

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
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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.

AFFIDAVIT OF SERVICE

Docket No. SD-06-0077

I, Pam Radzinski, first being duly sworn, depose and state as follows:

1. I am the Executive Secretary for the Department of Commerce Division of Securities (the Division).
2. As executive secretary for the Division, I am responsible for supervising the mailing of the Division's Orders to Show Cause and for receiving any responses filed by respondents.

3. On October 18, 2006, the Division mailed, by certified mail, an Order to Show Cause (OSC) to Michael Larry Rasmussen (the Respondent), along with a Notice of Agency Action (Notice).
4. On October 30, 2006, the Division was notified by the United States Postal Service that the OSC and Notice were successfully delivered to the Respondent's address, and signed for by Tami Rasmussen.
5. As of the date of this Affidavit, the Division has not received a response from the Respondent.

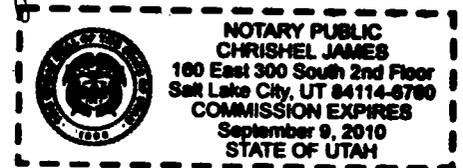
DATED this 20th day of ~~November~~^{DECEMBER}, 2006.

PAM RADZINSKI
 PAM RADZINSKI
 Executive Secretary

SALT LAKE COUNTY)
) ss
 STATE OF UTAH)

Signed and subscribed to before me this 20th day of ~~November~~^{December}, 2006

Christelle
 Notary Public



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Respondent.

**NOTICE OF ENTRY OF
DEFAULT AND ORDER**

Docket No. SD-06-0077

I. BACKGROUND

A formal adjudicative proceeding was initiated by the Division's Order to Show Cause and Notice of Agency Action dated October 11, 2006, against Michael Larry Rasmussen (Rasmussen). At the November 17th, 2006 hearing, the presiding officer, Wayne Klein, held Rasmussen in default for failing to file a response to the Order to Show Cause, and for failing to attend the hearing either in person or by telephone.

II. FINDINGS OF FACT

1. On October 18, 2006, the Division mailed, by certified mail, an Order to Show Cause (OSC) to Rasmussen, along with a Notice of Agency Action (Notice).
2. On October 30, 2006, the Division was notified by the United States Postal Service that the OSC and Notice were successfully delivered to the Respondent's address, and signed for by Tami Rasmussen.
3. At the November 17th, 2006 hearing, the presiding officer, Wayne Klein, held Rasmussen in default for failing to file a response to the Order to Show Cause, and for failing to attend the hearing either in person or by telephone.
4. Rasmussen resides in Salt Lake County, Utah.
5. 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.
6. Prior to filing this OSC, the Division attempted to contact Rasmussen, with no success.

Investor D. T.

7. Utah investor D. T., lives near Rasmussen and has known Rasmussen for approximately five years.
8. 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.

9. 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.
10. Rasmussen told D. T. he would give D. T. the \$18,000 by September 30, 2005.
11. 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.
12. On August 12, 2005, D. T. gave Rasmussen a personal check for \$10,000 made payable to Mike Rasmussen, and \$5,000 in cash.
13. 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.
14. 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.
15. On November 10, 2005, D. T. invested another \$1,000 with Rasmussen by personal check made payable to Mike Rasmussen.
16. Rasmussen gave D. T. nothing to document D. T.'s \$1,000 investment.

17. After Rasmussen failed to pay D. T., D. T. demanded payment.
18. On February 14, 2006, Rasmussen gave D. T. an official bank check from US Bank for \$30,000.
19. The \$30,000 check failed to clear the bank.
20. Despite several demands, D. T. has received no return of interest or principal from his investment with Rasmussen.

Offeree R. C.

21. In 2005, Rasmussen offered Utah resident, R. C., the opportunity to invest \$50,000 in the same real estate venture offered to D. T.
22. 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.
23. Rasmussen and R. C. discussed a \$20,000 investment over the telephone, but R. C. chose not to invest.

Misrepresentations and Omissions of Material Information

24. 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.
25. 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.

III. CONCLUSIONS OF LAW

26. The service of the OSC and the Notice initiating these proceedings is valid upon Rasmussen.
27. Rasmussen had actual notice of these proceedings.
28. Because Rasmussen did not file a written response to the OSC, or participate in the hearing held on November 17, 2006, he is in default.

29. The investment opportunity offered and sold by Rasmussen is a security under the Utah Uniform Securities Act (the Act).
30. In connection with the offer and sale of a security, Rasmussen misrepresented material facts to investors.
31. In connection with the offer and sale of a security, Rasmussen omitted to state to investors various material facts which were necessary in order to make the statements made not misleading.
32. By this conduct, Michael Larry Rasmussen violated § 61-1-1(2) of the Act.

IV. ORDER

Based on the above, the Director hereby:

1. Declares Michael Larry Rasmussen in default for failing to file a written response to the October 11, 2006 OSC, and for failing to participate in the hearing held on November 17th, 2006.
2. Enters, as its own findings, the Finding of Fact described in Section II above.
3. Enters, as its own conclusions, the Conclusions of Law described in Section III above.
4. Finds that Michael Larry Rasmussen willfully violated the Utah Uniform Securities Act by misrepresenting material facts in connection with the offer and sale of a security in or from Utah in violation of § 61-1-1(2).

5. Finds that Michael Larry Rasmussen willfully violated the Utah Uniform Securities Act by omitting to disclose material information in connection with the offer and sale of securities in or from Utah in violation of § 61-1-1(2).
6. Orders Michael Larry Rasmussen to permanently CEASE and DESIST from any violations of the Act.
7. Orders Michael Larry Rasmussen to pay a fine of thirty thousand dollars (\$30,000) to the Division by February 28th, 2007.

DATED this 21st day of ~~November~~ ^{December}, 2006.


WAYNE KLEIN
Director, Division of Securities



Pursuant to § 63-46b-11(3), Respondent may seek to set aside the Default Order entered in this proceeding by filing such a request with the Division consistent with the procedures outlined in the Utah Rules of Civil Procedure.

Certificate of Mailing

I certify that on the 28TH day of ~~November~~^{DECEMBER}, 2006, I mailed a true and correct copy of

the Notice of Entry of Default and Order to:

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

PAMALA RASZINSKI
Executive Secretary