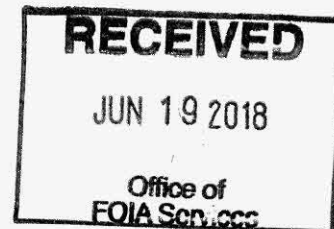


foiapa

From: [REDACTED]
Sent: Tuesday, June 19, 2018 3:29 PM
To: foiapa
Subject: Request for Document from Bladine, Jeb



Mr. Jeb Bladine
P.O. Box 727
611 NE Third Street
McMinnville, Oregon 97128
United States

[REDACTED]
jbladine@newsregister.com
News-Register Publishing Co.

Request:
COMP_NAME: News-Register Publishing Co.
DOC_DATE: Sept. 1, 2017 to June 19, 2018
TYPE: Investigations
COMMENTS: We request copies of these documents from SEC Case No. 2:28-cv00382-PMW, aka SEC v. The Falls Event Center, LLC and Steven L. Down:

Fee Waiver Requested
Expedited Treatment
Requested

1 Consent documents referenced in the SEC statement on this SEC website page:

<https://www.sec.gov/litigation/litreleases/2018/lr24139.htm>

(printed)

2 Other SEC agreements with The Falls Event Center and Steven Down, from this case

3 Any documents with information about possible or actual withdrawal by the SEC and/or Defendants from the formal judgment described in public SEC and court documents.

Related information:

Through the SEC website, and federal court records, we already have copies of:

The SEC statement of settlement for the case;

The May 10, 2018 complaint filed by SEC in federal district court in Utah;

The final judgment issued by the federal court for the SEC complaint:

The final court judgment states that defendants "waived any right to appeal from this Final Judgment," and that "Defendants' respective consents are incorporated herein with the same force and effect as if fully set forth herein,"

FEE_AUTHORIZED: Willing to Pay \$61

FEE_WAIVER_REQUESTED: Yes

FEE_WAIVER_COMMENT: This SEC case has been widely reported by local, regional and national media. The SEC made the complaint public, and the federal court has issued a public final judgment. However, subsequent reports from Defendants raised questions suggesting that this SEC action no longer is in effect.

There is significant public interest in this case from Defendants' investors and prospective investors. There is significant general public interest in our community about the status of this SEC case, since Defendants have been and continue to be major contributors to the local signature visitor site, Evergreen Aviation & Space Museum. There is significant public interest in whether this SEC case actually is finalized because Defendants are engaged in a \$20 million lawsuit against two local businessmen -- a much-reported local story.

This appears to be an unusual situation in which the SEC has issued supposedly final judgments and agreements, followed by silence as to whether those still-public documents actually are final. We believe there would be significant enhancement of public understand related to this subject, and to SEC operations, through release of these documents.

EXPEDITED_SERVICE_REQUESTED: Yes

EXPEDITE_COMMENT: Our primary business as a community newspaper is dissemination of information. In our area, and elsewhere, information about this SEC case and related stories is being used for important financial decisions affecting individuals, businesses and institutions. Those people have read extensive reporting about alleged finalization of the SEC case and are making those important decisions based in part on that reporting. We feel a strong sense of urgency to inform them of the actual status of this case -- finalized, subject to reported consent agreements, or other.

We hope that the request for Expedited Service is granted.



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SEC Files Settled Charges Against Company and Founder For Defrauding Investors in Event Center Business

Litigation Release No. 24139/ May 11, 2018

*Securities and Exchange Commission v. The Falls Event
Center, LLC and Steven L. Down*, No. 2:18-cv-00382 (D. Utah,
May 10, 2018)

On May 10, 2018, the Securities and Exchange Commission filed a complaint in the U.S. District Court for the District of Utah against The Falls Event Center, LLC (The Falls), a Utah limited liability company, and its CEO Steven L. Down of West Jordan, Utah (Down) for making material misrepresentations to investors concerning the profitability of certain of The Falls' event centers.

► [SEC Complaint](#)

As alleged in the SEC's complaint, The Falls builds and operates small event centers. Since 2011, The Falls and Down raised approximately \$120 million from more than 300 investors from the offer and sale of, among other things, convertible secured promissory notes. According to the complaint, Down solicited investments in The Falls by making presentations to groups of professionals during continuing education seminars that he sponsored. In his presentations, Down represented that some or all of the event centers were and continued to be profitable. The complaint alleges that certain of these representations to investors were untrue.

According to the complaint, from the first half of 2016 forward, members of The Falls' executive team informed Down that the event centers were not profitable. In addition, they informed Down that his event center model was unsustainable because of the millions of dollars owed to investors and to the event center mortgage holders.

In addition, The Falls' own accounting records, which Down received regularly from the Falls' CFO, indicate that, from inception through September 2017, the event centers were never profitable.

Without admitting or denying the SEC's allegations, The Falls and Down have consented to the entry of a final judgment permanently enjoining them from future violations of Sections 17(a)(2) of the Securities Act of 1933. Down has also agreed to pay a civil penalty of \$150,000.

The SEC's investigation was conducted by Scott Frost, Alison Okinaka and Cheryl Mori of the Salt Lake Regional Office, and the litigation will be led by Amy Oliver and Daniel Wadley.

Modified: May 11, 2018

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
STATION PLACE
100 F STREET, NE
WASHINGTON, DC 20549-2465

Office of FOIA Services

August 1, 2018

Mr. Jeb Bladine
News-Register Publishing Co
P.O. Box 727, 611 NE Third Street
McMinnville, OR 97128

RE: Freedom of Information Act (FOIA), 5 U.S.C. § 552
Request No. 18-02253-FOIA thru 18-02255-FOIA

Dear Mr. Bladine:

This letter is in response to your request, dated and received in this office on June 19, 2018, for records concerning the SEC Case No. 2:28-cv-00382-PMW, aka *SEC vs The Falls Event Center, LLC and Steven L. Down*. Specifically, you requested the following records:

18-02253-FOIA: Consent documents referenced in the respective SEC Litigation Release;

18-02254-FOIA: Other SEC agreements with The Falls Event Center and Steven Down, from the case; and

18-02255-FOIA: Any documents with information about possible or actual withdrawal by the SEC and/or Defendants from the formal judgment described in public SEC and court documents.

Because your request included three subjects we assigned a separate FOIA control number to each. This is in response to all three.

A search for responsive records resulted in the retrieval of the enclosed four documents (24 pages) which are being released in their entirety.

Mr. Jeb Bladine
August 1, 2018
Page Two

18-02253-FOIA
18-02254-FOIA
18-02255-FOIA

If you have any questions, please contact me at Gbenoua@sec.gov or (202) 551-5327. You may also contact me at foiapa@sec.gov or (202) 551-7900. You also have the right to seek assistance from Jeffery Ovalle as a FOIA Public Liaison or contact the Office of Government Information Services (OGIS) for dispute resolution services. OGIS can be reached at 1-877-684-6448 or Archives.gov or via e-mail at ogis@nara.gov.

Sincerely,

Amy Gbenou

Amy Gbenou
FOIA Research Specialist

Enclosure

Daniel J. Wadley [REDACTED]

[REDACTED]
Amy J. Oliver [REDACTED]

[REDACTED]
Alison J. Oknaka [REDACTED]
[REDACTED]

Attorneys for Plaintiff
Securities and Exchange Commission
351 South West Temple, Suite 6.100
Salt Lake City, Utah 84101
Tel. 801-524-5796
Fax: 801-524-3558

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

PLAINTIFF,

v.

THE FALLS EVENT CENTER, LLC and
STEVEN L. DOWN, an individual,

DEFENDANTS.

COMPLAINT

Case No.: 2:18-cv-00382-PMW

Magistrate Judge: Paul M. Warner

Plaintiff, Securities and Exchange Commission (the “Commission”), for its Complaint against defendants The Falls Event Center, LLC (“The Falls”) and Steven L. Down (“Down”) (collectively, “Defendants”) alleges as follows:

INTRODUCTION

1. This matter arises out of misrepresentations in the offer or sale of securities by The Falls and Down, its CEO and founder. Down has raised approximately \$120 million from approximately 300 investors for The Falls since 2011.

2. The Falls builds and operates small event centers that can be rented for events such as parties and weddings. Currently The Falls has eight open and operating event centers in five states.

3. The Falls offers several investment options to prospective investors. Most investors have invested in The Falls' convertible secured promissory notes (the "Notes"). The investments offered by The Falls, including the Notes, are securities.

4. Down has solicited investments in The Falls by, among other things, making presentations to groups of prospective investors during continuing education seminars that he sponsors for dentists.

5. In his presentations Down consistently represented that some or all of the event centers were and continued to be profitable. Certain of Down's representations concerning the individual event centers were untrue, however. The Falls' own accounting records indicate that, from inception through September 2017, the event centers have never been profitable on the basis of generally accepted accounting principles ("GAAP").

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction by authority of Sections 20 and 22 of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. §§ 77t and 77v]. Defendants, directly and indirectly, singly and in concert, have made use of the means and instrumentalities of interstate commerce and the mails in connection with the transactions, acts and courses of business alleged herein, certain of which have occurred within the District of Utah.

7. Venue for this action is proper in the District of Utah under Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)], because certain of the transactions, acts, practices, and

courses of business alleged in this Complaint took place in this district and because Defendants reside in and transact business in this district.

8. Defendants, unless restrained and enjoined by this Court, will continue to engage in the transactions, acts, practices, and courses of business alleged herein and in transactions, acts, practices, and courses of business of similar purport and object.

9. Defendants' conduct took place in connection with the offer or sale of investments, including Notes, issued by The Falls, which are securities.

DEFENDANTS

10. The Falls Event Center, LLC is a Utah limited liability company with its principal office in West Jordan, Utah. It was formed by Down in 2011. The Falls opened its first event center in St. George, Utah in the fall of 2013. Its most recent center was opened in McMinnville, Oregon in March 2017.

11. Steven L. Down, 60, is a resident of Draper, Utah. Down is the CEO of The Falls. From 2011 to the present, Down offered and sold investments to individuals either individually or through his entity The Falls.

STATEMENT OF FACTS

12. Down formed The Falls in 2011 as a Utah LLC.

13. Down is the CEO of The Falls. He directs The Falls' operations and makes decisions regarding how The Falls raises and spends investor funds.

14. The Falls opened its first event center in the fall of 2013 and currently has eight open and operating event center locations. The Falls typically purchases the land and constructs the event centers itself. The Falls also owns approximately 13 parcels of vacant land on which it plans to build new event centers.

15. The currently open and operating locations are in Salt Lake City and St. George, Utah; Elk Grove, Fresno and Roseville, California; Littleton, Colorado; McMinnville, Oregon; and Gilbert, Arizona.

16. The purchase and construction of the event centers is and has been financed through loans made by private investors, bearing interest rates of 10 to 14% per year. The Falls referred to these loans as “hard money” loans. The Falls obtained hard money loans because it was not able to obtain traditional bank financing at lower interest rates.

17. The hard money loans are secured by mortgages on the event centers. As of September 30, 2017 the principal amount of these loans was \$33.5 million.

18. Down has located prospective investors by presenting his sales pitch for The Falls at continuing education seminars that he sponsored for dentists. During the seminar lunch break, Down gave his presentation regarding an investment in The Falls. Down’s presentation, and the accompanying PowerPoint, has remained essentially the same for years.

19. In his presentation, Down always represented that many if not all of the event centers were profitable even before they opened, because they were accepting event bookings before they opened. Down represented that that the event centers continued to be profitable after they opened. Down represented to investors that, after The Falls had 12 centers, it would be able to obtain institutional loans to replace the hard money loans.

20. In his presentation, Down always stated that The Falls would have 200 event centers by 2022. He always represented that each event center would earn gross revenue of \$1 million per year and cover expenses of approximately \$650,000, leaving profit of approximately \$350,000, or 35%, per year.

21. In his presentation, Down always stated that therefore the 200 projected centers would bring in net income of \$70 million per year, and that The Falls would achieve a price/earnings ratio of 40, causing it to be worth \$2.8 billion by the time it has 200 centers in 2022. He always forecasts that, after 2022, the company will either go public or be bought out.

22. Prospective investors were often flown to Salt Lake City or to one of the other event centers, and given an opportunity to meet the executive team of The Falls. They were provided with the company's private placement memorandum, its current Business Plan Summary and its most recent quarterly investor newsletter.

23. Investors usually invested in The Falls' Notes. As of September 30, 2017 The Falls had approximately \$78 million in Notes outstanding. As of that date, accrued interest expense related to these Notes on the company's profit and loss statement was nearly \$2 million.

24. After investing, investors did not receive any updated disclosures from The Falls other than a quarterly investor newsletter that often included a letter from Down on recent events.

25. The Falls maintained its books using QuickBooks software, which generates financial statements in accordance with GAAP. Beginning in approximately 2011, The Falls' chief financial officer ("CFO") provided Down with reports each month that included GAAP profit and loss statements for the individual event centers.

26. In 2014, Down and other company executives decided to generate a new type of monthly profit and loss statement for the event centers, using the figure for event bookings instead of the GAAP revenue figure. They called these statements "modified accrual" profit and loss statements.

27. Accordingly, at the direction of Down and the other executives, the CFO began preparing monthly profit and loss statements using bookings instead of GAAP revenue.

28. The CFO e-mailed these statements in internal reports to Down and other executives almost every month from 2014 until the CFO left the company in March 2017.

29. In his presentations to investors, Down did not disclose that The Falls was using “modified accrual” profit and loss statements.

30. In the first half of 2016 the CFO attended an investor presentation by Down. After hearing the presentation he told Down that Down had to stop telling prospective investors that the centers were making a profit, because they were not doing so.

MATERIAL MISREPRESENTATIONS AND OMISSIONS

31. In a newsletter The Falls sent out between January and August 2014, Down stated: “The Falls at St. George is now profitable and gaining momentum. A monthly return on revenue of 35% is looking possible sometime this year!” According to The Falls’ QuickBooks, however, St. George experienced a net operating loss in every month but one from January to August 2014. Over this period St. George had a net operating loss of \$81,531. According to the “modified accrual” P&Ls, from January to August 2014, St. George had a net operating loss of \$57,035, with only three out of eight months showing net profit.

32. In a letter to investors included in an October 2015 investor newsletter, Down stated, “[w]e currently have five event centers operating; each one operating profitably.” These five would have been St. George, Elk Grove (two buildings) and Fresno (two buildings). Through September 2015, however, QuickBooks shows that St. George lost \$104,757; Elk Grove lost \$657,261; and Fresno lost \$102,682. On a “modified accrual” basis, this statement is false as to St. George and Elk Grove.

33. Between February 2016 and December 2016, Down told four investors that the centers were profitable. On a GAAP basis, for the 2016 year, however, the company's QuickBooks reflects that all centers had net losses. On a "modified accrual" basis, for the 2016 year, only two out of the eight centers were profitable.

34. In a presentation to a group of investors in January 2017 in Seattle, Down stated: ". . . we went into Elk Grove and built these two buildings. These two buildings were profitable in month one. We're getting about 35 percent return this year." On a GAAP basis, and even on a "modified accrual" basis, Down's claim that Elk Grove was "profitable in month one" was incorrect. Elk Grove opened in November 2014. For its first month, its net loss was \$114,268. In its second month, its net loss was \$84,186. On a "modified accrual" basis, Elk Grove lost \$67,689 in its first month and lost \$52,813 in its second.

35. In March 2017, Down told an investor that "the Fresno buildings were profitable in the first month." On a GAAP basis, this statement is incorrect. Fresno opened in August 2015. In its first month, its net loss was \$52,434. Only on the "modified accrual" basis is this statement correct. On that basis Fresno had net income of \$12,914 in its first month.

DOWN'S NEGLIGENCE

36. Down was at least negligent in making representations to investors regarding the profitability of individual event centers. Down was the CEO of The Falls and had ready access at all times to all its financial information. In fact, profit and loss information was regularly provided to him by executives at The Falls.

37. From the inception of The Falls until at least 2014, The Falls' CFO provided Down with a QuickBooks profit and loss statement for the event centers, prepared on a GAAP basis.

38. Beginning in 2014 and continuing until March 2017, The Falls' CFO provided Down with "modified accrual" profit and loss statements for the event centers by e-mail every month.

39. From the first half of 2016 forward, Down was informed on numerous occasions by members of his executive team at The Falls that the event centers were not profitable. They informed Down that the centers were not close to achieving \$1 million in annual gross revenue or 35% profit per center, as Down was representing to investors. They informed Down that his event center model was unsustainable because of the huge amount of mortgage debt on the event centers and because of the tens of millions of dollars of Note principal and accrued interest.

40. Down was at least negligent in not reviewing, or assimilating, the profit and loss information provided to him by The Falls' CFO, while continuing to make false representations to investors that the event centers were profitable.

41. In his presentations to investors, Down did not disclose that The Falls was using "modified accrual" profit and loss statements. Down was at least negligent in not making these disclosures to investors.

42. Either the GAAP profit and loss statements or the "modified accrual" profit and loss statements would have shown Down that he was mistaken in touting the profitability of the event centers in the course of raising money from investors.

FIRST CAUSE OF ACTION
FRAUD IN THE OFFER OR SALE OF SECURITIES
Violations of Sections 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)]
by The Falls and Down

43. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 42 above.

44. Defendants, by engaging in the conduct described above, directly and indirectly, in the offer and sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, engaged in transactions, practices, or courses of business which operate or would operate as a fraud or deceit upon the purchaser.

45. By reason of the foregoing, Defendants, directly or indirectly, violated, and unless restrained and enjoined will continue to violate, Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)].

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court:

I.

Issue findings of fact and conclusions of law that Defendants committed the violations charged herein.

II.

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure orders that temporarily, preliminarily, and permanently enjoin Defendants and their officers, agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from engaging in transactions, acts, practices, and courses of business described herein, and from engaging in conduct of similar purport and object in violation of Section 17(a)(2) of the Securities Act.

III.

Enter an order directing Defendants, and each of them, to pay civil money penalties pursuant to Section 20(d) of the Securities Act.

IV.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

Dated May 10, 2018.

Respectfully submitted,

/s/ Daniel J. Wadley
Daniel J. Wadley
Amy J. Oliver
Alison J. Okinaka
Attorneys for Plaintiff
Securities and Exchange Commission

UNITED STATES DISTRICT COURT
DISTRICT OF UTAH

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

The Falls Event Center, LLC and Steven L. Down,

Defendants.

Case No.: 2:18-cv-00382-PMW

Magistrate Judge: Paul M. Warner

CONSENT OF DEFENDANT STEVEN L. DOWN

1. Defendant Steven L. Down ("Defendant") waives service of a summons and the complaint in this action, enters a general appearance, and admits the Court's jurisdiction over Defendant and over the subject matter of this action.

2. Without admitting or denying the allegations of the complaint (except as provided herein in paragraph 11 and except as to personal and subject matter jurisdiction, which Defendant admits), Defendant hereby consents to the entry of the final Judgment in the form attached hereto (the "Final Judgment") and incorporated by reference herein, which, among other things:

(a) permanently restrains and enjoins Defendant from violations of Section 17(a)(2) [15 U.S.C. § 77q(a)(2)] of the Securities Act of 1933 ("Securities Act"); and

(b) orders Defendant to pay a civil penalty over time in the amount of \$150,000 under Section 20 [15 U.S.C. § 77t] of the Securities Act.

3. Defendant agrees that he shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made

pursuant to any insurance policy, with regard to any civil penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Defendant further agrees that he shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

4. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

5. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

6. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

7. Defendant agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

8. Defendant will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

9. Defendant waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission,

within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Final Judgment.

10. Consistent with 17 C.F.R. § 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that he shall not be permitted to contest the factual allegations of the complaint in this action.

11. Defendant understands and agrees to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies

the allegations." As part of Defendant's agreement to comply with the terms of Section 202.5(e), Defendant: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Defendant does not admit the allegations of the complaint, or that this Consent contains no admission of the allegations, without also stating that Defendant does not deny the allegations; (iii) upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint; and (iv) stipulates solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, that the allegations in the complaint are true, and further, that any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under the Final Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19). If Defendant breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

12. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees,

expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

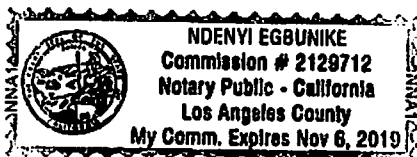
13. Defendant agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

14. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated: 12-21-2017

Steven L. Down
Steven L. Down

On December 21, 2017, STEVEN L. DOWN, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.



[Signature]
Notary Public
Commission expires: November 6 2019

Approved as to form:

[Signature]
Daniel Hill
Snow, Christensen & Martineau
10 Exchange Place
Salt Lake City, Utah 84111
Attorney for Defendant

UNITED STATES DISTRICT COURT
DISTRICT OF UTAH

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

The Falls Event Center, LLC and Steven L. Down,

Defendants.

Case No.: 2:18-cv-00382-PMW

Magistrate Judge: Paul M. Warner

CONSENT OF DEFENDANT THE FALLS EVENT CENTER, LLC

1. Defendant The Falls Event Center, LLC ("Defendant") waives service of a summons and the complaint in this action, enters a general appearance, and admits the Court's jurisdiction over Defendants and over the subject matter of this action.
2. Without admitting or denying the allegations of the complaint (except as provided herein in paragraph 11 and except as to personal and subject matter jurisdiction, which Defendant admits), Defendant hereby consents to the entry of the final Judgment in the form attached hereto (the "Final Judgment") and incorporated by reference herein, which, among other things, permanently restrains and enjoins Defendant from violations of Section 17(a)(2) [15 U.S.C. § 77q(a)(2)] of the Securities Act of 1933 ("Securities Act").
3. Defendant agrees that it shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any civil penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Defendant further

agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

4. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

5. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

6. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

7. Defendant agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

8. Defendant will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

9. Defendant waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Final Judgment.

10. Consistent with 17 C.F.R. § 202.5(f), this Consent resolves only the claims

asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that it shall not be permitted to contest the factual allegations of the complaint in this action.

11. Defendant understands and agrees to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies the allegations." As part of Defendant's agreement to comply with the terms of Section 202.5(e), Defendant: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the

complaint is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Defendant does not admit the allegations of the complaint, or that this Consent contains no admission of the allegations, without also stating that Defendant does not deny the allegations; (iii) upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint; and (iv) stipulates solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, that the allegations in the complaint are true, and further, that any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under the Final Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19). If Defendant breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

12. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

13. Defendant agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

14. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

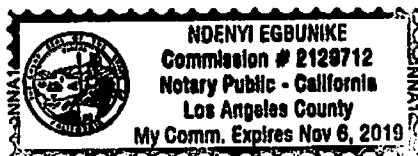
Dated: 12.21.2017

THE FALLS EVENT CENTER, LLC

Steven L. Down
By: Steven L. Down

Title: CEO

On DECEMBER 21, 2017, STEVEN L. DOWN, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent with full authority to do so on behalf of The Falls Event Center, LLC as its _____.



NDENYI EGBUNIKE
Notary Public
Commission expires: NOVEMBER 6 2019

Approved as to form:

Daniel Hill
Daniel Hill
Snow, Christensen & Martineau
10 Exchange Place
Salt Lake City, Utah 84111
Attorney for Defendant

May 10, 2018

VIA HAND-DELIVERY AND E-MAIL

Daniel J. Wadley
Amy J. Oliver
Alison J. Okinaka
SECURITIES & EXCHANGE COMMISSION
351 South West Temple, Suite 6.100
Salt Lake City, UT 84101

Re: *Securities and Exchange Commission v. The Falls Event Center, LLC
and Steve Down*

Please be advised that we have reviewed the Complaint you recently filed in the referenced matter and have discussed it with our client. The Complaint is not consistent with your representations to us during our negotiations for the Consent Decree and is therefore unacceptable to our client. Your refusal to allow us to see a draft of the complaint before Mr. Down agreed to the Consent Decree suggests to us that you knew Mr. Down would never have agreed to settle this matter had you disclosed what you intended to put in the complaint. We agreed to settle solely on allegations of negligence, whereas you accuse the defendants of "fraud" throughout the complaint. As a consequence of this complaint's wording, you have put this firm, Snow Christensen & Martineau, in the position of being witnesses, thereby disqualifying us as defense counsel under the federal rules. Once Mr. Down finds new counsel, we assume he will decide how to proceed.

Very truly yours,

SNOW CHRISTENSEN & MARTINEAU



Samuel Alba

SA/kj

cc: Steve Down
Max D. Wheeler
Daniel D. Hill

4819-4878-1413, v. 1

Michael R. Carlston
Samuel Alba
Jody K. Burnett
Shawn E. Draney
Rodney R. Parker
Richard A. Van Wagoner
Andrew M. Morse
Robert C. Keller
Daniel D. Hill
Camille N. Johnson
Elizabeth L. Willey
E. Scott Averkamp
Korey D. Rasmussen
David L. Pinkston
Brian P. Miller
Keith A. Call
Heather S. White
Robert W. Thompson
Scott H. Martin
Bradley R. Blackham
D. Jason Hawkins
Richard A. Vazquez
P. Matthew Cox
Derek J. Williams
Steven W. Beckstrom
Scott Young
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Scott C. Powers
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Andrew L. Roth
Amanda B. Mendenhall
Rachel E. Phillips

OF COUNSEL

A. Dennis Norton
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Kim R. Wilson
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David W. Slaughter
Dennis V. Dahle
Judith D. Wolferts
Maralyn M. English

RECEIVED

MAY 11 2018

Securities & Exchange Commission
Salt Lake Regional Office



United States Securities and Exchange Commission

Salt Lake Regional Office
351 So. West Temple Street, Suite 6.100
Salt Lake City, UT 84101

Daniel J. Wadley
Trial Counsel
Division of Enforcement



May 14, 2018

Samuel Alba
Max D. Wheeler
Daniel D. Hill
Snow Christensen & Martineau
10 Exchange Place, 11th Floor
Salt Lake City, Utah 84111

*Re: Securities & Exchange Commission v. The Falls Event Center and
Steven L. Down*

Dear Gentlemen,

The Commission is in receipt of Mr. Alba's May 10, 2018 letter regarding our action against your clients, The Falls Event Centers and Steven L. Down. We strongly dispute the assertions made in the letter. Your allegations, which were publicized by your client, are inflammatory, professionally irresponsible, and demonstrably false. The letter threatens the resolution in this matter that was negotiated in good faith by the Commission and approved by the Court, and it imperils the trust and working relationship we have developed over the years with you in this and other cases.

There was no "bait and switch," as suggested in your letter, regarding the allegations that would be contained in the Complaint and those discussed between counsel. On Monday, May 7, four days before the Commission filed its Complaint, I read to Mr. Alba over the telephone, paragraph by paragraph, the contents of the Complaint. We believed the allegations were entirely consistent with previous discussions. Mr. Alba took notes and even asked several questions to ensure that his transcription was accurate. At no time during that telephone call, or in subsequent days, did Mr. Alba or anyone else from your firm express any concern whatsoever with the allegations that were included in the Complaint. Quite the contrary. Mr. Alba thanked us for taking the time to share with him the information and asked that we provide him with notice, as a courtesy, before we filed the action. In accordance with this request, the Commission emailed Mr. Alba a courtesy copy of the Complaint on Thursday, May 10, before the Commission filed the Complaint, and advised him that the Complaint would be submitted shortly thereafter. Any suggestion that the Commission was anything other than candid and forthcoming in its negotiations and conversations in this matter is baseless and without merit.

Furthermore, there can be no dispute that your client consented to the Commission's cause of action against him for fraud, as both his Consent and the draft Judgment



May 14, 2018

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(provided to and reviewed by your client) provide that Mr. Down consents to a Section 17(a)(2) cause of action, and related injunction, against himself and The Falls. As you know, Section 17(a) of the Securities Act applies to fraudulent interstate transactions, and Section 17(a)(2) thereunder specifically makes it unlawful to obtain money or property “by means of any untrue statement of a material fact.” It is true that, as to Section 17(a)(2), a showing of negligence is all that the Commission is required to demonstrate to prove its cause of action, as opposed to the *scienter* showing necessary to establish a claim under either Section 17(a)(1) or, separately, Section 10(b) of the Securities Exchange Act. Because the Section 17(a)(2) claim was explicitly specified in both the Consent and the draft Judgment, it is implausible to claim that either you, or your clients, were uninformed as to the relief that formed the basis of the Commission’s Complaint or the allegations that would be necessary to establish in the Complaint to support the Commission’s cause of action.

Lastly, neither the Commission’s filing, nor your role in the negotiations, somehow created a basis requiring your disqualification “under the federal rules.” I am not aware of any “federal rule” that requires an attorney to withdraw from representation when it is claimed that one party to a settlement discussion deviated from the terms of the settlement – as you have so publicly claimed here. Rather, it appears that your claimed mandatory withdrawal likely is nothing more than a convenient pretext created, for whatever reason, to enable you to exit a case in which you apparently have concerns with your continued representation of these particular clients. Making accusations against the Commission in an effort to justify withdrawing from representation is inconsistent with the civility and professionalism that the Utah Bar strives so hard to promote and maintain amongst its attorneys.

Your clients consented to the Judgment that the Court has entered in this case. The Consent provides that, while your clients were not required to admit the Commission’s allegations against them, they are nevertheless prohibited from denying them either. Unless and until the Court sets the Final Judgment aside, which appears very unlikely under the circumstances here, please advise your clients that they remain under the obligations set forth in the Consent and incorporated into the Final Judgment, and that the Commission will take any steps necessary to enforce the terms of the Judgment if those terms continue to be violated.

Sincerely,

A handwritten signature in blue ink, reading "D. J. Wadley", is positioned below the "Sincerely," text.

Daniel J. Wadley

cc: Andrew M. Morse