

**FILED**  
CLERK, U.S. DISTRICT COURT  
IN THE UNITED STATES DISTRICT COURT  
27 JUN 03 DISTRICT OF UTAH, CENTRAL DIVISION

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MAY 28 2003  
U.S. DISTRICT COURT

DISTRICT OF UTAH *cc*

SECURITIES AND EXCHANGE COMMISSION :

By: DEPUTY CLERK  
Plaintiff, :

Case No. 2:99CV-0383 B

v. :

GLEN EUGENE MILLER, LD&B, INC., a Utah  
Corporation, RICH BARLOW, AND ACQUIRE  
VENTURE FUND GROUP, :

**ORDER GRANTING PLAINTIFF  
SECURITIES AND EXCHANGE  
COMMISSION'S MOTION FOR  
SUMMARY JUDGMENT AND  
ORDER OF PERMANENT  
INJUNCTION AGAINST  
DEFENDANTS RICH BARLOW  
AND ACQUIRE VENTURE  
FUND GROUP**

Defendants, :

and :

LORI MILLER, REFLEX BODY AND FITNESS,  
LLC, a Utah limited liability company, and  
CANYON RIM, LLC, a Utah limited liability  
company, :

Judge Dee Benson  
Magistrate Judge Alba

Relief Defendants. :

On April 1, 2003, plaintiff Securities and Exchange Commission ("Commission") filed a Motion for Summary Judgment in the above captioned matter against defendants Rich Barlow ("Barlow"), and Acquire Venture Fund Group ("Acquire"). The Motion was duly served, with no opposition filed by Barlow or Acquire. The Court, having examined the pleadings and attached documents filed by the Commission and the Court being fully advised in the premises, the Court finds that a Judgment of Permanent Injunction and other relief should issue.

In support of the entry of a Judgment of Permanent Injunction and Other Relief, the Court makes the following findings:

*366*

### FINDINGS OF FACT

1. This Court has jurisdiction over the subject matter of this action and over Defendants Barlow and Acquire.
2. Barlow held himself out as the “funds manager” of Acquire. Acquire operated under several names including Acquire Group, Acquire Venture Capital Group and Acquire Venture Fund Group. Acquire was a putative Bahamian corporation.
3. The defendants Barlow and Acquire have engaged in the offer and sale of securities in the form of investments contracts for trading programs in various “prime bank instruments.” These defendants have used the mails and interstate commerce in connection with the offer and sale of these securities.
4. Commencing in or about 1995, Barlow and Acquire began to offer and sell interests in prime bank instruments. Barlow, through various corporate entities, including Acquire, obtained money from investors by representing to them that they would receive between five or six percent return per month.
5. Barlow represented to investors that he operated a High Yield Asset Management Program that would use investor funds to buy and sell mid-term bank notes of the world’s “twenty-five largest banks.”
6. Barlow and Acquire made false representations regarding the investments contracts. *Barlow and Acquire falsely represented that the prime bank instruments existed and that the investor funds would be used as leverage to purchase discounted instruments from the world’s top banks and then be resold at a smaller discount.*
7. Barlow and Acquire distributed false promotional materials that claimed the International Monetary Fund loaned money to banks to engage in this type of trading.

8. Barlow told investors that funds placed in the Acquire Venture Fund would be pooled and used to purchase discounted instruments from the world's top banks and then traded by an international trader. The return promised was 101.22%.
9. Barlow was ordered to cease and desist soliciting unregistered securities in a prime bank scheme by the State of Utah in 1998. Despite this order, Barlow continued to operate a prime bank scheme until at least May 1999 when the Commission filed its action against Barlow.
10. Barlow and Acquire acted knowingly and with scienter in making false statements to investors. Barlow's representations to investors were made after he had been ordered to cease and desist from similar activity by the State of Utah. There is substantial and readily available information from the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency and the Office of Thrift Supervision which alerted to the investing public to the existence of scheme to defraud using non-existent "prime bank" type financial instruments. In addition the Securities and Exchange Commission issued a press release regarding the non-existence of "prime bank" instruments.
11. Barlow also misrepresented that prime bank instruments existed. He misrepresented that the funds would be reinvested by claiming that investor funds would be pooled and used to purchase bank debentures which in turn would be bought and sold by an international trader.

12. Barlow failed to tell investors that the funds were being used for his own personal expenses, for business expenses of Acquire and its employees. Barlow also failed to disclose to investors that their funds would be used to pay earlier investors.
13. Barlow did not disclose to investors that funds were used to invest in businesses controlled by members of Barlow's family.
14. Barlow issued false statements to investors reflecting fictional profits.
15. After Barlow had received millions of dollars, he continued to mislead investors by providing them with false explanations about the disposition of their funds.
16. Barlow variously claimed that third parties had delayed the payment of funds and that investor funds had been pooled with other large investments that delayed the payment of funds.
17. Barlow obtained at least \$28 million from investors.
18. There is sufficient evidence to demonstrate that the Commission has made a proper showing that Barlow is likely to violate the federal securities laws in the future, unless permanently enjoined from doing so. Barlow has obtained large sums of money through the fraudulent sale of unregistered securities, knowingly made false statements to investors to induce them to invest funds with him, and has not demonstrated any recognition of his wrongful conduct.
19. After the entry of the Temporary Restraining Order, Barlow continued to move investor funds offshore and from one account to another.
20. The Court held Barlow in contempt for transferring funds in violation of the asset freeze on August 11, 1999.

21. Barlow obtained \$20,881,832.18 from investors through the misrepresentations detailed above. He repaid investors \$10,162,977.63. Barlow unlawfully obtained a net total of \$10,818,854.55 from investors.

### **CONCLUSIONS OF LAW**

1. By reason of the foregoing, defendants, directly or indirectly, in connection with the purchase or sale of the securities of an issuer, by use of means or instrumentality of interstate commerce, of the mails, and of any facility of any national securities exchange: (i) employed a device, scheme or artifice to defraud; (ii) made untrue statements of a material fact and omitted 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; and (iii) engaged in acts, practices, and courses of business which operated as a fraud or deceit upon other persons, in violation of Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5].
2. By reason of the foregoing, defendants, directly or indirectly, in the offer or sale of any security by the use of any means or instruments of transportation, or communication in interstate commerce or by the use of the mails: (1) employed devices, schemes, or artifices to defraud; (2) obtained money or property by means of untrue statements of a material fact and omissions to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (3) engaged in the transactions, practices, and courses of business which operated as a fraud or deceit upon the purchasers in violation of Section 17(a) of the Securities Act [15 U.S.C. §77q(a)].

**THEREFORE,**

**I.**

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that the Commission's Motion for Summary Judgment and Permanent Injunction Against Defendants Barlow and Acquire.

**II.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that defendants Barlow and Acquire, their agents, servants, employees and those persons in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently enjoined from, directly or indirectly, in the offer or sale of any security, by the use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails, employing devices, schemes or artifices to defraud; obtaining money or property by means of untrue statements of material facts or omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or engaging in transactions, practices or courses of business which operate or would operate as a fraud or deceit upon purchasers or prospective purchasers of any security, in violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

**III.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that defendants Barlow and Acquire, their agents, servants, employees and those persons in active concert or participation with him, who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently enjoined from, directly or indirectly, as

principals or aiders and abettors, in connection with the purchase or sale of any security, by the use of the means or instrumentalities of interstate commerce or of the mails, employing devices, schemes or artifices to defraud; making untrue statements of material facts or omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or engaging in acts, practices or courses of business which operated or will operate as a fraud or deceit upon purchasers or sellers or prospective purchasers or sellers of any security, in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 CFR § 240.10b-5] promulgated thereunder.

**IV.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Barlow and Acquire are liable, jointly and severally, for disgorgement of \$10,818,854.55, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$4,421,305.38 for a total of \$15,240,159.93. Defendants Barlow and Acquire shall satisfy this obligation by paying \$15,240,159.93, within ten business days to the Clerk of this Court, together with a cover letter identifying Barlow and Acquire as defendants in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendants Barlow and Acquire shall simultaneously transmit photocopies of such payment and letter to the SEC's counsel in this action. By making this payment, Defendants Barlow and Acquire relinquish all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendants Barlow and Acquire. The Clerk shall deposit the funds into an interest bearing account. These funds, together with any interest and income earned

thereon (collectively, the "Fund"), shall be held by the Clerk until further order of the Court. The Commission may propose a plan to distribute the Fund subject to the Court's approval.

**V.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** financial institutions in which frozen funds are held shall deliver a check to Court's registry in the amount of funds on deposit with said financial institution drawn to the order of "CLERK, UNITED STATES DISTRICT COURT, DISTRICT OF UTAH." The check should bear on its face the caption "SEC v. RICHARD BARLOW, ET AL., CIVIL NO. 2: 99 CV 0383B (D.C. UTAH)" and be transmitted to the Clerk under cover of a letter to the Office of the Clerk, United States District Court for the District of Utah, U.S. Courthouse, 350 South Main Street, Salt Lake City, Utah, which identifies that it is the amount that has been frozen by this Court in this action, and the caption and case number of this action. Copies of the check and accompanying cover letter shall be transmitted to counsel for the Commission, Thomas M. Melton, 50 S. Main St, Suite 400, Salt Lake City, Utah 84144.

**VI.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that defendants relinquish all equitable right, title and interest in the frozen funds or assets, and no part of such funds or assets shall be returned to defendants or their successors or assigns.

**VII.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that defendants shall pay the maximum third tier civil penalty. The Commission will submit for the Court's consideration proposed orders setting forth the proper amount of civil money penalties each defendant shall pay and setting forth the proper disposition of such funds.

VIII.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that this Court shall retain jurisdiction over this action for the purposes of implementing and carrying out the terms of all orders and decrees which may be entered herein and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

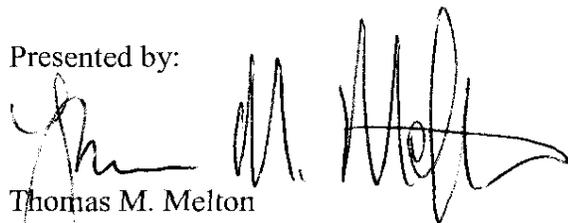
IX.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that, there being no just cause for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment against defendants Barlow and Acquire forthwith and without further notice.

DATED this 26<sup>th</sup> day of June 2003.

  
UNITED STATES DISTRICT COURT JUDGE

Presented by:



Thomas M. Melton  
Attorney for Plaintiff  
Securities and Exchange Commission  
50 South Main, Suite 500  
Salt Lake City, UT 84144  
(801) 524/5796

jmo

United States District Court  
for the  
District of Utah  
June 30, 2003

\* \* CERTIFICATE OF SERVICE OF CLERK \* \*

Re: 2:99-cv-00383

True and correct copies of the attached were either mailed, faxed or e-mailed by the clerk to the following:

CPA James C. Oveson  
5872 S 900 E STE 250  
Salt Lake City, UT 84121

Rich Barlow  
770 S 100 E  
SALEM, UT 84653

Mr. Jeffrey R Oritt, Esq.  
COHNE RAPPAPORT & SEGAL  
PO BOX 11008  
525 E FIRST S FIFTH FL  
SALT LAKE CITY, UT 84147  
EMAIL

Brian F. Roberts, Esq.  
COHNE RAPPAPORT & SEGAL  
PO BOX 11008  
525 E FIRST S FIFTH FL  
SALT LAKE CITY, UT 84147  
EMAIL

Mr. Blake S. Atkin, Esq.  
ATKIN & HAWKINS  
136 S MAIN SIXTH FL  
SALT LAKE CITY, UT 84101

David W. Brown, Esq.  
BLAKE PROFESSIONAL PLAZ  
2880 W 4700 S STE F  
WEST VALLEY CITY, UT 84118

Mr. Thomas M Melton, Esq.  
SECURITIES AND EXCHANGE COMMISSION  
50 S MAIN STE 500  
SALT LAKE CITY, UT 84144-0402  
JFAX 9,5243558

Christopher H. LaRosa, Esq.  
US DEPARTMENT OF JUSTICE

TAX DIVISION  
PO BOX 683  
BEN FRANKLIN STATION  
WASHINGTON, DC 20044

Timothy N. McGarey, Esq.  
SECURITIES & EXCHANGE COMMISSION  
450 5TH ST NW  
WASHINGTON, DC 20549-0207

Mr. Chris L Schmutz, Esq.  
SCHMUTZ & MOHLMAN  
533 W 2600 S #200  
BOUNTIFUL, UT 84010

Mr. Douglas F White, Esq.  
3282 SUNSET HOLLOW DR  
BOUNTIFUL, UT 84010-3213  
JFAX 8,435,8439399

Justin C. Bond, Esq.  
29 S MAIN ST  
PO BOX 895  
BRIGHAM CITY, UT 84302  
JFAX 8,435,7235210