

SEC says Sanpete County man gambled with investor money

In preliminary court hearings, SEC unearths new details in its multimillion investor fraud case against Fountain Green man

By Chad Hunt
Staff Writer

FOUNTAIN GREEN — The U.S. Securities and Exchange Commission is looking into whether a Fountain Green man accused of operating a multimillion dollar Ponzi scheme may have used investor funds to run up gambling and bar tabs at casinos in Las Vegas.

In its initial investigation against Wendell Jacobson, the SEC had used court records to establish that he had visited the MGM Grand at least 18 times under the names Charles Schwartz or Charles Swartz from 2003 to 2009, said Ken Israel, regional director for the SEC's Salt Lake City office.

In a January court hearing, where Jacobson tried to quash SEC subpoenas to try to gather information as to whether he had visited other Las Vegas casinos, including The Bellagio, Mandalay Bay and The Mirage, the SEC provided details to the court that showed that Jacobson used a fake name and stayed under a \$10,000 buy-in limit so he would not have to disclose his identity when he gambled at the casinos.

Israel said Judge Bruce Jenkins declined Jacobson's request to quash the subpoenas, and those searches have gone forward.

"In our view, there wasn't any other source of money than investor money here," Israel said. "What we're trying to do is prove that he violated securities laws, and that he engaged in a scheme to defraud investors."

Chris Infanger, attorney for Jacobson, said while the SEC was given permission to continue their search into casino records on procedural grounds, he said Judge Jenkins was also quick to grant Jacobson a court order to protect him from what might be turned up.

"The SEC cannot share those docs without further court order," Infanger said. "We will emphatically state Mr. Jacobson was not running a Ponzi scheme."

Infanger said the two-week trial is scheduled to begin May 21. He said he has requested that it be a jury trial, but that no ruling has yet been made on whether or not that will take place.

During the trial, which is set to take place in U.S. District Court for Utah, the SEC will attempt to make its case that Jacobson swindled more than 225 investors out of more than \$200 million.

In its initial Dec. 15, 2011, filing of a civil suit, which also named as defendants Jacobson's son Allen and several companies operating under the umbrella of Management Solutions, Inc.,

the SEC stated that it believed that the pair had used their membership in The Church of Jesus Christ of Latter-day Saints to "make connections and win over the trust of prospective investors" to carry out a "wide-scale ... Ponzi scheme."

Since the case was filed, all of Jacobson's business assets, including large apartment complexes, have been placed under the supervision of a court receiver, attorney John A. Beckstead of Salt Lake City.

"In the meantime the [court-appointed] receiver has been working on gathering assets, trying to determine what's there, what isn't," Israel said. "Eventually, his goal is to distribute whatever money still exists back to some of those investors."

In a Feb. 3 preliminary hearing, Allen Jacobson's legal counsel filed a motion on his behalf seeking protection from actions taken by Beckstead, which he said have been overbroad and unconstitutional.

Neil Kaplan, who is part of the legal team from Clyde Snow & Sessions representing Allen, said the motion, if approved, would either vacate the current receivership order or modify it to protect Allen from information dug up in searches conducted by the FBI and IRS of Allen's home as well as additional searches.



COURTESY

Dennis Jorgensen, left, is presented a Patriot Award by Duane Gerety along with Shane Yergensen Jan. 20 in Richfield. The Patriot Award is given to employers who support active National Guard and other military reserve officers who are deployed.

Jorgensen's earns Patriot Award

Spc. Duane Gerety nominated his employer for support given to him during the deployment of the 2nd Battalion 222nd Field Artillery of the Utah Army National Guard last year.

Jorgensen's Honda, where Gerety works as a technician, was presented the award by the Employer

Support of the Guard and Reserve Jan. 20.

"It's for all the support that they've given me through the last couple of years and my deployment," Gerety said. He said the business and his supervisor, Shane Yergensen, have supported him in allowing him time off for regular drill exercises.

"They've always been very supportive," Gerety said. He said Jorgensen's also allowed time off for him to spend with his family after completing his deployment.

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65 West Center Street, Richfield, UT 84701
(435) 896-5476
cherry@richfieldreaper.com

News tip? Call us at (435) 896-5476