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

SECURITIES AND EXCHANGE COMMISSION, PLAINTIFF, v. DWIGHT SHANE BALDWIN, an individual, and SILVERLEAF FINANCIAL, LLC., a Utah Corporation, DEFENDANTS	**COMPLAINT** Case No. 2:15-cv-00458-PMW Magistrate Judge: Paul M. Warner

Plaintiff, Securities and Exchange Commission (the "Commission"), for its Complaint against defendants Dwight Shane Baldwin ("Baldwin") and Silverleaf Financial, LLC ("Silverleaf") (collectively, "Defendants") alleges as follows:

INTRODUCTION

1. This matter arises out of the fraudulent offering of securities by Silverleaf Financial, LLC and its sole principal Dwight Shane Baldwin.

2. From at least June 2010 through late 2011, Baldwin and Silverleaf offered and sold securities in the form of promissory notes and investment contracts, raising at least $8 million from at least three investors.

3. Baldwin's investors were introduced to him through common friends, family and acquaintances.

4. In connection with the offer and sale of these securities, Baldwin and Silverleaf made untrue statements of material facts, omitted important information and operated a scheme to defraud investors. Baldwin and Silverleaf were interchangeable to investors, since Baldwin held himself out as being Silverleaf's sole agent and communicated with investors using a "silverleaf companies" email address and signature.

5. Baldwin and Silverleaf, now defunct, have been in the business of purchasing defaulted commercial real estate notes at a discount from banks since at least mid-2010. Since Baldwin and Silverleaf lacked the funds to pay the full purchase price of the defaulted loans, Baldwin, through Silverleaf, raised funds from investors in order to purchase the loans. Baldwin typically created a single purpose entity, managed by Silverleaf, and either offered investors membership units in this entity or sold promissory notes to investors.

6. Baldwin offered prospective investors a quick return on their investment, including promises as high as a ten percent return within thirty days. Baldwin misrepresented to investors

that their principal had little to no risk of loss. After purchasing the loans, Baldwin attempted to resell the defaulted real estate notes in order to generate a profit for himself and his investors.

7. Beginning in June 2010, Baldwin and Silverleaf raised approximately $8 million from at least three investors in order to purchase two defaulted loans: one collateralized by property in Oviedo, Florida and the other collateralized by the Trailhead Lodge in Steamboat Springs, Colorado.

8. Regarding the Oviedo loan, Baldwin made false statements and omissions about the central purpose of the investment. That is, Baldwin sold the Oviedo loan on July 8, 2010, yet continued to raise $2 million of investor funds for the purported purchase of this loan through July 20, 2010.

9. Regarding the Trailhead Lodge loan, Baldwin made false statements to investors that he had secured a buyer for the loan when in fact the purported buyer had advised Baldwin that it would not buy the note.

10. By making these untrue statements to investors, and by failing to advise them of important facts concerning their investments, Baldwin and Silverleaf violated the antifraud provision of the federal securities laws.

JURISDICTION AND VENUE

11. 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 27 of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §§ 78u and 78aa].

12. 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.

13. 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 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 Defendants reside in and transact business in this district.

14. 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.

15. Defendants' conduct took place in connection with the offer, purchase and/or sale of promissory notes and investment contracts by Baldwin, which are securities.

DEFENDANTS

16. **Dwight Shane Baldwin** ("Baldwin"), age 34, is a resident of Davis County, Utah, and the sole principal of Silverleaf. He is not registered with the Commission in any capacity, does not hold any securities licenses, and has never been disciplined by the Commission.

17. **Silverleaf Financial, LLC** ("Silverleaf") is a defunct Utah entity whose registration expired on July 23, 2009. It formerly operated in Salt Lake City, Utah through its sole principal, Baldwin. Silverleaf's primary business was to acquire defaulted commercial loans collateralized by real property and sell the loans for a profit.

STATEMENT OF FACTS

FL-5 BSP Oviedo Note

18. Nearly two weeks after Baldwin sold the Oviedo loan, he raised $2 million of investment funds based on his false representation that these funds would be used to purchase this loan. He omitted critical information while raising these funds, including that he had already sold the note to another buyer and that the new investor funds would not be used to purchase the loan.

19. Sometime in early 2010, Baldwin successfully bid to purchase sixteen discounted commercial loans from M&I Marshall & Ilsley Bank ("M&I"). In order to obtain the funds to make a down payment on the purchase, Baldwin contacted Atalaya Capital Management, LLC ("Atalaya") who on occasion provided Baldwin with short term loans to fund the purchase of defaulted commercial loans.

20. Baldwin and Atalaya created ACM Silverleaf Funding, LLC, ("ACM Silverleaf,") to facilitate the purchase of the M&I loans. Atalaya provided Baldwin with a loan for the deposit on the M&I loans.

21. On June 29, 2010, ACM Silverleaf entered into a contract to purchase the commercial loans from M&I for $12,781,757. ACM Silverleaf paid a deposit of approximately $1,825,750 to M&I.

22. One of the loans purchased by ACM Silverleaf was a loan collateralized by an undeveloped parcel of land in Oviedo, Florida, referred to as "FL-5 BSP Oviedo." The FL-5 BSP Oviedo loan was the largest loan in the M&I asset pool and was purchased by ACM Silverleaf for $3,520,033.

23. On July 8, 2010, ACM Silverleaf sold the FL-5 BSP Oviedo loan to GAHA Fund II, LLC, a California entity ("GAHA").

24. Baldwin negotiated this sale with GAHA and signed several documents involved in this sale as an authorized signatory for ACM Silverleaf. These documents include a Profit Sharing Agreement between GAHA, ACM Silverleaf and other entities that sets forth an agreement to distribute profits obtained from FL-5 BSP Oviedo note and other assets.

25. This Profit Sharing Agreement references the Loan Sale Agreement between ACM Silverleaf and GAHA, purportedly signed by Ivan Zinn, a principal of ACM Silverleaf.

26. Baldwin also signed an Assignment of Assignment of Leases, Rents and Profits in which GAHA was assigned a December 14, 2006 Assignment of Leases, Rents and Profits for the FL-5 BSP property. These documents provide solid evidence that as of July 8, 2010, Baldwin knew that the FL-5 Oviedo loan had been sold to GAHA. However, Baldwin continued to solicit investments for the purported purpose of funding the purchase of the FL-5 BSP Oviedo loan.

27. On July 19, 2010, nearly two weeks after selling the FL-5 BSP Oviedo loan to GAHA, Baldwin emailed wiring instructions to Utah resident Kenneth Murdock (" Murdock") advising him that his investment funds would be used to purchase the FL-5 BSP Oviedo loan.

28. On July 20, 2010, Murdock, through his entity Kam Financial, LLC, invested $2 million with Baldwin in exchange for 2 million preferred membership units of Oviedo in the Park, LLC, a Utah entity Baldwin created to purchase and sell the M&I assets.

29. Oviedo in the Park, LLC was managed by Silverleaf. After receiving wiring instructions from Baldwin, Murdock wired funds to M&I, listing the beneficiary of funds as "Silverleaf Financial Commercial Loan Purchase Account FL 5 (BSP)." However, rather than

being used to purchase the FL-5 BSP Oviedo loan, Murdock's funds were used to repay Atalaya $1 million for their initial deposit and the remaining $1 million was transferred into Silverleaf's general account held at Merrill Lynch, which was controlled by Baldwin.

30. Baldwin failed to advise Murdock that the FL-5 BSP Oviedo loan was sold to GAHA and affirmatively represented to Murdock that his funds would be used to purchase this loan. Further, Murdock lacked access to any information regarding Oviedo in the Park, LLC including information concerning its assets and how its funds were used.

31. Murdock testified that after wiring $2 million on July 20, 2010, Baldwin continued to provide him with "optimistic updates" on the Oviedo investment. Baldwin falsely advised Murdock that he and Silverleaf owned the FL-5 BSP Oviedo loan and that it was under his control. To date, Murdock has not received a return on his investment.

Trailhead Lodge Note

32. In approximately September 2011, Baldwin began taking steps to purchase a defaulted loan collateralized by The Trailhead Lodge, a resort property in Steamboat Springs, Colorado ("Trailhead Note").

33. In order to obtain funds from investors to purchase this loan, Baldwin falsely claimed that he already had a buyer for the Trailhead Note and therefore funds invested would bear little to no risk. Two individuals invested $6 million with Baldwin based on his false representations that he already had a buyer for the Trailhead Note.

34. In the fall of 2011, Baldwin contacted Cobalt Workout Partners, LLC, ("Cobalt") to ask if it was interested in purchasing the Trailhead Note from Baldwin. A principal of Cobalt, Jon Roberts ("Roberts") advised Baldwin that Cobalt would evaluate the Trailhead Note and

determine whether it was interested in purchasing it. An independent contractor for Cobalt, Adam Adams ("Adams"), testified that pursuant to Roberts' instructions he conducted due diligence on the Trailhead Note and advised Roberts not to purchase the Trailhead Note because it was "significantly overpriced."

35. Shortly thereafter, Baldwin contacted Roberts, asking him to provide a Letter of Intent to purchase the Trailhead Note for $33,200,000. Roberts advised Baldwin that "Cobalt had no intention of actually purchasing the Trailhead Note," but would provide him with a Letter of Intent. Upon instruction from Roberts, Adams drafted a Letter of Intent, addressed to Silverleaf, to purchase the Trailhead Note for $33,200,000.

36. On October 4, 2011, Adams emailed Cobalt's Letter of Intent to Baldwin, saying, "pursuant to Jon, here is the LOI, realizing we will not act on it."

37. Although Baldwin knew that Cobalt did not intend to purchase the Trailhead Note, and he did not have another buyer for the note, Baldwin misrepresented to investors that Silverleaf had a committed buyer for the Trailhead Note and therefore funds invested had little to no risk of loss.

38. In early September 2011, Baldwin contacted Utah resident Terry McEwen ("McEwen") and asked if McEwen would be interested in investing funds with Silverleaf. Baldwin solicited investment funds from McEwen by representing that McEwen's funds would be used to purchase the Trailhead Note. Although Baldwin did not have a buyer for this note, Baldwin orally represented to McEwen that Silverleaf had secured a buyer that would purchase this note for a significant profit within thirty days.

39. On September 22, 2011, McEwen made two wire transfers at Baldwin's direction, totaling $1 million, to First American Title Insurance Company (“First American”).

40. On September 28, 2011, Silverleaf entered into a Promissory Note with McEwen for $1 million. Baldwin personally signed as guarantor of Silverleaf's obligations under this Promissory Note, which included a payment to McEwen of the $1 million plus $100,000 within thirty days. Rather than use McEwen's money as represented, Baldwin transferred McEwen's funds into one of Silverleaf's general accounts. To date, McEwen has not received a return on this $1 million investment.

41. Baldwin also contacted Arizona resident Donald Tapia (“Tapia”) and solicited investment funds from Tapia to purchase the Trailhead Note. On October 4, 2011, Baldwin emailed Tapia a copy of the Cobalt's Letter of Intent, indicating that Cobalt intended to purchase the Trailhead Note from Silverleaf within thirty days for $33,200,000. Baldwin advised Tapia that since Cobalt was already secured as a purchaser of the Trailhead Note, investment funds would be returned with interest within ninety days to 6 months. Baldwin orally represented to Tapia that his investment would carry low risk, because he already had a buyer for the property. Based on Baldwin's representations, Tapia agreed to invest $3 million.

42. After Tapia agreed to invest $3 million, but before Tapia actually transferred the funds, Baldwin contacted Tapia again and informed him that Silverleaf needed an additional $2 million in order to purchase the Trailhead Note. Baldwin asked if Tapia would be willing to provide the additional funds.

43. On October 5, 2011, Baldwin, using his Silverleaf email, sent Tapia a breakdown of the projected profits from the Trailhead Note. The email lists the acquisition price of the

Trailhead Note as $23,100,000 and the sale price as $33,200,000. However, Baldwin failed to inform Tapia that Cobalt was not going to purchase the Trailhead Note and that the projected profits would be dependent on locating another purchaser who was willing to buy the Trailhead Note for $33,200,000.

44. Tapia agreed to invest the additional $2 million, for a total investment of $5 million. Tapia wired his $5 million investment to Silverleaf on October 12, 2011, after receiving an email from Baldwin that same day stating, "I need [your] wire in today otherwise I will lose 3M that I have on deposit with the bank." Baldwin's email came more than a week after Baldwin knew that Cobalt was not going to purchase the Trailhead Note. At no time did Baldwin inform Tapia of Cobalt's decision not to purchase this note.

45. On October 18, 2011, Tapia entered into a Side Agreement with Silverleaf that provided him 5 million preferred membership units in Trailhead Lodge Acquisitions, LLC, the entity Baldwin created to profit from the sale of the Trailhead Note. To date, Tapia has not received a return on this $5 million investment.

FIRST CAUSE OF ACTION
EMPLOYMENT OF A DEVICE, SCHEME OR ARTIFICE TO DEFRAUD
Violation of Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)]

46. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 45 above.

47. Defendants, Baldwin and Silverleaf, by engaging in conduct described above, directly or indirectly, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, with scienter, employed devices, schemes, or artifices to defraud.

48. By reason of the foregoing, Baldwin and Silverleaf, directly or indirectly, violated, and unless restrained and enjoined by this Court, will continue to violate Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

SECOND CAUSE OF ACTION
FRAUD IN THE OFFER OR SALE OF SECURITIES
Violations of Sections 17(a)(2) and (3) of the Securities Act [15 U.S.C. § 77q(a)(2) and (3)]

49. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 45 above.

50. Defendants Baldwin and Silverleaf, 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.

51. By reason of the foregoing, Baldwin and Silverleaf, directly or indirectly, violated, and unless restrained and enjoined will continue to violate, Sections 17(a)(2) and (3) of the Securities Act [15 U.S.C. § 77q(a)(2) and (3)].

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

52. The Commission realleges and incorporates by reference the allegations contained in paragraphs 1 through 45 above.

53. Defendants Baldwin and Silverleaf, 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, employed devices, schemes, or artifices to defraud, or engaged in acts, practices, or courses of business that operated or would operate as a fraud and deceit upon other persons.

54. By reason of the foregoing, Baldwin and Silverleaf 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(a), (b), and (c) thereunder [17 C.F.R. § 240.10b-5(a), (b), and (c)].

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 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 Sections 17(a)(1), (2) and (3) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5(a), (b) and (c) thereunder.

III.

Enter an order directing Defendants, and each of them, to pay civil money penalties pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act.

IV.

Enter an order directing Defendants to disgorge all ill-gotten gains received during the period of violative conduct and pay prejudgment interest on such ill-gotten gains.

V.

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 June 25, 2015.

Respectfully submitted,

/s/ Daniel J. Wadley___
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