



The Commonwealth of Massachusetts
William Francis Galvin, Secretary of the Commonwealth
Securities Division

April 14, 2009

VIA HAND DELIVERY

Massachusetts Securities Division
Attn: Peter Cassidy, Esq., Clerk to the Presiding Officer
One Ashburton Place, Room 1701
Boston, Massachusetts 02108

RE: In the Matter of Darin Floyd Beal & Executive Home Financial, LLC
(Docket No. E-2008-0090)

Dear Mr. Cassidy:

Enclosed for filing please find the following submissions in connection with the above referenced matter:

1. Administrative Complaint and Ex Parte Motion for an Order Summarily Suspending Registration as a Broker-Dealer Agent (with Exhibits);
2. Order for Allowance of Summary Suspension of Registration (Draft);
3. Notice of Adjudicatory Proceeding; and
4. Certificate of Service.

Please forward these filings to the Presiding Officer for her review and consideration. Thank you for your attention to this matter.

Respectfully,

Anthony M. Drenzek, Esq.
Enforcement Attorney

Enclosures.

cc: Per accompanying Certificate of Service

SECRETARY OF THE COMMONWEALTH OF MASSACHUSETTS
SECURITIES DIVISION
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Home Financial LLC to disgorge all profits and other direct or indirect remuneration received from the alleged wrongdoing; 5) imposing an administrative fine on Respondents Darin Floyd Beal and Executive Home Financial LLC in such amount and upon such terms and conditions as the Director or Hearing Officer may determine; 6) revoking Respondent Darin Floyd Beal's registration in the Commonwealth as a broker-dealer agent; and 7) taking such further action which may be in the public interest and necessary and appropriate for the protection of Massachusetts investors.

II. SUMMARY

This Complaint is focused on the fraudulent activities of Darin Floyd Beal ("Beal"), who acted under the auspices of a debt counselor and a "Financial Coach" in order to defraud as many as four different individuals out of a combined total of at least \$283,000.00 through the offer and sale of promissory notes, the proceeds of which Beal has used for his own purposes. Beal was previously registered in the Commonwealth as a broker-dealer agent of Fidelity Brokerage Services LLC from approximately August 22, 2001 until November 5, 2002, and again from approximately November 12, 2004 until March 3, 2006.

After viewing a public service announcement by the Secretary of the Commonwealth on television, Investor A, a resident of Worcester, Massachusetts, called the Securities Division to report a suspected fraud in connection with her business dealings with Beal. In November of 2006, Investor A had contacted "John Cummuta's Transforming Debt Into Wealth" program after hearing a radio advertisement about the program. Investor A was subsequently referred by the Cummuta organization to Prosper, Inc. and their proprietary program, Prosperlearning.com. Prosper Learning, Inc. lists Cummuta personally as one of the organization's partners. After

paying a flat fee of \$9,270.00 to join Prosperlearning.com, Investor A was assigned Beal as her “Financial Coach.”

After several months of financial coaching sessions, Beal recommended that Investor A execute a home equity loan on her house in the amount of \$100,000.00. Beal subsequently offered an investment opportunity to Investor A that took the form of a pair of promissory notes with an entity known as Alden View Funding. When the notes matured in November of 2007, Beal convinced Investor A to invest the proceeds directly with him. Beal represented that he was able to access “private placements” available only to “accredited investors,” which Beal claimed to be. Investor A subsequently wired the \$100,000.00 to an account in the name of Executive Home Financial, but was actually by controlled exclusively by Beal

In May of 2008, Beal contacted Investor A and represented that a private investment group in Italy had absconded with her funds. In reality, Beal had completely depleted Investor A’s funds months earlier for his own purposes. A subpoena duces tecum sent by the Division to Beal’s bank revealed the actual use of Investor A’s funds. As much as \$53,923.00 was transferred via checks directly to Beal himself. Another \$3,242.50 was transferred via checks to the individual identified as “Ashley Mundy”. Alternately, Beal may also have used as much as \$70,000.00 to pay off a home mortgage on his personal residence. Beal also used funds from the same account to pay bills owed to T-Mobile and OfficeMax totaling \$402.58.

When the Division began its own investigation and contacted Beal about Investor A’s funds, Beal had the audacity to continue to spin his deceitful lies even to government regulators. Beal sent a letter to the Division claiming that an Italian investment group under the name of Euro Financial that was purportedly facilitated by Simon Lavin (an individual Beal claimed

represented the Craxi family in Italy) had stolen Investor A's funds. This story was a complete and deliberate falsehood.

On August 8, 2008, Beal became registered as a broker-dealer agent of E*Trade Securities LLC in the state of Utah, where he remains registered in that capacity to this date. On February 11, 2009, Beal filed a Chapter 7 voluntary petition under the United States Bankruptcy Code in United States Bankruptcy Court for the District of Utah. Beal's bankruptcy filing lists \$4,049,065.98 in total assets and \$5,133,461.69 in total liabilities. Despite a clear regulatory requirement to do so, Beal failed to report his bankruptcy to E*TRADE or to any regulatory agency. As a result of this failure, Beal's application for registration as a broker-dealer agent in the Commonwealth was automatically approved on March 19, 2009.

III. JURISDICTION AND AUTHORITY

1. The Massachusetts Securities Division is a division of the Office of the Secretary of the Commonwealth with jurisdiction over matters relating to securities, as provided for by the Act. The Act authorizes the Division to regulate: 1) the offers, sales, and purchases of securities; 2) those individuals offering and/or selling securities; and 3) those individuals transacting business as investment advisers within the Commonwealth.

2. The Division brings this action pursuant to the enforcement authority conferred upon it by § 407A of the Act and M.G.L. c. 30A, wherein the Division has the authority to conduct an adjudicatory proceeding to enforce the provisions of the Act and all Regulations and rules promulgated thereunder.

3. This proceeding is brought in accordance with §§ 101, 102, 301, 404 and 407A of the Act and its Regulations. Specifically, the acts and practices constituting violations occurred within the Commonwealth of Massachusetts.

4. The Division specifically reserves the right to amend this Complaint and/or bring additional administrative complaints to reflect information developed during the current and ongoing investigation.

IV. RELEVANT TIME PERIOD

5. Except as otherwise expressly stated, the conduct described herein occurred during the approximate time period of January 1, 2007 to date (the “Relevant Time Period”).

V. RESPONDENTS

6. Darin Floyd Beal (“Beal”), age 31, has a last known principal place of residence at 13021 South Riverbend View Cove, Riverton, Utah 84065-6262. Beal is currently assigned Central Registration Depository (hereinafter “CRD”) number 4366066. Beal is currently registered in the Commonwealth of Massachusetts and the state of Utah as a broker-dealer agent of E*Trade Securities LLC (CRD 29106). Beal was previously registered in the Commonwealth of Massachusetts as a broker-dealer agent of Fidelity Brokerage Services LLC (CRD 7784) from approximately August 22, 2001 until November 5, 2002, and again from approximately November 12, 2004 until March 3, 2006.

7. Executive Home Financial, LLC (“EHF”) is a limited liability company organized under the laws of the state of Utah on or about August 9, 2002. According to filings made with the Utah Department of Commerce, Division of Corporations, EHF maintains a last known principal place of business at 12552 South Heritage Hill Court, Herriman, Utah 84096-3515. According to filings made with the Utah Department of Commerce, Division of Corporations, Beal is the sole manager and sole registered agent of EHF.

VI. OTHER INVOLVED AND RELATED PARTIES

8. John Michael Cummuta (“Cummuta”) is the founder and principal of the “Transforming

Debt into Wealth Program” which maintains a website at the URL www.johncummuta.com. According to the aforementioned website, the entity maintains a mailing address at P.O. Box 514, Prairie du Chien, Wisconsin 53821. It is unclear whether Cummuta has formally organized the “Transforming Debt into Wealth Program” as a business association in any jurisdiction.

9. Prosper, Inc. (“Prosper”) is a corporation organized under the laws of the state of Utah. Prosper maintains a last known principal place of business at 5072 North 300 West, Provo, Utah 84604-5652. Prosper maintains a website at the URL www.prosperlearning.com.

10. Christopher Allen Seeley (“Seeley”) is an individual with a last known residential address at 14833 South Alden View Circle, Herriman, Utah 84065. According to the CRD system, Seeley has never been registered in any jurisdiction as an agent of a broker-dealer, a representative of an investment adviser, or in any other capacity in the securities industry.

11. Alden View Funding (“Alden View”) is a d/b/a of Seeley according to filings made with the Utah Department of Commerce, Division of Corporations, which was registered on July 19, 2007, and with a last known business address at 11576 South State Street, Suite 101B, Draper, Utah 84020. Alden View has never been registered in any jurisdiction as a broker-dealer, an investment adviser, or in any other capacity in the securities industry.

VII. ALLEGATIONS OF FACT

12. “Investor A” is a 59 year old female resident of Worcester, Massachusetts.

13. At some point during November of 2006, Investor A heard an advertisement on the radio for “John Cummuta’s Transforming Debt into Wealth Program” (“JCTDIW”) which offered to send individuals who called a free CD ROM with additional information about the program.

14. Investor A subsequently called JCTDIW for more information and to request the free CD ROM, but she instead received a sales pitch for a fee-based program that assigned “personal

coaches” to subscribers to help them achieve financial independence.

15. After Investor A called JCTDIW for more information, she was led to believe that JCTDIW offered a proprietary program called Prosperlearning.com through another entity under the common control of, or affiliated with, JCTDIW that was called Prosper, Inc.

16. According to the website maintained by Prosper, Inc. at the URL www.prospercorp.com, Prosper, Inc. describes itself as “much more than just a distance education company. We are an experienced and dedicated marketing team that helps each of our partners extend their brands.” (See Exhibit 1).

17. Prosper, Inc. identifies John Cummuta as a “partner” on its website. (See Exhibit 2).

18. Investor A joined Prosperlearning.com after paying a flat fee of \$9,270.00 for the program and course materials.

19. According to the Prosperlearning.com website “Our Products Include Mentoring In: Real Estate Investing, Ecommerce, Stock Market Investing, Entrepreneurship, and Personal Finance.”

20. Upon joining Prosperlearning.com, Beal was assigned to Investor A as her “Financial Coach.”

21. Beal represented to Investor A that he was associated with Prosperlearning.com and communicated with Investor A using the e-mail address dbeal@prosperlearning.com which contained an e-mail signature identifying Beal as a “Financial Coach.”

22. Investor A was led to believe that Beal was located in or around Salt Lake City, Utah.

23. Investor A has never met Beal in person.

24. On or about December 1, 2006, Beal and Investor A had their first financial coaching session by telephone.

25. For the ensuing 12 week period, Beal would coach Investor A by telephone during 35-40

minute sessions each Friday morning, and after the expiration of the 12-week period, Beal would coach Investor A on an as-needed basis.

26. On May 11, 2007, upon the advice and instruction of Beal, Investor A executed a \$100,000.00 home equity loan against her house.

27. At some point during early May of 2007, Beal introduced Investor A to Christopher Allen Seeley (“Seeley”), president of an entity Beal identified as Alden View Funding.

28. According to filings made with the Utah Department of Commerce, Division of Corporations, Alden View Funding is a d/b/a (doing-business-as) of Seeley, registered on July 19, 2007, with a last known business address at 11576 South State Street, Suite 101B, Draper, Utah 84020.

29. According to Alden View Funding’s website located at the URL www.aldenview.com/funding/Home.aspx, the organization describes itself as “not a traditional lending institution” and appears to represent itself as engaging in a variety of commercial and retail lending activities.

30. In an e-mail dated May 18, 2007, Seeley sent Investor A several documents including a Microsoft Word document entitled “Alden View – Accredited Investor Questionnaire,” and another Microsoft Word document entitled “Sample Note” in which Alden View Funding, Inc. purported to pay a 2% monthly rate of interest on a 60-day term note with an option to extend the note for an additional 30-day period.

31. Investor A is not an accredited investor as that term is defined in Rule 501 of Regulation D under the Federal Securities Act of 1933, and codified at 17 CFR § 230.501(a).

32. Upon the advice and instruction of Beal, Investor A invested the proceeds from the home equity loan identified in ¶ 26 above into two (2) promissory notes with Alden View Funding,

Inc.

33. In a promissory note dated May 23, 2007, Investor A and Alden View Funding, Inc. entered into an arrangement whereby Investor A transferred \$25,000.00 to Alden View Funding, Inc. in exchange for a 2% monthly interest payment of \$500.00. Interest and principal on the arrangement were due in 90 days on August 23, 2007 with an option to extend the arrangement for an additional 30 days.

34. On May 23, 2007, Investor A initiated a wire transfer in the amount of \$25,000.00 from her account at Central Federal One Credit Union in Shrewsbury, Massachusetts into an account held in Alden View Funding's name at Washington Mutual Bank in Draper, Utah.

35. In a promissory note dated May 25, 2007, Investor A and Alden View Funding, Inc. entered into an arrangement whereby Investor A transferred \$75,000.00 to Alden View Funding, Inc. in exchange for a 2% monthly interest payment of \$1,500.00. Interest and principal on the arrangement were due in 90 days on August 25, 2007 with an option to extend the arrangement for an additional 30 days.

36. On May 25, 2007, Investor A initiated a wire transfer in the amount of \$75,000.00 from her account at Central Federal One Credit Union in Shrewsbury, Massachusetts into an account held in Alden View Funding's name at Washington Mutual Bank in Draper, Utah.

37. In an e-mail dated July 4, 2007, Beal represented to Investor A that he "had an offer that I can't refuse to work for another company and so I am no longer with Prosper."

38. In an e-mail from Seeley to Investor A dated August 30, 2007, Seeley requested that Investor A renew her promissory notes with Alden View Funding, Inc. for an additional three-month period on the same terms as the existing promissory notes.

39. Concurrent with her renewal of the promissory noted with Alden View Funding, Inc.,

Investor A recalled received two (2) checks from Alden View Funding, Inc. totaling \$6,000.00 which represented the interest due on the promissory notes for the original three month term.

40. On or about November 28 or 29, 2007, Investor A received a wire transfer in the amount of her initial \$100,000.00 investment and the accrued interest from the Alden View Funding promissory notes into her account at Central One Federal Credit Union in Shrewsbury.

41. In an e-mail dated November 27, 2007, Beal described a new investment opportunity he offered to Investor A as follows:

Now if I remember right... you had 1 note for \$75k and 1 note for 25k. The investment that I would recommend has to go through me to invest in it but it pays out monthly! It does have 1 funny quirk that it doesn't pay anything on the first month it is in there. So if you invest the money again right away it will not pay anything for December but it will start to pay after the end of January and then it will continue to pay every month to you. It pays 2.25% every month...that will equal 27% for the year! Not to shabby...watch those bills melt away. :)

Now the reason this one has to go through me is very similar with the same regulations that no longer allow you to invest with Chris. This other investment only allows what are called "accredited investors" so you have to have deep pockets to invest in them. So what I am proposing is that you invest the money with me and I will do the investing for you and so it will be me paying you the monthly income every month after they start paying it. You just tell me how long you want it invested for and I will keep sending you the checks just as long as I have places to invest it. (There are lots of places to invest it so don't worry about running out of investment choices). The hard part with Private Placement stuff is that the really good ones usually close their doors to the smaller fish after they start doing really well and so it makes it hard for most people to invest in them. So when you see the funds show up (or you find out that they are coming over then lets just move them in 1 chunk of \$100k if possible and then we will get those invested into the next investment for you. Give me a call when you know and I will make sure the rest goes smoothly. We will get a promissory note between you and me and away we will go. Here is the wiring info to send the money to me:

Darin Beal
Executive Home inancial (sic)
Granite Credit Union
3675 South 900 East

So that is the account info to get the money to me. This will work out better for you because once it starts paying out it will be paying out more than Chris did plus it will be paying you MONTHLY! Can't beat that! Let me know if you have any questions and

just keep me posted! Talk to you soon!

Darin Beal

Emphasis added (See Exhibit 3)

42. On or about December 4, 2007, Investor A (as lender) and Beal (as borrower) signed a promissory note with a term of one (1) year. (See Exhibit 4).
43. The promissory note memorialized a transfer of \$100,000.00 from Investor A to Beal. (Refer to Exhibit 4).
44. The promissory note represented that Beal would pay Investor A an annual rate of return of 27%, broken into monthly interest payments of 2.25% (\$2,250.00). (Refer to Exhibit 4).
45. The promissory note was not a note delivered in consumer financing.
46. The promissory note was not secured by a mortgage on a home, or by a lien on a small business or some of its assets, or by an assignment of accounts receivable.
47. The promissory note was not a note evidencing a “character” loan to a bank customer, or a note evidencing a loan by a commercial bank for current operations.
48. The promissory note was not a note which simply formalized an open-account debt incurred in the ordinary course of business.
49. Investor A considered the note as an investment, and not as a loan, and she was primarily interested in the profit the note was expected to generate.
50. On or about December 7, 2007, Investor A executed a wire transfer in the amount of \$100,000.00 from her account at Central Federal One Credit Union in Shrewsbury, Massachusetts into an account held in Beal’s name at Granite Federal Credit Union in Utah. (See Exhibit 5).
51. Between December 2007 and May 2008, Investor A received the monthly payments Beal

promised to her under the terms of the promissory note.

52. At some point during May 2008, Beal contacted Investor A and represented to her that her investment funds were missing.

53. Beal further represented that Investor A's funds were invested with a private investment group in Italy.

54. Beal further claimed that the Federal Bureau of Investigation (FBI) was investigating the missing funds.

55. On or about May 20 & 23, 2008, Investor A contacted the Securities Division in response to the Secretary of the Commonwealth's public service announcements she had seen on television.

56. On September 22, 2008, the Division sent an inquiry letter to Beal via certified mail, return receipt requested, which required Beal to provide certain information concerning the transaction he had entered into with Investor A.

57. On October 29, 2008, the Division received Beal's response to the September 22, 2008 inquiry letter. (See Exhibit 6).

58. In his October 29, 2008 response, Beal stated in part as follows:

"The funds from [Investor A] were to be put into a lending company that was going to be providing financing via an unsecured loan to me. Arrangements were made for payments to be made to her to debt service the money. The financing company was offering, basically, an unsecured loan that was to be given after a down payment was made. The group was out of Italy under the name of Euro Financial and was facilitated by Simon Lavin who is from Italy. After getting funds to them for the down payment, which included funds from [Investor A] my business partner flew to Geneva Switzerland to finalize the transaction. While waiting at the bank he received a call from Simon Lavin stating that he was delayed at airport security and would be there the following morning. Well the following morning came and went and he never did show up. My business partner stayed in Switzerland for several days and after hearing nothing from him he finally and we have yet to hear back from them. They took the funds and ran.

The funding company was representing the Craxi family in Italy and we have tried many times to contact them and have received no response back from them or from Simon Lavin on behalf of Euro Financial...”

(Refer to Exhibit 6).

59. On December 29, 2008, the Division served a subpoena duces tecum upon Granite Federal Credit Union which required the production of certain documents and records relating to accounts under Beal’s ownership or control.

60. On January 15, 2009, the Division received the production from Granite Federal Credit Union required by the subpoena duces tecum which included account card for account number XXX86-9 which listed Executive Home Financial LLC and Beal individually as joint owners.

(See Exhibit 7).

61. The cover letter accompanying the production by Granite Federal Credit Union contained the following statement by an authorized representative of Granite Federal Credit Union:

“Darin Floyd Beal is the joint owner and only person authorized to access account XXX86-9 at Granite Federal Credit Union. The main name on the account is Executive Home Financial LLC.”

(See Exhibit 8)

62. The account history for Granite Federal Credit Union account XXX86-9 reflected Investor A’s \$100,000.00 wire transfer identified in ¶ 50 above as being deposited and received on December 7, 2007. (See Exhibit 9).

63. Immediately prior to the wire transfer identified in the foregoing paragraph, the balance in Granite Federal Credit Union account XXX86-9 was \$75,881.65. (Refer to Exhibit 9).

64. On December 8, 2007, Beal executed check #1534 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$297.01 and made payable to “T-Mobile”. The memo line on the check contains the handwritten notation “Phone”. (See Exhibit 10).

65. On December 12, 2007, Beal presented check # 1535 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$5,000.00 that he personally executed December 11, 2007 and made payable to himself. (See Exhibit 11).
66. On December 14, 2007, Beal executed check #1536 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$540.00 and made payable to "Ashley Mundy". (See Exhibit 12).
67. On December 19, 2007, Beal withdrew \$5,000.00 from Granite Federal Credit Union account XXX86-9 and received a Granite Federal Credit Union cashier's check made payable to himself personally. (See Exhibit 13).
68. On December 19, 2007 Beal initiated a wire transfer in the amount of \$70,000.00 from Granite Federal Credit Union account XXX86-9 to an account held in the name of "alden view funding inc." at Washington Mutual Bank. (See Exhibit 14).
69. Alden View Funding currently holds a \$400,000.00 unsecured claim against Beal's principal residence which, upon information and belief, represents a mortgage Beal had executed on the property.
70. The December 19, 2007 wire transfer also caused a \$20.00 fee to be incurred by Granite Federal Credit Union account XXX86-9. (Refer to Exhibit 9).
71. On December 19, 2007, Beal executed check #1537 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$390.00 and made payable to "Ashley Mundy". (See Exhibit 15).
72. On December 26, 2007, Beal presented check # 1538 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$10,636.00 that he personally executed December 22, 2007 and made payable to himself. (See Exhibit 16).

73. On December 27, 2007, Beal executed check # 1552 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$103.57 and made payable to "Office Max". (See Exhibit 17).
74. On December 28, 2007, Beal presented check # 1551 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$9,500.00 that he personally executed December 27, 2007 and made payable to himself. (See Exhibit 18).
75. On December 28, 2007, Beal presented check # 1550 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$10,000.00 that he personally executed December 26, 2007 and made payable to himself. (See Exhibit 19).
76. On January 4, 2008, Beal executed check # 1540 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$705.00 and made payable to "Ashley Mundy". (See Exhibit 20).
77. On January 7, 2008, Beal presented check # 1539 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$9,000.00 that he personally executed on January 4, 2008 and made payable to himself. (See Exhibit 21).
78. On January 11, 2008, Beal executed check # 1541 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$315.00 and made payable to "Ashley Mundy". (See Exhibit 22).
79. On January 25, 2008, Beal executed check # 1542 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$557.50 and made payable to "Ashley Mundy". (See Exhibit 23).
80. On February 1, 2008, Beal initiated a wire transfer in the amount of \$46,000.00 from Granite Federal Credit Union account XXX86-9 to an account held in the name of "Metro

National title trust acct.” at Wells Fargo N.A. (See Exhibit 24).

81. The February 1, 2008 wire transfer also caused a \$20.00 fee to be incurred by Granite Federal Credit Union account XXX86-9. (See Exhibit 25).

82. On February 5, 2008, Beal withdrew \$4,500.00 from Granite Federal Credit Union account XXX86-9 and received a Granite Federal Credit Union cashier’s check made payable to himself personally. (See Exhibit 26).

83. On February 4, 2008, Beal executed check # 1543 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$2,250.00 and made payable to Investor A. (See Exhibit 27).

84. On February 8, 2008, Beal executed check # 1544 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$735.00 and made payable to “Ashley Mundy”. (See Exhibit 28).

85. On February 12, 2008, Beal presented check # 1545 drawn on Granite Federal Credit Union account XXX86-9 in the amount of \$287.00 that he personally executed on February 11, 2008 and made payable to himself. (See Exhibit 29).

86. In summary of the transactions identified in ¶ 64 through ¶ 85, \$53,923.00 was transferred via checks directly to Beal himself; \$3,242.50 was transferred via checks to the individual identified as “Ashley Mundy”; \$70,000.00 was transferred via wire transfer to an entity identified as “alden view funding, inc.”; \$46,000.00 was transferred via wire transfer to an entity identified as “Metro National title trust acct.”; \$297.01 was transferred via check to T-Mobile; \$103.57 was transferred via check to OfficeMax; \$2250.00 was returned to Investor A; and \$40.00 of wire transfer fees were incurred.

87. As a result of the transactions identified in ¶ 64 through ¶ 85 the balance in Granite

Federal Credit Union account XXX86-9 was \$25.57 as of the close of business on February 13, 2008. (Refer to Exhibit 25).

88. Other than the transactions identified in ¶ 50 through ¶ 85 there were no other transactions in Granite Federal Credit Union account XXX86-9 between December 1, 2007 and February 13, 2008. (Refer to Exhibits 9 and 25).

89. In light of the history in Granite Federal Credit Union account XXX86-9 detailed above, Beal's representations to the Division in his letter dated October 29, 2008, as detailed in ¶ 58 above were, at the time and in the light of the circumstances under which they were made, false and/or misleading in material respects.

90. On August 8, 2008, Beal became registered as a broker-dealer agent of E*Trade Securities LLC ("E*TRADE") in the state of Utah.

91. To date, Beal remains registered as a broker-dealer agent of E*TRADE in the state of Utah.

92. On February 11, 2009, Beal filed a Chapter 7 voluntary petition under the United States Bankruptcy Code in United States Bankruptcy Court for the District of Utah. (See Bankruptcy No. 09B-21079).

93. Among the claims listed on Beal's Schedule D "Creditors Holding Secured Claims" is an entity identified as Alden View Funding which holds a claim in the amount of \$400,000.00 against Beal's primary residence.

94. Beal consistently referred to his arrangement with Investor A as a hard money loan.

95. The claims listed in Beal's Schedule F "Creditors Holding Unsecured Claims" include his \$100,000.00 arrangement with Investor A, and at least three other individuals whose claims are identified as "hard money loans" and when combined with Investor A, total \$283,000.00 in

aggregate.

96. Question 14K(1) on Form U-4 requires an applicant to disclose the following
“Within the past ten (10) years have you made a compromise with creditors, filed a bankruptcy petition, or been the subject of an involuntary bankruptcy petition?”
97. To date, Beal’s CRD record does not reflect his filing of the Chapter 7 petition in bankruptcy.
98. On March 19, 2009, E*TRADE filed a Form U-4 to register Beal as a broker-dealer agent of the firm in Massachusetts.
99. Because Beal willfully failed to disclose his personal bankruptcy to E*TRADE, or to any regulatory agency, the Form U-4 application filed by E*TRADE on behalf of Beal for registration in the Commonwealth was automatically allowed by the CRD system.
100. Question 12 on Form U-4 requires an applicant to disclose the following:
“[p]rovide your employment and personal history for the past ten (10) years. Leave no gaps greater than three (3) months between entries...Account for full-time and part-time employment, self-employment, military service, and homemaking. Include unemployment, full-time education, extended travel, and other similar statuses.”
101. Beal also willfully failed to disclose any employment by, or relationship with, John Cummuta’s Transforming Debt into Wealth Program, Alden View Funding, or Prosper, Inc. on the CRD system.

VIII. VIOLATIONS OF LAW

Count I – Violation of G.L. c. 110A § 101

102. Section 101 of the Act provides in pertinent part:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly

(1) to employ any device, scheme, or artifice to defraud,

(2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or

(3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

103. The Division herein re-alleges and restates the allegations and facts set forth in paragraphs 1 through 101 above.

104. The conduct of Respondents Darin Floyd Beal and Executive Home Financial LLC, as described above, constitutes a violation of M.G.L. c. 110A, § 101.

Count II – Violation of G.L. c. 110A § 102

105. Section 102 of the Act provides in pertinent part:

It is unlawful for any person who receives, directly or indirectly, any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise

(1) to employ any device, scheme, or artifice to defraud the other person, or

(2) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person.

106. The Division herein re-alleges and restates the allegations and facts set forth in paragraphs 1 through 101 above.

107. The conduct of Respondents Darin Floyd Beal and Executive Home Financial LLC, as described above, constitutes a violation of M.G.L. c. 110A, § 102.

Count III – Violation of G.L. c. 110A § 301

108. Section 301 of the Act provides in pertained part:

It is unlawful for any person to offer or sell any security in the commonwealth unless: — (1) the security is registered under this chapter; (2) the security or transaction is exempted under section 402; or (3) the security is a federal covered security.

109. The Division herein re-alleges and restates the allegations and facts set forth in paragraphs 1 through 101 above.

110. The conduct of Respondents Darin Floyd Beal and Executive Home Financial LLC, as described above, constitutes a violation of M.G.L. c. 110A, § 301.

Count IV – Violation of G.L. c. 110A § 404

111. Section 404 of the Act provides in pertinent part:

It is unlawful for any person to make or cause to be made, in any document filed with the secretary or in any proceeding under this chapter, any statement which is, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect.

112. The Division herein re-alleges and restates the allegations and facts set forth in paragraphs 1 through 101 above.

113. The conduct of Respondents Darin Floyd Beal and Executive Home Financial LLC, as described above, constitutes a violation of M.G.L. c. 110A, § 404.

IX. EX PARTE MOTION FOR AN ORDER SUMMARILY SUSPENDING REGISTRATION AS A BROKER-DEALER AGENT.

114. The Division realleges and incorporates paragraphs 1 through 113 above.

115. An ex parte order summarily suspending the registration of Respondent Darin Floyd Beal as a broker-dealer agent in the Commonwealth issued pursuant to Section 204(c) of the Act and Section 10.06(d) of the Regulations is necessary in view of the following facts, which establish that any delay in issuing such an order will likely result in irreparable harm to the public interest:

- (i) The serious nature of the Respondent's alleged willful violation or willful failure to comply with any provision of the Act or a predecessor chapter or any rule or order under the Act or a predecessor chapter;

- (ii) The Respondent's alleged willful failure to disclose material information to his employing broker-dealer or to regulatory agencies;
- (iii) The serious nature of the Respondent's alleged misstatements to the Massachusetts investor regarding the nature of her allegedly fraudulent investments;
- (iv) The likelihood that the Respondent will continue to engage in acts and practices in violation of the Act and the Regulations, and
- (v) The likelihood that the Enforcement Section will prevail on the merits of the Complaint.

X. STATUTORY BASIS FOR RELIEF

116. Section 407A of the Act entitled "Violations; Cease and Desist Orders; Costs" provides in pertinent part:

(a) If the secretary determines, after notice and opportunity for a hearing, that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order issued thereunder, he may order such person to cease and desist from such unlawful act or practice and may take affirmative action, including the imposition of an administrative fine, the issuance of an order for accounting, disgorgement or rescission or any other relief as in his judgment may be necessary to carry out the purposes of [the Act].

117. Section 204(c) of the Act, entitled "Denial, Revocation, Suspension, Cancellation, and Withdrawal of Registration" provides in pertinent part:

The secretary may by order summarily postpone or suspend registration, pending final determination of any proceeding under this section...

118. Further, 950 CMR 10.06(d) provides in pertinent part:

Simultaneous with the commencement of an adjudicatory proceeding or at any time thereafter until conclusion of the proceeding, the Presiding Officer may, upon motion of the Division or upon his or her own motion, summarily suspend or postpone the registration of a broker/dealer or agent...A motion may be made *ex parte*...

119. The Division herein re-alleges and restates the allegations and facts set forth in paragraphs 1 through 113 above.

120. Respondent Darin Floyd Beal, directly and indirectly, engaged in the acts, practices, and courses of business set forth in the Complaint above, and it is the Division's belief that Respondent Darin Floyd Beal, will continue to engage in acts and practices similar in subject and purpose which constitute violations of Sections 101, 102, 301 and 404 of the Act if not ordered to cease and desist.

X. PUBLIC INTEREST

121. For any and all of the reasons set forth above, it is in the public interest and will protect Massachusetts investors to enter an Order: 1) Summarily suspending Respondent Darin Floyd Beal's registration as a broker-dealer agent in the Commonwealth; 2) requiring Respondents Darin Floyd Beal and Executive Home Financial LLC to cease and desist from further violations of the Act; 3) requiring Respondents Darin Floyd Beal and Executive Home Financial LLC to provide an accounting of all proceeds which they received as a result of the alleged wrongdoing and to provide rescission to and to fairly compensate investors for those losses attributable to the alleged wrongdoing; 4) requiring Respondents Darin Floyd Beal and Executive Home Financial LLC to disgorge all profits and other direct or indirect remuneration received from the alleged wrongdoing; 5) imposing an administrative fine on Respondents Darin Floyd Beal and Executive Home Financial LLC in such amount and upon such terms and conditions as the Director or Hearing Officer may determine; 6) revoking Respondent Darin Floyd Beal's registration in the Commonwealth as a broker-dealer agent; and 7) taking such further action which may be in the public interest and necessary and appropriate for the protection of Massachusetts investors.

XI. RELIEF REQUESTED

Wherefore, the Enforcement Section of the Division requests that the Director or Hearing Officer take the following actions:

- A) Find that all the sanctions and remedies as detailed herein are in the public interest and necessary for the protection of Massachusetts investors;
- B) Find as fact the allegations set forth in paragraphs 1 through 113, inclusive, of the Complaint;
- C) Find that sufficient grounds exist to enter an ex parte order summarily suspending Respondent Darin Floyd Beal's registration in the Commonwealth as broker-dealer agent in the form attached hereto;
- D) Order Respondents Darin Floyd Beal and Executive Home Financial LLC to cease and desist from further violations of the Act;
- E) Order Respondents Darin Floyd Beal and Executive Home Financial LLC to provide an accounting of all proceeds which he received as a result of the alleged wrongdoing and to provide rescission to and to fairly compensate investors for those losses attributable to the alleged wrongdoing;
- F) Order Respondents Darin Floyd Beal and Executive Home Financial LLC to disgorge all profits and other direct or indirect remuneration received from the alleged wrongdoing;
- G) Impose an administrative fine on Respondents Darin Floyd Beal and Executive Home Financial LLC in such amount and upon such terms and conditions as the Director or Hearing Officer may determine;
- H) Revoke Respondent Darin Floyd Beal's registration in the Commonwealth as a broker-dealer agent, and;

- I) Take such further action which may be in the public interest and necessary and appropriate for the protection of Massachusetts investors.

**MASSACHUSETTS SECURITIES DIVISION
ENFORCEMENT SECTION**

By and through its attorneys,



Anthony M. Drenzek, Esq., Enforcement Attorney
Patrick J. Ahearn, Esq., Chief of Enforcement
Massachusetts Securities Division
One Ashburton Place, Room 1701
Boston, Massachusetts 02108
(617) 727-3548 (ph.)
(617) 248-0177 (fax)

Dated: April 14, 2009

**COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE, ROOM 1701
BOSTON, MASSACHUSETTS 02108**

IN THE MATTER OF:

DARIN FLOYD BEAL &
EXECUTIVE HOME FINANCIAL, LLC

Docket No. E-2008-0090

SECRETARY OF
COMMONWEALTH
SECURITIES DIVISION
2009 APR 14 AM 9:52

NOTICE OF ADJUDICATORY PROCEEDING

Please take notice that William Francis Galvin, Secretary of the Commonwealth, by his Securities Division (the "Division") is seeking an Order: 1) Summarily suspending Respondent Darin Floyd Beal's registration as a broker-dealer agent in the Commonwealth; 2) requiring Respondents Darin Floyd Beal and Executive Home Financial LLC to cease and desist from further violations of the Act; 3) requiring Respondents Darin Floyd Beal and Executive Home Financial LLC to provide an accounting of all proceeds which they received as a result of the alleged wrongdoing and to provide rescission to and to fairly compensate investors for those losses attributable to the alleged wrongdoing; 4) requiring Respondents Darin Floyd Beal and Executive Home Financial LLC to disgorge all profits and other direct or indirect remuneration received from the alleged wrongdoing; 5) imposing an administrative fine on Respondents Darin Floyd Beal and Executive Home Financial LLC in such amount and upon such terms and conditions as the Director or Hearing Officer may determine; 6) revoking Respondent Darin Floyd Beal's registration in the Commonwealth as a broker-dealer agent; and 7) taking such further action which may be in the public interest and necessary and appropriate for the protection of Massachusetts investors.

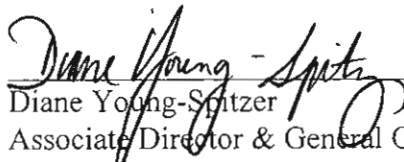
Respondents Darin Floyd Beal and Executive Home Financial, LLC have the right to request an adjudicatory hearing at which they may show good cause why such an order and sanctions should not be entered. The adjudicatory proceeding is governed by Massachusetts General Laws, Chapter 110A and by the Rules set forth in Title 950 of the Code of Massachusetts Regulations beginning at section 10.00.

The matters of fact and law in the proceeding are set forth in the Administrative Complaint a copy of which is filed and served herewith.

In accordance with 950 CMR section 10.06(e), the Respondents must file an answer to each allegation set forth in the Administrative Complaint within twenty-one (21) days after service upon Respondents. A Respondent who fails to file a timely answer may be deemed to be in default, and the allegations of the Administrative Complaint may thereupon be accepted as true and the proceedings determined against the defaulting party by issuance of a final order.

WILLIAM FRANCIS GALVIN

SECRETARY OF THE COMMONWEALTH


Diane Young-Spitzer
Associate Director & General Counsel
Massachusetts Securities Division
One Ashburton Place, Room 1701
Boston, Massachusetts 02108

Dated: April 14, 2009

**COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE, ROOM 1701
BOSTON, MASSACHUSETTS 02108**

IN THE MATTER OF:)	ORDER SUMMARILY
)	SUSPENDING REGISTRATION
)	AS A BROKER-DEALER AGENT
DARIN FLOYD BEAL &)	(<i>DRAFT</i>)
EXECUTIVE HOME FINANCIAL, LLC)	
)	Docket No. E-2008-0090

1. William Francis Galvin, Secretary of the Commonwealth, by his Securities Division (the "Division") commences this adjudicatory proceeding against Respondents Darin Floyd Beal and Executive Home Financial, LLC.
2. This proceeding is commenced pursuant to the provisions of M.G.L. c. 30A, the Massachusetts Uniform Securities Act c. 110A (the "Act") and 950 CMR 10.00 et seq. (the "Regulations").
3. Section 407A(a) of the Act, entitled "Violations; Cease and Desist Orders; Costs" in relevant part states:

"If the secretary determines, after notice and opportunity for a hearing, that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order issued thereunder, he may order such person to cease and desist from such unlawful act or practice and may take affirmative action, including the imposition of an administrative fine, the issuance of an order for accounting, disgorgement or rescission or any other relief as in his judgment may be necessary to carry out the purposes of [the Act]."
4. Section 204(c) of the Act, entitled "Denial, Revocation, Suspension, Cancellation, and Withdrawal of Registration" in relevant part states:

"The secretary may by order summarily postpone or suspend registration, pending final determination of any proceeding under this section..."

5. Further, 950 CMR 10.06(d) provides in pertinent part:

“Simultaneous with the commencement of an adjudicatory proceeding or at any time thereafter until conclusion of the proceeding, the Presiding Officer may, upon motion of the Division or upon his or her own motion, summarily suspend or postpone the registration of a broker/dealer or agent...A motion may be made *ex parte*...”
6. The Enforcement Section of the Division (the “Enforcement Section”) has filed an Administrative Complaint, and Ex Parte Motion for Summary Suspension of Registration (the “Complaint”).
7. Solely for the purposes of reaching a determination whether to allow the Division's Motion for Summary Suspension of Registration, I have accepted the allegations and statements of fact set forth in their Complaint as true.
8. Accepting these facts as true, I find that it is likely that the Division’s Enforcement Section will prevail at a subsequent hearing on the merits of this matter.
9. Again, accepting these facts as true, I find that based on the allegations set forth in the Complaint, a Summary Suspension of Registration of Respondent Darin Floyd Beal is in the public interest and is necessary to protect investors in the Commonwealth from financial harm, and that any delay in issuing such order will likely result in irreparable harm to Massachusetts investors.
10. Again, accepting these facts as true for this limited purpose, I make this finding because of the on-going nature of Respondent Darin Floyd Beal’s alleged fraud in connection with the offer, sale, or purchase of any security in Massachusetts.
11. Again, accepting these facts as true for this limited purpose, I make this finding because of the on-going nature of Respondent Darin Floyd Beal’s alleged fraud in connection with the provision of investment advice for compensation in Massachusetts.

12. Again, accepting these facts as true for this limited purpose, I make this finding because of the on-going nature of Respondent Darin Floyd Beal's alleged offer or sale of an unregistered and non-exempt security in the Commonwealth.
13. Again, accepting these facts as true for this limited purpose, I make this finding because of the on-going nature of Respondent Darin Floyd Beal's statements in documents filed with the Secretary which allegedly were, at the time and in the light of the circumstances under which they were made, false or misleading in material respects.
14. Further, in its Complaint, the Division's Enforcement Section has set forth sufficient facts to establish a prima facie case that Respondent Darin Floyd Beal violated the Act by engaging in fraud in connection with the offer, sale, or purchase of any security in Massachusetts.
15. Further, in its Complaint, the Division's Enforcement Section has set forth sufficient facts to establish a prima facie case that Respondent Darin Floyd Beal violated the Act by engaging in fraud in connection with the provision of investment advice for compensation in Massachusetts.
16. Further, in its Complaint, the Division's Enforcement Section has set forth sufficient facts to establish a prima facie case that Respondent Darin Floyd Beal violated the Act by engaging in the offer or sale of an unregistered and non-exempt security in the Commonwealth.
17. Further, in its Complaint, the Division's Enforcement Section has set forth sufficient facts to establish a prima facie case that Respondent Darin Floyd Beal violated the Act by making statements in documents filed with the Secretary which allegedly were, at the

time and in the light of the circumstances under which they were made, false or misleading in material respects.

18. Wherefore: having made the above findings of fact and determining that it is in the public interest and necessary for the protection of investors and consistent with the purposes of the Act,

IT IS HEREBY ORDERED: Respondent Darin Floyd Beal's registration as a broker-dealer agent in the Commonwealth is summarily suspended.

1. The above Order is hereby issued ex parte and is effective immediately upon signing of this Order.
2. A copy of the Enforcement Section's Complaint and this Order shall be served via certified mail, return receipt requested, or in a manner permissible under the laws of the state in which they reside, on the Respondents as provided for by these Rules.
3. Respondent Darin Floyd Beal is hereby notified that pursuant to Section 204(c) of the Act and Section 10.06(d) of the Regulations, that he has a right to request an administrative hearing and that such hearing must be set down within fifteen (15) days after receipt by the Division of the Respondent's written request for such hearing. Said hearing will be held to determine if this Order shall be modified, vacated or extended until final determination.

**WILLIAM FRANCIS GALVIN
SECRETARY OF THE COMMONWEALTH**

Diane Young-Spitzer, Esq.
Associate Director & General Counsel
Massachusetts Securities Division
One Ashburton Place, Room 1701
Boston, Massachusetts 02108
(617)727-3548

Issued this _____ day of April, 2009

