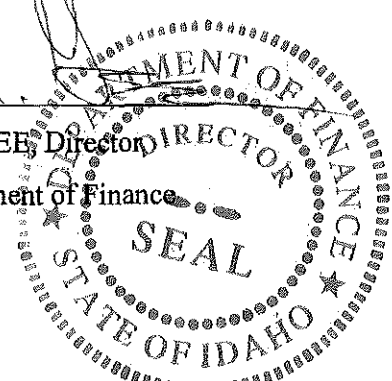
AGREED TO and ACKNOWLEDGED this 10 day of December, 2013.

  
\_\_\_\_\_  
DOUGLAS S. ROBERTS

**IT IS SO ORDERED.**

DATED this 17<sup>th</sup> day of December, 2013.

  
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GAVIN M. GEE, Director  
Idaho Department of Finance



The seal is circular with a double border. The outer border contains the text "DEPARTMENT OF FINANCE" at the top and "STATE OF IDAHO" at the bottom, separated by two stars. The inner border contains the word "SEAL" in the center.