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BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT, Complainant, vs. TAYLOR DEAN OGDEN, and AMERICAN PROSPERITY LLC, Respondents.	NOTICE OF AGENCY ACTION AND ORDER Docket No. 2024-4588 Donald H. Hansen Administrative Law Judge/Presiding Officer
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NOTICE OF AGENCY ACTION

The Utah Insurance Department (“the Department”) commences this agency action as an informal adjudicative proceeding against Respondent Taylor Dean Ogden, and Respondent American Prosperity LLC., pursuant to Utah Code § 31A-2-201 and 63G-4-201 through -203 and to Utah Admin. Code R590-160.

This agency action is based on the facts and law set forth in the attached Declaration and is designated as an informal adjudicative proceeding pursuant to Utah Code § 63G-4-202(1) and Utah Admin. Code R590-160-4 and -7.

ORDER

Based on the facts and the law set forth in the attached Declaration, and good cause appearing, the Utah Insurance Commissioner orders as follows:

1. Respondent Ogden's resident producer individual insurance license number 122528 is revoked.

2. Respondent American Prosperity's resident producer organization insurance license number 481277 is revoked.

3. Pursuant to Utah Code § 63G-4-203(1)(i) and Utah Admin. Code R590-160-7(1), this informal adjudicative proceeding shall be deemed closed, and this Order shall become final and take full effect, 15 days after this Notice of Agency Action and Order is emailed to Respondents unless a request for a hearing on this matter is received from Respondents prior to that date.

4. A request for a hearing shall be in writing and sent by email to uidadmincases@utah.gov or by U.S. mail to Office of the Administrative Law Judge, Utah Insurance Department, 4315 S. 2700 W., Suite 2300, Taylorsville, UT 84129.

5. The request for hearing shall be signed by the person making the request and shall state the basis for the relief requested.

6. If you fail to request a hearing you will be bound by this Order. Failure to request a

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hearing will be deemed a failure to exhaust administrative remedies and will preclude any further administrative or judicial review or appeal of this matter.

DATED this 2nd day of February 2024.

JONATHAN T. PIKE
Utah Insurance Commissioner

/s/ Donald H. Hansen
DONALD H. HANSEN
Administrative Law Judge/Presiding Officer
Utah Insurance Department
4315 S. 2700 W., Suite 2300
Taylorsville, UT 84129
Telephone: 801-957-9321
Email: uidadmincases@utah.gov

NOTICE REGARDING ENFORCEMENT OF THE ORDER

Failure to obey this Order may subject you to further penalties that include a forfeiture of up to \$5,000 per violation, with each day of the violation constituting a separate violation. Other penalties for failing to obey this Order may include license suspension, probation, refusal to renew, or revocation. Failure to obey this Order may also result in an action being taken against you in a court of competent jurisdiction where forfeitures of up to \$10,000 for each day the failure to comply continues until judgment is rendered. If you are licensed in other jurisdictions, you may be required to report this proceeding in those jurisdictions.

DECLARATION

Under criminal penalty of Utah law, I, Bill Stimpson, declare the following:

1. I am currently employed as a Market Conduct Examiner with the Utah Insurance Department (“Department”) where my responsibilities include investigating and enforcing Utah insurance laws.

2. I submit this Declaration as the basis for issuing the Notice of Agency Action and Order against Taylor Dean Ogden (“Respondent Ogden”) and American Prosperity LLC., (“Respondent American Prosperity”) (jointly “Respondents”) to which this Declaration is attached.

3. Based on my personal knowledge and/or based on the facts appearing in the Department’s records and files, the following facts are true:

a. Respondent Ogden is a resident producer individual insurance licensee, authorized to do insurance business in Utah under Utah license number 122528.

b. Respondent American Prosperity is a resident producer organization licensee, authorized to do insurance business in Utah under Utah license number 481277. Respondent American Prosperity offers life and health insurance and is 100% owned and managed by Respondent Ogden.

c. Respondent Ogden was once licensed in Utah as a securities broker-dealer agent from 2000 through 2011 but has not been licensed in the securities industry since 2011. At no time has Respondent American Prosperity been licensed in the securities industry, and has never recorded a securities registration, exemption from registration, or notice filing with the Utah Division of Securities (“Division”).

BACKGROUND – WOODBRIDGE

d. The Woodbridge Group of Companies (“Woodbridge”) is a Delaware limited liability company owned by Robert Shapiro (“Shapiro”).

e. Between 2014 and 2017, Woodbridge purported to offer short-term commercial loans secured by real estate (“Woodbridge investment products”). The commercial loans were funded by investments called First Position Commercial Mortgage Loans.

f. Woodbridge investment products were promissory notes which were not registered as securities with the Utah Department of Commerce, Division of Securities and did not qualify for an exemption from registration. Woodbridge investment products were not insurance products or annuities.

g. In December 2017, the United States Securities and Exchange Commission (“SEC”) filed a complaint against Woodbridge, alleging that Shapiro orchestrated a Ponzi scheme that raised over \$1.22 billion from over 8,400 investors, many of them elderly. *See Securities and Exchange Commission v. Robert H. Shapiro, Woodbridge Group of Companies LLC et al*, case no. 17-24624, United States District Court, Southern District of Florida, filed December 20, 2017.

h. When investor funds were sent to Woodbridge, the funds were used to pay sales commissions to agents, to pay previous investors with funds from later investors, and to fund Shapiro’s personal lifestyle. *See id.*

i. In December 2017, Woodbridge filed Chapter 11 bankruptcy. *See Woodbridge Group of Companies, LLC, et al*, Case No. 17-12560, U.S. Bankruptcy Court, District of Delaware, filed December 4, 2017.

j. In August 2019, Shapiro entered into a plea agreement to multiple felonies and was sentenced to 25 years in federal prison.

FACTUAL ALLEGATIONS

k. On or about January 27, 2022, the Utah Department of Commerce, Division of Securities (the “Division”) initiated an administrative action against the Respondents which alleged that from March 2017 to October 2017, Respondents knowingly and intentionally offered and sold investment opportunities to at least five (5) Utah investors and two (2) Idaho investors and raised approximately \$1,468,558 in connection to the Shapiro Ponzi scheme, associated with Woodbridge.

1. The allegations further alleged that Respondents, either directly or indirectly, made material omissions and/or misrepresentations of material fact; Respondent Ogden acted as an unlicensed agent; Respondent Ogden acted as an unlicensed investment adviser representative when he advised investors remove their retirement funds from investment in the stock market and to purchase Woodbridge products and then received compensation in connection therewith; Respondent American Prosperity paid and employed Respondent Ogden as an agent to offer and sell Woodbridge securities to investors, when Respondent Ogden was not licensed in the securities industry to do so; and Respondents offered and/or sold securities that were not registered with the Division, did not qualify for an exemption from registration, and were not federal-covered securities for which any notice filing was made; Respondents failed to disclose material information to investors; and Respondents failed to conduct reasonable due diligence on the Woodbridge securities, which had been the subject of numerous regulatory actions and/ or investigations for its business practices, before soliciting investors.

m. The investment opportunities offered and sold by Respondents are investment contracts or promissory notes, which are securities under §61-1-13 of the Act.

n. Many of these investors were already Respondent Ogden's insurance clients.

o. All investors Respondents sold the Woodbridge investment to are considered vulnerable adults and were retired at the time of solicitation. Respondent Ogden visited most investors in their homes and provided investors with brochures of the Woodbridge investment. Several investors liquidated retirement accounts and used retirement funds to invest in Woodridge.

p. During the solicitations, Respondents made material misstatements and false representations to investors regarding the investment opportunity in Woodbridge, including, but not limited to, the following:

1. That investor funds would be used to provide commercial bridge loans to purchase properties;

2. Investor funds would be used to develop properties and profits would be generated by loan payments and property sales;

3. The investment would earn an annual return of 5% to 10%;

4. Investors would hold a first lien position on the real property that received the commercial bridge loan;

5. At least one investor would be invested in a golf course property located in South California;

6. Respondent Ogden would receive a referral fee for selling the loans, but that it would not come from investor funds;

7. Respondent Ogden's parents had invested in Woodbridge;

8. Woodbridge was a great company and longtime producer; and,

9. Woodbridge has been in business for 25 years and has consistently paid returns.

q. In connection with the investment offers, Respondents failed to disclose material information to investors including, but not limited to the following:

1. Respondents would receive approximately \$73,333 in commissions for selling the Woodbridge investment from the proceeds of investor funds;

2. Woodbridge had been the subject of numerous regulatory actions and/or investigations for its business practices including:

i. May 4, 2015, the state of Massachusetts issued an order against Woodbridge for selling unregistered securities;

ii. July 17, 2015, the state of Texas issued an Emergency Cease and Desist Order against Woodbridge for violations of the Texas Securities Act;

iii. October 4, 2016, the state of Arizona issued a Temporary Order to Cease and Desist against Woodbridge for violations of the Arizona Securities Act;

3. Respondents were not licensed to sell securities;

4. Some or all of the information typically provided in an offering circular or prospectus relevant to the investment opportunity, such as business and operating history; financial statements; information regarding principles involved in the company; conflicts of interest; risk factors; suitability factors for investment; and whether the securities offered were registered in the State of Utah.

r. To date, the investors are still owed approximately \$1,455,208.40 in principal alone.

s. Respondents received \$73,333.92 in commissions for selling the Woodbridge investment. The investment notes were not registered as a security and were not in compliance with the Utah Uniform Securities Act. *See In the Matter of Taylor Dean Ogden, American Prosperity LLC*, Docket No. SD-22-001 and SD-22-002.

t. During the investigation, the Division obtained Respondent Ogden's declaration dated September 27, 2020, from the Idaho Department of Finance, Division of Securities. In the declaration, Respondent Ogden stated that in 2016, he was contacted by Woodbridge after an American Prosperity representative gave his contact information to Woodbridge. Respondent Ogden stated that Woodbridge sent him marketing materials and brochures in December 2016. According to Respondent Ogden, *"The attractive part about Woodbridge's service was that I never had to offer anyone a loan product. I told people that there was a company which was paying a decent interest rate for a first lien position commercial bridge loan on commercial real estate properties."* Respondent Ogden acknowledged that after he referred investors to Woodbridge, he would receive a *"loan fee"* from Woodbridge and didn't keep copies of his client's investment paperwork as required because after his referral, he was *"out of the picture"*.

u. On August 18, 2022, Respondents entered into a Stipulation and Consent Order with the Division, in which the Division made Findings of Fact affirming all of the allegations stated above. Respondents admitted to the Division's findings of Fact and Conclusions of Law with respect to the licensing violations (employing an unlicensed agent, acting as an unlicensed agent, acting as an unlicensed investment advisor representative), as well as the sale of unregistered securities violation. The Respondents neither admitted nor denied the Division's Findings of Fact and Conclusions of Law with respect to the securities fraud violations (investment

opportunities offered and sold by Respondents are securities under § 61-1-13, Respondents directly or indirectly misrepresented material facts, and Respondents omitted material facts which were necessary to make the statements made not misleading). Respondents also consented to sanctions being imposed by the Division in which the Respondents were ordered to pay a fine of \$15,000, and disgorgement of commissions in the amount of \$73,321.93.

v. To date, Respondents have only paid \$20,000 of the \$92,321.93 judgment that was ordered on August 18, 2022, in violation of Utah Code §31A-23a-111(5)(b)(iv).

w. Respondents failed to report the Division's administrative action to the Commissioner as required by Utah Code §§ 31A-23a-105(2)(b)(i)((B) and 31A-23a-111(7)(c).

x. On August 22, 2022, Respondent American Prosperity, by and through Respondent Ogden, submitted its application for renewal of its Utah resident producer license. In their application, Respondents answered "no" to the background question that asked, "have you ever been named or involved as a party in an administrative proceeding...which has not been previously reported to this insurance department".

y. On December 18, 2023, Respondent Ogden submitted an application for renewal of his Utah resident individual license. In his application, Respondents again answered "no" to the background question that asked, "have you ever been named or involved as a party in an administrative proceeding...which has not been previously reported to this insurance department".

4. The above declared facts demonstrate that the following Utah insurance law(s) were not complied with:

a. Pursuant to Utah Code § 31A-23a-111(5)(a), the Commissioner may revoke an

insurance license if the Commissioner finds a licensee violated any of the subsections of Utah Code § 31A-23a-111(5)(b);

b. Respondents violated Utah Code § 31A-23a-111(5)(b)(xv), by having admitted or been found to have committed an insurance unfair trade practice or fraud by holding themselves out, directly or indirectly, to the public as a financial planner, investment adviser, consultant, financial counselor or any other specialist engaged in the business of giving financial planning or advice related to investments and/or selling promissory notes that were unregistered securities;

c. Respondents violated Utah Code § 31A-23a-111(5)(b)(xv), by having admitted or been found to have committed an insurance unfair trade practice or fraud by holding themselves out, directly or indirectly, to the public as a financial planner, investment adviser, consultant, financial counselor or any other specialist engaged in the business of giving financial planning or advice related to investments and accepting commission payments from the sale of an unlicensed security;

d. Respondents violated Utah Code § 31A-23a-111(5)(b)(xvi)(A), when in the conduct of business in this state or elsewhere used fraudulent, coercive, or dishonest practices;

e. Respondents violated Utah Code § 31A-23a-111(5)(b)(xvi)(B), when in the conduct of business in this state or elsewhere demonstrated incompetence, untrustworthiness, or financial irresponsibility;

f. Respondents violated Utah Code § 31A-23a-111(5)(b)(xxiv), by engaging in a method or practice in the conduct of business that endangered the legitimate interests of customers and the public;

g. Respondents violated Utah Code § 31A-23a-111(5)(b)(iv), by failing to pay a final judgment rendered against Respondents within 60 days after the day on which the judgment became final;

h. Respondents violated Utah Code § 31A-23a-105(2)(b)(i)(B) by failing to report to the commissioner an administrative action taken against the person by another regulatory agency in this state within 30 days of the final disposition of the administrative action;

i. Respondents violated Utah Code § 31A-23a-111(7)(c) by failing to immediately report to the commissioner a judgment or injunction entered against the Respondents on the basis of conduct involving fraud, deceit, misrepresentation, or a violation of an insurance law or rule;

j. Respondents violated Utah Code § 31A-23a-111(5)(b)(ix), by providing information in a license application that is incorrect, misleading, incomplete, or materially untrue;

k. Respondents violated Utah Code Utah Code § 31A-23a-111(5)(b)(xi) by obtaining or attempting to obtain a license through misrepresentation or fraud;

l. Respondents violated Utah Code Utah Code § 31A-23a-104(2)(b)(v), by failing to provide information in their applications related to whether the Respondents had committed an act that is ground for denial, suspension, or revocation as set forth under Utah Code §§ 31A-23a-104, 105, or 111;

m. Respondents violated Utah Code § 31A-23a-111(5)(b)(i), by being unqualified for a license under Utah Code § 31A-23a-104, 105, or 107;

n. Respondents violated Utah Code § 31A-23a-105(5)(a)(ii) by committing an act that is grounds for denial, suspension, or revocation as set forth in Section 31A-23a-111;

o. Respondents violated Utah Code § 31A-23a-107(2)(a)(ii) by failing to meet the trustworthy character requirement;

5. Based on Utah Code § 31A-2-308 and other similar enforcement cases, Respondent Ogden's resident producer individual insurance license, number 122528, and Respondent American Prosperity's resident producer organization insurance license, number 481277, should be revoked.

DATED this 29th day of January 2024, at Salt Lake City, Salt Lake County, Utah.

/s/ Bill Stimpson

Bill Stimpson, Market Conduct Examiner
Utah Insurance Department

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date a true and correct copy of the foregoing
Notice of Agency Action and Order, with the Declaration attached to it, was emailed to:

Taylor Dean Ogden
[REDACTED]
[REDACTED]
[REDACTED]

American Prosperity LLC
[REDACTED]
[REDACTED]
[REDACTED]

and

Bill Stimpson
Utah Insurance Department
[REDACTED]

DATED this 2nd day of February 2024.

/s/ Jeanine Couser
Jeanine Couser
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801-957-9321