

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

STATE OF IDAHO, Department of Finance,  
Securities Bureau,  
  
Complainant,  
  
vs.  
  
James Daniel Helgeson  
  
Respondent.

Docket No. 2017-7-15-J

**AGREEMENT AND ORDER**

The Director of the Department of Finance, State of Idaho ("Director") has instituted an investigation into the conduct of James Daniel Helgeson. Pursuant to said investigation, it appears that violations of the *Idaho Uniform Securities Act (2004)* ("Act"), *Idaho Code §30-14-101 et seq.* have occurred. The Director and James Daniel Helgeson have agreed to resolve this matter without a public hearing. Therefore, the Director deems it appropriate and in the public interest that this Agreement and Order ("Order") be entered and the Respondent consents to the entry of this Order.

**RESPONDENT**

1. **James Daniel Helgeson** ("Helgeson") is a 76 year-old male with a last known mailing address of 710 Grand Ave, Suite 1, Billings, Montana. He has been licensed with the Montana Insurance Department since 1982. Helgeson registered with the State of Montana as an investment advisor representative in 1998. He registered as a broker-dealer representative with the Financial Industry Regulatory Authority ("FINRA") and the State of Idaho in 1988 and 2001, respectively, and received a Central Registration Depository ("CRD") number of 1016562. As of September 19, 2012, Helgeson was no longer registered to sell securities and as of August 4, 2014, he was no longer registered to provide investment advice.

**WOODBRIIDGE BACKGROUND**

2. Woodbridge Mortgage Investments Funds 2, 3, 3A, and 4, LLC (collectively "the Woodbridge Funds"), claimed an exemption from securities registration, under the Securities Act of 1933, by filing a Rule 506 Regulation D with the State of Idaho for each fund between 2014-2016.

3. The Woodbridge Funds were in the business of investing in real estate and providing commercial mortgage loans to borrowers. Units of the company were sold to investors through independent contractors. In exchange for their investment, investors were provided an Operating Agreement and were to receive dividends and profit sharing.
4. The Woodbridge Funds provided commercial loans to borrowers with funds they raised by selling First Position Commercial Mortgage (“FPCM”) loans. FPCM loans were unregistered securities, in the form of promissory notes and investment contracts. In exchange for their investment, FPCM investors received interest and a first position mortgage on the commercial borrower’s real estate.
5. Woodbridge, and their affiliates, filed for chapter 11 bankruptcy on December 4, 2017 citing “unforeseen costs associated with ongoing litigation and regulatory compliance.”
6. On December 20, 2017, the Securities and Exchange Commission (“SEC”) filed a complaint against Woodbridge and its affiliates, alleging that Robert Shapiro, owner of Woodbridge, conducted a nationwide Ponzi scheme that raised over \$1.22 billion from over 8,400 investors. The complaint asserts that Woodbridge’s FPCM loans were unregistered securities and the company paid unregistered agents to sell the investments.

### **IDAHO INVESTOR**

7. Helgeson solicited and sold investment contracts, as an agent of Woodbridge, to at least one Idaho couple, MG & CG. MG & CG invested \$100,000 on October 8, 2014 and \$103,800 on May 2, 2015. Helgeson received commissions and bonuses of \$10,523.33 from these sales.
8. Helgeson was not registered to sell securities in Idaho, nor did he qualify for an exemption.

### **FINDINGS OF VIOLATIONS**

#### **OFFER & SALE OF SECURITIES BY AN UNREGISTERED AGENT**

9. *Idaho Code §30-14-102(2)* defines an “agent” as an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or

who represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities.

10. Pursuant to *Idaho Code §30-14-402*, it is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this chapter as an agent or is exempt from registration as an agent under subsection (b) of this section.
11. Helgeson offered and sold Woodbridge investment contracts to an Idaho resident. Helgeson was not registered to sell securities, nor did he qualify for a registration exemption at the time the securities were sold, in violation of *Idaho Code §30-14-402*.

#### FRAUD PROVISIONS

12. Pursuant to *Idaho Code §30-14-501*, it is unlawful for any person, in connection with the offer, sale, or purchase of a security, directly or indirectly: (2) To make an untrue statement of material fact or to 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.
13. Omissions:
  - a. Helgeson failed to disclose that that he was not registered as an agent to sell the securities being offered as required by the Idaho Uniform Securities Act.
14. Helgeson violated *Idaho Code §30-14-501(2)* by omitting material facts in connection with the sale of a security.

#### ACKNOWLEDGMENT AND REMEDIES

15. Respondent agrees to the entry of the Order.
16. Respondent neither admits nor denies the findings of violations of Idaho law set forth in this Order.
17. Respondent agrees to pay restitution of ten thousand, five hundred, twenty-three dollars, and thirty-three cents (\$10,523.33). Said restitution is to be paid not later than thirty (30) days from

the date the Director executes this Order. Payment shall be made to the "Idaho Department of Finance".


18. Respondent agrees to pay a civil penalty of three thousand dollars (\$3,000) for the violations of the Act, pursuant to *Idaho Code §30-14-604(d)*. Said civil penalty is to be paid not later than thirty (30) days from the date the Director executes this Order. Payment shall be made to the "Idaho Department of Finance".
19. Respondent agrees to not now, nor in the future, offer or sell securities in, into, or from Idaho without complying with the requirements of the Act and its rules.
20. In the event that the Respondent commits future violations of the Act or fail to adhere to the terms of this Order, Respondent acknowledges that the Idaho Department of Finance can incorporate the allegations giving rise to this Order in any future proceeding.

AGREED TO and ACKNOWLEDGED this 28<sup>th</sup> day of September, 2018.

  
JAMES HELGESON

**IT IS SO ORDERED**

DATED this 28<sup>th</sup> day of SEPTEMBER, 2018.

STATE OF IDAHO  
DEPARTMENT OF FINANCE  
  
GAVIN M. GEE, Director of Finance

