

\$180 million scam

Prison for a con man: Southwick bilked 800 victims in 30 states

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The Salt Lake Tribune

Salt Lake Tribune

Article Last Updated:06/13/2008 08:52:05 AM MDT

To scattered applause from a courtroom nearly filled with his victims, Ogden businessman Val E. Southwick was handcuffed and led away Thursday after a judge imposed the maximum sentence for a fraud that touched some 800 victims in 30 states and three foreign countries.

The sentence came after some 25 years of lawsuits, accusations of fraudulent business practices and gross mismanagement, Southwick's high living on investors' money and finally criminal charges that culminated in the hearing in 3rd District Court in Salt Lake City.

Southwick had pleaded guilty to nine counts of violating Utah's securities laws in which some 180 investors may have lost \$180 million in what appears to be the largest financial fraud in Utah history. He had asked Judge Robin W. Reese to allow him 30 days to report to prison so he could try to make arrangements for his wife and son, whose houses and cars are facing forfeiture to a court-appointed receiver of Southwick's web of 150 or companies generally known as VesCor.

Instead, Reese sentenced Southwick to back-to-back prison terms of 1-to-15 years on each of the nine charges, ordered restitution and immediate imprisonment.

Southwick remained stonefaced as a Salt Lake County sheriff's deputy handcuffed Southwick and led him through a side door. "This damage was done over a long period of time," Reese said.

Southwick had told the judge it was not his intend to cause harm to investors and that he needed time to see to his wife and son.

"I feel great, great remorse and I'm deeply saddened by my failure to make these investors whole," he said.

The judge heard not just from victims who urged a maximum sentence, but also from state and federal regulators who said Southwick had failed to cooperate fully since his guilty pleas on March 31.

Thomas Melton, an attorney for the federal Securities and Exchange Commission, said Southwick had provided a minimum of documents and information that the regulators had requested.

"We have received limited cooperation," Melton told Reese.

Assistant Attorney General Charlene Barlow also requested a maximum sentence, citing the number of victims and size of the losses.

"We're talking hundreds of millions," she said. "This was a very elaborate scheme."

But it was Southwick's victims, many elderly, who provided the emotion and drama in the courtroom. They spoke passionately to the judge or faced Southwick and addressed him directly as he sat at a table with two attorneys.

Terry Hansen of Payson stepped to the podium to speak and then turned and looked at Southwick and said, "I think he knows what kind of scum he is."

The comment caused the judge to admonish the speakers to be civil despite their emotions.

Hansen showed Southwick a photo of two of his grandchildren and said he wouldn't be able to visit them often because of his financial losses.

Edward Hood of Provo, using an oxygen bottle, spoke of "lies and deceptions over the years" and called Southwick "a true sociopath."

Susan Kilburn of Henderson, Nev., said Southwick had lost money from her settlement of a car accident.

"I've gone through hell to get the money that was taken from me," she said, adding she and her two children face foreclosure on their home.

Kim Moore of Ogden called Southwick a "narcissist" and "self-aggrandizing" and said he and his wife recently saw Southwick pull up beside them in a new Nissan 250Z.

But several people also asked the judge for leniency in sentencing so Southwick could work to repay them.

Ogden Mayor Matthew Godfrey said his family had lost substantial money but urged an light sentence or early parole, saying it would be best for victims if Southwick could work to repay them.

"This is not an evil man," Godfrey said.

Miami attorney Lewis Freeman, the court-appointed trustee in the VesCor bankruptcy cases in Las Vegas, said in an interview he had received no cooperation from Southwick.

"Last December, when I became the trustee, I reached out to Mr. Southwick directly and through counsel and I've been given no information, no help in my investigations, no cooperation," Freeman said.

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