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Ogden man pleads guilty in \$140 million-plus fraud

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An Ogden businessman pleaded guilty Monday in one of the largest fraud cases ever in Utah.

In 3rd District Court, Val Southwick spoke in a steady voice as he answered each of the nine securities-fraud charges against him. Investigators say he swindled more than \$140 million from at least 800 investors.

His guilty pleas were part of a deal with the state. Southwick also agreed to work with the Securities and Exchange Commission to repay the victims.

Judge Robin Reese has set a June 2 hearing to discuss with federal authorities how the repayment process is unfolding. Southwick faces up to 15 years in prison on each count.

In a Ponzi scheme, money from new investors is used to pay earlier investors.

Authorities said Southwick, 62, promised high returns on commercial real estate investments. They said he traded on his membership in The Church of Jesus Christ of Latter-day Saints to gain investors' trust.

Southwick was accused of using money from investors to pay for his home mortgage, massages, vacations and church tithe.

Investor Emma Marroquin confronted him outside court and asked, "How can you sleep at night? ... You will go to hell."

She said she lost \$400,000, which she was using to help pay her expenses while serving a church mission in Salt Lake City. Marroquin was wearing a name tag that identified her as an LDS missionary.

"I'm cooperating with the SEC. You'll have to direct your questions to them," Southwick said when asked whether he had money to repay investors.

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