

Division of Securities
Utah Department of Commerce
160 East 300 South, Second Floor
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:

MICHAEL LARRY RASMUSSEN;

Respondent.

ORDER TO SHOW CAUSE

Docket No. SD-06-0077

It appears to the Director of the Utah Division of Securities (Director) that Michael Larry Rasmussen, 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 Respondent and subject matter is appropriate in this matter because the Division alleges that the Respondent violated § 61-1-1 (Securities Fraud) of the Act

while engaged in the offer and sale of a security in Utah.

STATEMENT OF FACTS

2. Michael Larry Rasmussen (Rasmussen or Respondent) resides in Salt Lake County, Utah.
3. In mid-2005, Rasmussen offered two Utah residents the opportunity to invest in a real estate venture. One resident accepted the offer and invested, and received a promissory note from Rasmussen in return.
4. The promissory note Rasmussen gave to the investor is a security under the Act.
5. Prior to filing this OSC, the Division attempted to contact Rasmussen, with no success.

Investor D. T.

6. Utah investor D. T., lives near Rasmussen and has known Rasmussen for approximately five years.
7. In or around July 2005, Rasmussen told D. T. about an investment opportunity in real estate. The majority of these conversations took place at a school in Salt Lake County.
8. Rasmussen said he was building homes in Syracuse, Utah, that they were almost complete, and were already sold. Rasmussen told D. T. he needed between \$15,000 and \$20,000 to complete the homes, and then offered D. T. \$18,000 in return for a \$15,000 investment (20% return). Rasmussen assured D. T. there was no risk and that the return was guaranteed because the homes were almost complete and the buyers were lined up.
9. Rasmussen told D. T. he would give D. T. the \$18,000 by September 30, 2005.
10. Rasmussen failed to tell D. T. that Rasmussen had an outstanding judgment of \$14,411

- against him from Child Support Services Office of Recovery Services, and an outstanding judgment of \$4,581 against him from a divorce / annulment proceeding.
11. On August 12, 2005, D. T. gave Rasmussen a personal check for \$10,000 made payable to Mike Rasmussen, and \$5,000 in cash.
 12. In return for D. T.'s investment, Rasmussen gave D. T. a promissory note dated August 12, 2005, in the amount of \$18,000, with a maturity date of September 30, 2005. The note was signed by Mike Rasmussen.
 13. On or about October 18, 2005, Rasmussen again asked D. T. for another investment of \$1,000 to complete the homes in Syracuse. Rasmussen offered D. T. an additional \$2,500 for the \$1,000 investment.
 14. On November 10, 2005, D. T. invested another \$1,000 with Rasmussen by personal check made payable to Mike Rasmussen.
 15. Rasmussen gave D. T. nothing to document D. T.'s \$1,000 investment.
 16. After Rasmussen failed to pay D. T., D. T. demanded payment.
 17. On February 14, 2006, Rasmussen gave D. T. an official bank check from US Bank for \$30,000.
 18. The \$30,000 check failed to clear the bank.
 19. Despite several demands, D. T. has received no return of interest or principal from his investment with Rasmussen.

Potential Investor R. C.

20. In 2005, Rasmussen offered Utah resident, R. C., the opportunity to invest \$50,000 in a real estate venture.
21. Rasmussen offered R. C. a “large” return in a short period of time. Rasmussen told R. C. he would guarantee the return of R. C.’s principal and interest. Rasmussen assured R. C. there was no way to lose his money.
22. Rasmussen and R. C. discussed a \$20,000 investment over the telephone, but R. C. chose not to invest.

CAUSES OF ACTION

COUNT I Securities Fraud under § 61-1-1 of the Act (Rasmussen)

23. The Division incorporates and re-alleges paragraphs 1 through 22.
24. The investment opportunities offered and sold by Rasmussen are securities under § 61-1-13 of the Act.
25. In connection with the offer of a security to two investors, and the sale of a security to one of those investors, Rasmussen made false statements, including, but not limited to, the following:
 - a. That Rasmussen was building homes in Syracuse, Utah, when, in fact, Rasmussen was not a licensed contractor in the state of Utah. If Rasmussen was building homes, therefore, he was doing so illegally; and
 - b. That Rasmussen could pay a significant profit on money invested with

Rasmussen, when, given Rasmussen's outstanding judgments, he had no reasonable basis on which to make this representation.

26. In connection with the offer of a security to two investors, and the sale of a security to one of those investors, Rasmussen failed to disclose material information, including, but not limited to, the following:
- a. That Rasmussen had an outstanding judgment of \$14,411 against him from Child Support Services Office of Recovery Services; and
 - b. That Rasmussen had an outstanding judgment of \$4,581 against him from a divorce / annulment proceeding.
27. Based on the above, Rasmussen willfully violated § 61-1-1 of the Act.

ORDER

The Director, pursuant to § 61-1-20 of the Act, hereby orders Respondent 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 Friday, November 17, 2006, at 9:00 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 Respondent 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, Respondent may show cause, if any they have:

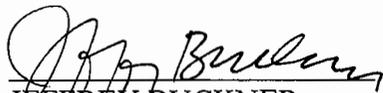
- a. Rasmussen should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;
- b. Why Rasmussen should not be ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1-1, or any other section of the Act; and
- c. Why Rasmussen should not be ordered to pay a fine of thirty thousand dollars (\$30,000) to the Division.

DATED this 11th day of October, 2006.


WAYNE KLEIN
Director, Utah Division of Securities



Approved:


JEFFREY BUCKNER
Assistant Attorney General

M. H.

Division of Securities
Utah Department of Commerce
160 East 300 South
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Salt Lake City, UT 84114-6760
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**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:

MICHAEL LARRY RASMUSSEN;

Respondent.

NOTICE OF AGENCY ACTION

Docket No. SD-06-0077

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENT:

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, and any future pleadings or filings that should be part of the official files in this matter, should be sent to the following:

Signed originals to:

Administrative Court Clerk
c/o Pam Radzinski
Division of Securities
160 E. 300 S., Second Floor
Box 146760
Salt Lake City, UT 84114-6760
(801) 530-6600

A copy to:

Jeff Buckner
Assistant Attorney General
160 E. 300 S., Fifth Floor
Box 140872
Salt Lake City, UT 84114-0872
(801) 366-0310

A hearing date has been set for Friday, November 17th, 2006, at 9:00 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.

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 11th day of October, 2006.

Wayne Klein
WAYNE KLEIN
Director, Division of Securities
Utah Department of Commerce

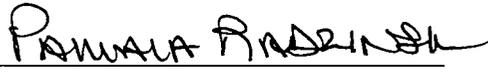


Certificate of Mailing

I certify that on the 18th day of October, 2006, I mailed, by certified mail, a true and correct copy of the Order to Show Cause and Notice of Agency Action to:

Michael Larry Rasmussen
1263 E. 8320 S.
Sandy, UT 84094

Certified Mail # 7006 0100 0001 7688 9029


Pamela Rasmussen
Executive Secretary