

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

In the Matter of : INITIAL DECISION MAKING FINDINGS AND
: IMPOSING SANCTIONS BY DEFAULT
SHAWN H. MOORE : November 19, 2013

SUMMARY

This Initial Decision bars Shawn H. Moore (Moore) from the securities industry.

I. BACKGROUND

The Securities and Exchange Commission (Commission) instituted this proceeding with an Order Instituting Proceedings (OIP) on October 9, 2013, pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 (Exchange Act). The OIP alleges that Moore was convicted of securities fraud and other violations under Utah state law. Moore was served with the OIP in accordance with 17 C.F.R. § 201.141(a)(2)(i) on October 18, 2013, and his Answer to the OIP was due within twenty days of service of the OIP on him. See OIP at 2; 17 C.F.R. § 201.220(b). He has not filed an Answer to date. Accordingly, he has failed to answer or otherwise to defend the proceeding within the meaning of 17 C.F.R. § 201.155(a)(2). Therefore, Moore is in default, and the undersigned finds that the allegations in the OIP are true as to him.¹ See OIP at 2-3; 17 C.F.R. §§ 201.155(a), .220(f).

II. FINDINGS OF FACT

Moore was convicted of five second-degree felony counts, including four counts of securities fraud and one count of pattern of unlawful activity, and four third-degree felony counts of the sale of securities by an unlicensed agent. Utah v. Moore, Crim. No. 081908861 (3d Dist. Utah Feb. 6, 2013). In the wrongdoing underlying his conviction, Moore defrauded investors and obtained money by means of materially false and misleading statements in connection with the fraudulent sale of unregistered promissory notes while he was not registered as a securities dealer or salesman.

¹ Moore was advised that if he failed to file an Answer within the time provided, he would be deemed to be in default, and the undersigned would enter an order barring him from the securities industry. See Shawn H. Moore, Admin. Proc. Rulings Release No. 991 (A.L.J. Oct. 24, 2013).

Moore was the manager of numerous entities that were part of a larger group of approximately 150 entities formed by VesCor Capital Corp. (VesCor). From at least January 2000 until February 2008, Moore acted as an unregistered broker or dealer in violation of the federal securities laws by soliciting investors to purchase investment contracts issued by VesCor for first trust deed notes in real property owned by VesCor, guaranteeing between 10.5% and 16% return on their investment. Moore maintained investment records for over 800 VesCor investors, supervised in the preparation of investor documents such as prospectuses and monthly and annual investment statements, and balanced investor payment reports with accounting reports on a monthly, quarterly, and annual basis. VesCor raised at least \$180 million through the fraudulent sales of securities to approximately 800 investors. Between January 2000 and February 2008, Moore earned at least \$325,773 in commissions and consulting fees from VesCor for the money he raised from investors. Moore has never been registered with the Commission or any other regulatory agency.

III. CONCLUSIONS OF LAW

Moore has been convicted within ten years of the commencement of this proceeding of a felony that “arises out of the conduct of the business of a broker [or] dealer” within the meaning of Sections 15(b)(4)(B)(ii) and 15(b)(6) of the Exchange Act.

IV. SANCTION

Moore will be barred from the securities industry.² This sanction will serve the public interest and the protection of investors, pursuant to Section 15(b)(6) of the Exchange Act, and accord with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979). Moore’s unlawful conduct was recurring and egregious. Extending over a period of several years, it involved tens of millions of dollars.

V. ORDER

IT IS ORDERED that, pursuant to Section 15(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(b), SHAWN H. MOORE IS BARRED from associating with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization and from participating in an offering of penny stock.³

² The fact that Moore was not associated with a registered broker-dealer during his wrongdoing does not insulate him from a bar. See Vladislav Steven Zubkis, Exchange Act Release No. 52876 (Dec. 2, 2005), 86 SEC Docket 2618, 2627, recon. denied, Exchange Act Release No. 53651 (Apr. 13, 2006), 87 SEC Docket 2584 (barring unregistered associated person of an unregistered broker-dealer from association with a broker or dealer).

³ Thus, he will be barred from acting as a promoter, finder, consultant, or agent; or otherwise engaging in activities with a broker, dealer, or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock, pursuant to Exchange Act Section 15(b)(6)(A), (C).

This Initial Decision shall become effective in accordance with and subject to the provisions of Rule 360 of the Commission's Rules of Practice, 17 C.F.R. § 201.360. Pursuant to that Rule, a party may file a petition for review of this Initial Decision within twenty-one days after service of the Initial Decision. A party may also file a motion to correct a manifest error of fact within ten days of the Initial Decision, pursuant to Rule 111 of the Commission's Rules of Practice, 17 C.F.R. § 201.111. If a motion to correct a manifest error of fact is filed by a party, then that party shall have twenty-one days to file a petition for review from the date of the undersigned's order resolving such motion to correct a manifest error of fact. The Initial Decision will not become final until the Commission enters an order of finality. The Commission will enter an order of finality unless a party files a petition for review or a motion to correct a manifest error of fact or the Commission determines on its own initiative to review the Initial Decision as to a party. If any of these events occur, the Initial Decision shall not become final as to that party.⁴

Carol Fox Foelak
Administrative Law Judge

⁴ A respondent may also file a motion to set aside a default pursuant to 17 C.F.R. § 201.155(b). See Alchemy Ventures, Inc., Exchange Act Release No. 70708, 2013 SEC Lexis 3459, at *5-6 (Oct. 17, 2013) at 5-6.