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Dept. of Commerce Div. of Securities

BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

IN THE MATTER OF THE LICENSE OF)	
)	REQUEST TO SCHEDULE HEARING
INTERMOUNTAIN FINANCIAL SERVICES,)	Docket No. SD-01-0092
CRD #15386, and KENT D. SWEAT,)	Docket No. SD-01-0093
CRD #1157627,)	
Respondents.)	

Pursuant to R151-46b-10(3) of the Department of Commerce Administrative Procedures Act Rules, respondents Intermountain Financial Services ("Intermountain") and Kent D. Sweat ("Sweat") hereby request that this administrative court set a hearing date in this matter as soon as is practical for the parties and the court.

The Issues of Fact and Issues of Law Are Not Complicated and Are Well Defined

This administrative action was instituted by the Division of Securities of the Department of Commerce of the State of Utah (the "Division") based upon alleged material breaches of a stipulation and consent order entered against Intermountain and Sweat on April 9, 2001 (*In the Matter of the Licenses of Intermountain Financial Services and Kent D. Sweat*, case no. SD-00-0106 and case no. SD-00-0107, Before the Division of Securities of the Department of Commerce of the State of Utah). The alleged material breaches of the stipulation and consent order consist, in substance, of the following:

(1) Intermountain and Sweat failed to provide to the Division the identity of the consultant to be engaged to revise Intermountain's compliance manual and operations procedures on or before May 10, 2001.

(2) Intermountain and Sweat failed to promptly provide copies of documents requested by the Division during the deposition of Sweat taken on May 16, 2001. A partial response was provided to the Division on June 19, 2001.

(3) Intermountain and Sweat failed to provide notice to the Division of contact with counsel for a respondent in a related administrative action, which consisted of conversations relating to that administrative action, and the production of certain documents related to that administrative action.

The first alleged breach noted above simply involves evidence as to whether or not a name of a consultant was provided to the Division. The second alleged breach involves evidence as to whether the documents provided by Sweat and Intermountain were a partial or a full response to the request for production of documents and whether those documents were provided "promptly." The third alleged breach involves evidence relating to the contact between Sweat, Intermountain, and their counsel with counsel for a respondent in a related administrative action. Although this is the most involved of the factual issues presented, it is nonetheless quite limited in scope. With respect to all of the alleged breaches, the question will be whether or not they were "material" breaches of the stipulation and consent order. The presentation of the evidence relating to these matters cannot take more than two to three hours. Likewise, arguments of counsel for respondents and the Division would necessarily be brief.

A Prompt Disposition of this Matter Is a Necessity

The April 9, 2001 stipulation and consent order, which is alleged by the Division to have been breached by Intermountain and Sweat, requires among other things that Intermountain retain a consultant to revise Intermountain's compliance manual and operations procedures. As noted in the answer of Intermountain and Sweat to the petition, they are in the process of retaining a consultant and arranging for the consultant to perform the required tasks. This will involve costs that must be borne by Intermountain. In addition, the consultant is required to complete the task of revising Intermountain's compliance manual

and operations procedure by August 10, 2001. It simply does not make good business sense to go forward and incur these costs without a resolution of the Division's request for the revocation of the licenses of both Intermountain and Sweat.

In addition to the sanction requiring Intermountain to retain a consultant to revise its compliance manual and operations procedures, the April 9, 2001 stipulation and consent order requires that Intermountain retain an auditor to audit its sales practices and compliance procedures. This audit is to be performed during the last quarter calendar of the year 2001. This sanction will also require an outlay of funds on the part of Intermountain and Sweat. Although the consultant and audit sanctions are remedial in nature, they can only be remedial and helpful if Intermountain and Sweat continue in the securities business with their licenses intact. Again, it makes good business sense and good common sense to resolve the Division's request for the revocation of licenses before Intermountain and Sweat go forward with the implementation of the remedial and other sanctions imposed by the April 9, 2001 stipulation and consent order.

Conclusion

Based upon the foregoing, Intermountain and Sweat respectfully request that this administrative court set a hearing date on this matter as soon as is practical for the parties and this court.

DATED this 28 day of July, 2001.

Respectfully submitted,

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By _____

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CERTIFICATE OF SERVICE

I hereby certify that I caused true and correct copies of the foregoing **REQUEST TO SCHEDULE HEARING** to be mailed, postage prepaid, to each of the following this 3 day of July, 2001:

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