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January 9, 2007

MEDIA ALERT

Farmington man faces Criminal Charges for \$6,289,199 in Securities Fraud

"Jessee told 60 Utah investors 'He never had a deal go bad', lost millions"

(For immediate release...)

SALT LAKE CITY, Utah – Francine A. Giani, Executive Director of the Utah Department of Commerce and Mark Shurtleff, Utah Attorney General announced today that criminal charges have been filed against Philip T. Jessee, of Farmington, for ten counts of Securities Fraud, one count of Communications Fraud, and one count of a Pattern of Unlawful Activity. The charges against Jessee, age 44, stem from his offering of unregistered securities through his Great Salt Lake Mortgage and other companies to 60 Utah investors which violated the *Utah Securities Act*. Criminal charges were filed by on January 5, 2007 in Third District Court and Jessee has since been arrested on these charges.

"Philip Jessee told investors their money was safe with him and his real estate clients were so well-established, there was no need for investors to check them out. Sadly this was far from the truth and investors took the fall," said Francine A. Giani, Executive Director of the Department of Commerce, "We urge consumers to take five minutes and call the Division of Securities to make sure the offer and the promoter are legitimate."

According to charging documents, Philip T. Jessee approached 60 Utah investors between 1998 and 2005 for investments in his various companies: Great Salt Lake Mortgage Company (GSLM), Financial Benefits Corporation, and Hampton Ford Inc. He told victims their money would be used to fund mortgage loans and by doing so, the investors would earn a 17-19% return in profit. The 60 victims were primarily located in Davis and Salt Lake Counties and were issued promissory notes by Jessee. Some victims were told their notes were secured by real estate, which was not true. Jessee also failed to provide any proof of collateral and gave some investors trust deeds that were not recorded with the government and in one case, had a fake recorder's stamp.

Among the fake claims Jessee made to investors, he said that they should "feel secure, because he wouldn't do anything foolish with his own money", that this

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deal had "zero risk", claimed that "he had never let a deal go bad, that he had never been late on a payment" and that "he had made two or three of his clients a million dollars a year over the past two years."

Jessee started missing interest payments to investors in the fall of 2004 and ceased making payments all together by January 2005. He kept soliciting money from investors even after he started defaulting on his payment obligations.

In addition, Philip T. Jessee failed to disclose to investors that his securities license expired in October 2002, he had filed for Chapter 13 bankruptcy, and he faced prior civil lawsuits with judgments totaling \$592,926. To date, the 60 Utah investors have lost a total of \$6,289,199.96.

"Unfortunately this scheme is all too familiar," said Mark Shurtleff, Utah Attorney General, "New victims are used to pay off old victims until the house of cards falls apart and everyone involved is left with empty pockets."

Investors are urged to contact the Division of Securities to make sure anyone offering investments is licensed, by calling (801) 530.6600, toll free at 1.800.721.7233 or logging on to www.securities.utah.gov.

Defendants are presumed to be innocent unless they enter a guilty plea or are found guilty in a court of law.

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