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

SECURITIES AND EXCHANGE
COMMISSION,

PLAINTIFF,

v.

JOSHUA JAY HANSEN,

DEFENDANT.

COMPLAINT

Case No.: 1:16-cv-00059-BCW

Magistrate Judge Brooke C. Wells

Plaintiff, Securities and Exchange Commission (the “Commission”), for its Complaint against Defendant Joshua Jay Hansen (“Hansen”) alleges as follows:

INTRODUCTION

1. This matter involves an offering fraud operated by Joshua Jay Hansen. Since at least 2009, Hansen and a business partner raised approximately \$1,778,500 from 46 investors.

2. Hansen and his business partner solicited investors for a “top secret” Iraqi dinar and oil investment scheme that guaranteed spectacular returns of more than 10% to 15,000% within 90 days.

3. Hansen told investors that he and his business partner were members of a top secret U.S. military and government program and held special security clearances which enabled them to invest in the purchase and sale of Iraqi dinar and oil contracts. Hansen told investors that he and his business partner owned Iraqi dinar and oil contracts with various foreign governments and large oil companies. Hansen and his business partner solicited investors to purchase interests in their Iraqi dinar and oil contracts.

4. Hansen told investors that their investments would be used to fund Iraqi dinar and oil contracts. Hansen told investors that after Hansen and his business partner were paid, they would make payments to their investor group. Hansen told investors that the investment risk was low and that the returns were guaranteed and told investors that it was “not a matter of if, but when.”

5. Hansen reiterated the highly classified nature of the investment opportunity and touted the guaranteed returns.

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] and Sections 21 and Section 27 of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §§ 78u and 78aa].

7. Defendant, directly and indirectly, singly and in concert, has 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.

8. 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)] and under Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain of the transactions, acts, practices, and courses of business alleged in this Complaint took place in this district and because defendant resides in and transacts business in this district.

9. Defendant, 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.

10. Defendant's conduct took place in connection with the offer, purchase and/or sale of investment contracts which are securities.

DEFENDANT

11. **Joshua Jay Hansen**, age 34, is a resident of Cache County, Utah.

STATEMENT OF FACTS

Background

12. Hansen and his business partner solicited investor funds for a purported "top secret" investment opportunity involving Iraqi dinar and oil contracts.

13. From approximately 2009 through February 2016, Hansen and his business partner solicited at least \$1.7 million from approximately 46 investors.

14. Hansen told investors that he and his business partner were members of a top secret U.S. military and government program and held special security clearances which enabled them to invest in the purchase and sale of Iraqi dinar and oil contracts.

15. Hansen solicited investors to purchase interests in Hansen and his business partner's Iraqi dinar and oil contracts. Hansen told investors that their investments would be used to fund Iraqi dinar and oil contracts.

16. Hansen claimed to have special corporate, military and government access and told investors that his role in the transaction was to travel around the world on military planes to meet with people who owned massive amounts of Iraqi dinar to make a deal with them and that the U.S. government would follow behind him to pick up and authenticate the currency.

17. Hansen told investors that he saw warehouses the size of Sam's club filled with foreign currency bundled in shrink wrap.

18. Hansen told investors that their returns would be tax-exempt.

19. Hansen showed investors a copy of a Wells Fargo Bank account, titled in his name, with an account balance in excess of \$4 billion.

20. Hansen told investors that the investment risk was low that other groups of investors' had successfully obtained returns through this investment opportunity.

21. Hansen reiterated the highly classified nature of the investment opportunity and touted the guaranteed returns.

22. Hansen told investors that the investment opportunity was open for only a short amount of time and urged investors to deposit funds quickly because he had other individuals ready to take positions in the contracts at a moment's notice.

23. Hansen claimed to have a special relationship with all key players involved in the transaction and enjoyed a position of "full transparency."

24. Hansen assured investors that he would never be involved in anything illegal or fraudulent and would never put investor's money at risk.

25. Hansen instructed investors to deposit funds into a bank account that was in the name of a limited liability company that he controlled.

MISREPRESENTATIONS AND OMISSIONS

26. Hansen made material misrepresentations and omissions in the offer and sale of securities and in connection with the purchase or sale of securities. The misrepresentations and omissions relate to the following areas: (1) nature of the investment; (2) safety of the investment; (3) guaranteed profits; and (4) use of investor funds.

27. Hansen told investors that the investment offering was low risk and had a high rate of return, when in fact, there was no legitimate investment.

28. Hansen told investors that the principal on the investments was guaranteed to be returned, when in fact, Hansen spent money he received from investors on personal and living expenses.

29. Hansen told investors that returns were guaranteed and would be between 10% and 15,000% in ninety (90) days, when in fact, Hansen made no legitimate investments and saw no legitimate investment returns.

30. Hansen told investors that he personally knew that other investors had successfully obtained returns through this investment opportunity which was, in fact, untrue.

31. Hansen told investors that their funds would be used to fund “top secret” Iraqi dinar and oil contracts, claimed to have access to secret governmental programs, and had access to a Wells Fargo Bank account with a balance of \$4 billion, all of which were false.

Materiality

32. The misrepresentations and omissions detailed above are material to a reasonable investor. Most or all of Hansen’s investors would not have invested or purchased securities from

Hansen if they had known the true nature of the investment, safety of the investment, profits and returns, and use of investor proceeds.

Scienter

33. Hansen acted with scienter. Hansen personally solicited investors and made materially false and misleading statements, which he knew to be untrue, to obtain investment funds. Hansen knew the investments were not profitable, knew that he did not have access to a bank account with more than \$4 billion, and knew that he used investor funds to pay for his personal living expenses.

UNREGISTERED TRANSACTIONS

34. Hansen sold unregistered securities and did nothing to assure that investors were accredited.

35. No registration statement has been filed with the Commission as to any offering or other securities offered by Hansen.

**FIRST CAUSE OF ACTION
FRAUD IN CONNECTION WITH THE PURCHASE AND SALE OF SECURITIES
Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(b)
thereunder [17 C.F.R. § 240.10b-5(b)]**

36. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 35, above.

37. Defendant, by engaging in the conduct described above, directly or indirectly, by the use of means or instrumentalities of interstate commerce or use of the mails, in connection with the purchase or sale of securities, with scienter, made untrue statements of material fact or omitted to state a material fact necessary in order to make statements made, in light of the circumstances under which they were made not misleading.

38. By reason of the foregoing, Defendant violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5(b) thereunder [17 C.F.R. § 240.10b-5(b)].

SECOND CAUSE OF ACTION
FRAUD IN THE OFFER AND SALE OF SECURITIES
Violations of Section 17(a)(2) of the Securities Act
[15 U.S.C. § 77q(a)(2)]

39. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 35, above.

40. Defendant, 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, obtained money or property by means of untrue statements of material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

41. By reason of the foregoing, Defendant, 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)].

THIRD CAUSE OF ACTION
OFFER AND SALE OF UNREGISTERED SECURITIES
Violation of Sections 5(a) and (c) of the Securities Act
[15 U.S.C. § 77e(a) and (c)]

42. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 35, above.

43. Defendant, by engaging in the conduct described above, directly or indirectly, through use of the means or instruments of transportation or communication in interstate commerce

or the mails, offered to sell or sold securities or, directly or indirectly, or carried such securities through the mails or in interstate commerce, for the purpose of sale or delivery after sale.

44. No registration statement has been filed with the Commission or has been in effect with respect to these securities.

45. By reason of the foregoing, Defendant, directly or indirectly violated and unless enjoined will continue to violate, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court:

I

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

II

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure orders that permanently enjoin Hansen 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 Sections 5(a), 5(c) and 17(a)(2) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder.

III

Enter an order directing Defendant to disgorge \$1,778,500, the amount of ill-gotten gains received during the period of violative conduct.

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 26, 2016.

Respectfully submitted,

/s/ Daniel J. Wadley

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