Division of Securities
Utah Department of Commerce
160 East 300 South
P. O. Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801) 530-6980

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

IN THE MATTER OF: **PROCESSING PROGRAMS and BRADLEY R. KEYSER,** **Respondents.**	**ORDER TO SHOW CAUSE** **Docket No.** SD-06-0073 **Docket No.** SD-06-0074

It appears to the Director of the Utah Division of Securities (Director) that Processing Programs and Bradley R. Keyser (Respondents) may have engaged in acts and practices that violate the Utah Uniform Securities Act, Utah Code Ann. § 61-1-1, et seq. (the Act). Those acts are more fully described herein. Based upon information discovered in the course of the investigation of this matter by the Utah Division of Securities (Division), the Director issues this Order to Show Cause in accordance with the provisions of § 61-1-20(1) of the Act.

STATEMENT OF JURISDICTION

1. Jurisdiction over the Respondents and subject matter is appropriate in this matter because the Division alleges that the Respondents violated § 61-1-1 (Securities Fraud) of the Act while engaged in the offer and sale of securities in Utah.

STATEMENT OF FACTS

THE PARTIES

2. Processing Programs was registered with the Utah Division of Corporations and Commercial Code on April 18, 2002, as an assumed business name Cybacom, Inc., a Delaware corporation, but registration of the assumed business name expired on May 12, 2005. Cybacom was never registered as a foreign corporation in Utah. Processing Programs' business address was 9446 South Windermere Court, South Jordan, Utah, and Bradley R. Keyser was its applicant and registered agent.

3. Bradley R. Keyser's (Keyser) last known address is in South Jordan, Utah. Keyser was the applicant and registered agent for Processing Programs, and he held himself out to be a sales agent for Processing Programs, Cybacom, and Global Cash, Inc. (Global Cash), a Nevada corporation, not registered as a foreign corporation in Utah.

GENERAL ALLEGATIONS

4. From April 2002 to September 2004, Keyser solicited investments totaling $130,000, from two Utah investors. Keyser told one investor his investment would be used to buy out Keyser's business partner, thereby leaving commissions Keyser would receive from a

different credit card servicing company to be split between Keyser and the investor. Keyser told the other investing couple their investments were in a promising new company that was in the business of "servicing" credit cards.

5. Keyser entered into a verbal investment contract with one investor, which is an investment under the Act. Keyser gave the other investing couple promissory notes to evidence each of their investments, which are also securities under the Act.

6. Keyser did not tell his investors, among other things, that he filed for bankruptcy in 1999 and had over $50,000 in outstanding civil judgments again him. Keyser did not tell one of his investors that in 2001 the Utah State Tax Commission filed a $121,093 tax lien against one of his corporations called Impactors LLC.

(Investors J. W. and S. W., Husband and Wife)

7. Investors J. W. and S. W. met Keyser in late April 2002 through J. W.'s parents, previous investors with Keyser.[1]

8. In late April or early May 2002, Keyser met with J. W. and S. W. several times at their home in Sandy, Utah, to solicit an investment in Processing Programs.

9. Keyser told J. W. and S. W. that Processing Programs was a start-up company in need of investors. Keyser also told J. W. and S. W. Processing Programs offered credit card

---

[1] J. W.'s parents invested $30,000 with Keyser in 2002, and another $30,000 in 2003. J. W.'s parents are both suffering from the effects of Alzheimer's Disease, and are unable to provide the Division with the details of their investments. J. W. provided the Division with copies of his parents' investment checks and promissory notes.

services and charged companies a fee for each credit card transaction processed; that a few large companies, including USANA Health Sciences, Inc., had already signed up for Processing Programs' services; that Keyser was negotiating with other companies as an agent for Processing Programs; Processing Programs was accepting investors for a limited time; the return on J. W. and S. W.'s investment would be 10% per year; and invested funds would be used to support Processing Programs its credit card processing services.

10. On May 16, 2002, J. W. and S. W. invested $50,000 in Processing Programs by giving Keyser a personal check made payable to Processing Programs. Keyser gave J. W. and S. W. a promissory note for $50,000, which stated an interest rate of 10% per year, and matured in one year (the First Note). The First Note was from Processing Programs and Brad R. Keyser to J. W., and was signed by "Brad R. Keyser For Credit Card Processing Program."

11. One year later in May 2003, when J. W. and S. W.'s First Note matured, they contacted Keyser and requested the interest payment. Within a month of the maturity date, Keyser hand delivered a $5,000 check to J. W. and S. W., representing interest due on the First Note. J. W. and S. W. received no return of their principal.

12. In September 2003, at J. W. and S. W.'s home, Keyser solicited an investment in Cybacom. The terms of the investment in Cybacom were the same as the investment in Processing Programs (a return of 10% per year, and a maturity date of one year).

13. Keyser gave J. W. and S. W. a copy of Cybacom's business plan, in which Keyser is listed as a national sales manager. Keyser said Cybacom was in the business of selling pre-paid credit cards.

14. On September 12, 2003, J. W. and S. W. invested $25,000 in Cybacom by giving Keyser a personal check made payable to Processing Programs. Keyser gave S. W. a promissory note for $25,000, which stated an interest rate of 10% per year, and matured in one year (the Second Note). The Second Note was from Keyser to S. W. and was signed by Keyser.

15. On April 19, 2005, J. W. contacted Keyser by e-mail and asked to withdraw $40,000 of his investment.

16. On April 21, 2005, Keyser responded to J. W. by e-mail, saying that Keyser would have his money in one week, and he would contact J. W. at that time.

17. Keyser failed to deliver J. W. and S. W.'s money, and continues to provide excuses as to why payment is not forthcoming.

18. In January 2006, S. W. contacted Richard Schofield (Schofield), the CEO of Cybacom. Schofield told S. W. that Cybacom had no record of S. W.'s investment, but that Cybacom's records showed that Keyser invested a total of $12,000 in Cybacom in his own name in approximately June 2003. Schofield also said Cybacom went out of business, and Schofield had to sell his home.

19. Bank records reveal that Keyser used some of J. W. and S. W.'s invested money to pay personal expenses, including, but not limited to, the following: mortgage payments, grocery bills, utility bills, medical expenses, automobile expenses, and religious donations.

20. Other than the $5,000 interest payment J. W. and S. W. received in June 2003, J. W. and S. W. received no return of principal or interest from their investments in Processing Programs or Cybacom. Keyser still owes J. W. and S. W. $75,000 in principal alone.

(Investor J. H.)

21. In January or February 2004, Keyser telephoned J. H. to solicit an investment of money with Keyser personally to be used to buy out Keyser's business partner. J. H. discussed the investment with Keyser several times over the telephone and in person prior to investing.

22. Keyser told J. H. he was a sales agent for Global Cash, which was a multi-level network marketing company out of Las Vegas that sold payroll cards. Keyser told J. H. Global Cash had a lot of potential and showed J. H. brochures about its products.

23. Keyser told J. H. he was in the process of securing two very profitable accounts for Global Cash with two well-known Utah County businesses, Tahitian Noni and USA Cash. Keyser told J. H. these accounts would "bring in more money than [Keyser] could ever spend."

24. Keyser told J. H. that he and a business partner sold Global Cash's payroll cards and shared commissions received from Global Cash. Keyser told J. H. he would use J. H.'s investment to buy out his partner, and then J. H. and Keyser could split evenly the commissions received from Global Cash for securing the Tahitian Noni and USA Cash accounts. Keyser told J. H. his investment would result in J. H. getting his principal back in addition to a profit.

25. Keyser told J. H. Global Cash was a new and successful company with the best payroll cards in the business. Keyser said Global Cash's market was "a field ripe and ready to be harvested," and that Joseph Purcell, the president of Global Cash, was currently making "big profits."

26. Between April and September 2004, J. H. invested a total of $55,000 with Keyser through five separate personal checks made payable to Keyser. J. H. received no documentation of his investments from Keyser.

27. Bank records reveal Keyser used the majority, if not all, of J. H.'s money to pay personal expenses including, but not limited to, the following: utility bills, grocery bills, automobile expenses, religious donations, and mortgage payments.

28. J. H. has received no profit or return of principal from his investments with Keyser, and is still owed $55,000 in principal alone.

CAUSES OF ACTION

COUNT I

Securities Fraud under § 61-1-1 of the Act
(Processing Programs and Bradley R. Keyser)

29. The Division incorporates and re-alleges paragraphs 1 through 28.

30. The promissory notes and investment opportunities offered and sold to J. W., S. W., and J. H., by Respondents, are securities under § 61-1-13 of the Act.

31. In connection with the offer and sale of securities to J. W., S. W., and J. H., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:

    a. Respondents told J. W. and S. W. that their money would be invested in Processing Programs and Cybacom, when, in fact, Keyser used some of their money for personal expenses;

    b. Respondents told J. W. and S. W. that Processing Programs was accepting investor money for a limited time, when, in fact, Respondents had no reasonable basis on which to make this representation; and

    c. Keyser told J. H. that his money would be used to buy out Keyser's business partner, when, in fact, Keyser used most, if not all, of J. H.'s money for personal expenses.

32. In connection with the offer and sale of a security to investors, Respondents, directly or indirectly, failed to disclose material information, including, but not limited to, the following:

    a. That Keyser filed for personal bankruptcy in November 1999;

b. Keyser failed to tell J. W. and S. W. that in 2001, the Utah State Tax Commission filed a $121,093 tax lien against one of Keyser's corporations;

c. That there were over $50,000 in civil judgments against Keyser;

d. That Keyser would use investor money to pay personal expenses;

e. Some or all of the information typically provided in an offering circular or prospectus regarding Processing Programs, Cybacom, or Global Cash, such as:

1. The business and operating history for Processing Programs, Cybacom, and Global Cash;
2. Identities of the principals of Processing Programs, Cybacom, and Global Cash, along with their experience with credit card services, payroll cards, and pre-paid credit cards;
3. Financial statements;
4. The market for the company's product;
5. The nature of the competition for the product;
6. Current capitalization of the issuer;
7. A description of how the investment would be used by the business;
8. The company's performance for prior investors;
9. Risk factors for investors;
10. The number of other investors;
11. The minimum capitalization needed to participate in the investment;

12. The disposition of any investments received if the minimum capitalization were not achieved;

13. The liquidity of the investment;

14. Discussion of pertinent suitability factors for the investment;

15. The proposed use of the investment proceeds;

16. Any conflicts of interest the issuer, the principals, or the agent may have with regard to the investment;

17. Agent commissions or compensation for selling the investment;

18. Whether the investment is a registered security or exempt from registration; and

19. Whether the person selling the investment was licensed.

33. Based on the above, Processing Programs and Bradley R. Keyser willfully violated § 61-1-1 of the Act.

ORDER

The Director, pursuant to § 61-1-20 of the Act, hereby orders Respondents to appear at a formal hearing to be conducted in accordance with Utah Code Ann. §§ 63-46b-4 and 63-46b-6 through -10, and held before the Utah Division of Securities. The hearing will occur on October 31, 2006, 2006, at 10:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd Floor, Salt Lake City, Utah. If Respondents fail to file an answer or appear at the hearing, the Division of Securities may hold Respondents in

default, and a fine may be imposed in accordance with Utah Code Ann. § 63-46b-11. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, Respondents may show cause, if any they have:

a. Why Processing Programs and Bradley R. Keyser should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;

b. Why Processing Programs and Bradley R. Keyser should not be ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1-1, or any other section of the Act;

c. Why Processing Programs should not be ordered to pay a fine of one hundred and twenty thousand dollars ($120,000) to the Division; and

d. Why Bradley R. Keyser should not be ordered to pay a fine of ninety five thousand dollars ($95,000) to the Division.

DATED this 28th day of September, 2006.

WAYNE KLEIN
Director, Utah Division of Securities

Approved:

JEFFREY BUCKNER
Assistant Attorney General

J. N.

Division of Securities
Utah Department of Commerce
160 East 300 South
Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
FAX: (801) 530-6980

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

IN THE MATTER OF: **PROCESSING PROGRAMS;** **BRADLEY R. KEYSER;** **Respondents.**	**NOTICE OF AGENCY ACTION** **Docket No.** SD-06-0073 **Docket No.** SD-06-0074

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

The purpose of this Notice of Agency Action is to inform you that the Division hereby commences a formal adjudicative proceeding against you as of the date of the mailing of the Order to Show Cause. The authority and procedure by which this proceeding is commenced are provided by Utah Code Ann. §§ 63-46b-3 and 63-46b-6 through 11. The facts on which this action is based are set forth in the foregoing Order to Show Cause.

Within thirty (30) days of the mailing date of this notice, you are required to file an Answer with the Division. The Answer must include the information required by Utah Code § 63-46b-6(1). In addition, you are required by § 63-46b-6(3) to state: a) by paragraph, whether you admit or deny each allegation contained in the Order to Show Cause, including a detailed explanation for any response other than an unqualified admission; b) any additional facts or

documents which you assert are relevant in light of the allegations made; and c) any affirmative defenses (including exemptions or exceptions contained within the Utah Uniform Securities Act) which you assert are applicable. To the extent that factual allegations or allegations of violations contained in the Order to Show Cause are not disputed in your Answer, they will be deemed admitted.

Your Answer should be filed with the Division, attention Pam Radzinski, P.O. Box 146760, Salt Lake City, Utah 84114-6760. A copy of your Answer should also be mailed to the Division's attorney, Jeff Buckner, Assistant Attorney General in the Utah Attorney General's Office, 160 East 300 South, P.O. Box 140872, Salt Lake City Utah 84114-0872, telephone (801) 366-0310.

A hearing date has been set for Tuesday, October 31st, 2006, at 10:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd Floor, Salt Lake City, Utah.

If you fail to file an Answer, as set forth herein, or fail to appear at the hearing, the Division of Securities may hold you in default, and a fine and other sanctions may be imposed against you in accordance with Utah Code Ann. § 63-46b-11, without the necessity of providing you with any further notice. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, you may appear and be heard and present evidence on your behalf. You may be represented by counsel during these proceedings.

The presiding officer in this case is Wayne Klein, Director, Division of Securities, 160 East 300 South, P.O. Box 146760, Salt Lake City, UT 84114-6760, telephone (801) 530-6600.

Questions regarding the Order to Show Cause and Notice of Agency Action should be directed to the Division's attorney, Jeff Buckner, at (801) 366-0310.

DATED this 28th day of September, 2006.

Wayne Klein

WAYNE KLEIN
Director, Division of Securities
Utah Department of Commerce

Certificate of Mailing

I certify that on the 28TH day of September, 2006, I mailed, by certified mail, a true and correct copy of the Order to Show Cause and Notice of Agency Action to:

Bradley R. Keyser
9446 Windermere Court
South Jordan, UT 84095

Certified Mail # 7006 0100 0001 7688 8961

Processing Programs
9446 Windermere Court
South Jordan, UT 84095

Certified Mail # 7006 0100 0001 7688 8978

Pamela Radzinski
Executive Secretary