Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd 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:	STIPULATION AND CONSENT ORDER
FREEDOM ASSETS, LLC;	Docket No. SD-06-0091
EXECUTIVE ASSETS, LLC;	Docket No. SD-06-0092
KERRY D. PIPKIN;	Docket No. SD-06-0093
LAURIE ANN PIPKIN;	Docket No. SD-06-0094
Respondents.	

The Utah Division of Securities (Division), by and through its Director of Enforcement, Michael Hines, and Freedom Assets, LLC, Executive Assets, LLC, Kerry D. Pipkin, and Laurie Ann Pipkin hereby stipulate and agree as follows:

1. Freedom Assets, LLC (Freedom Assets), Executive Assets, LLC (Executive Assets), Kerry D. Pipkin (Kerry), and Laurie Ann Pipkin (Laurie) were the subject of an investigation conducted by the Division into allegations that they violated certain

provisions of the Utah Uniform Securities Act (the Act), Utah Code Ann. § 61-1-1, et seq, as amended.

2. In connection with that investigation, on November 14, 2006, the Division issued an Order to Show Cause to Freedom Assets, Executive Assets, Kerry, and Laurie, alleging that they committed securities fraud, sold unregistered securities without a license, and employed an unlicensed agent to sell the securities, all in violation of the Act.

3. Respondents and the Division have agreed to settle the matter by way of this Stipulation and Consent Order (Consent Order).

4. Respondents admit the jurisdiction of the Division over Respondents and over the subject matter of this action.

5. Respondents waive any right to a hearing to challenge the Division's evidence and present evidence on Respondents' behalf.

THE DIVISION'S INVESTIGATIVE FINDINGS

In July 2004, the Division opened an investigation of Freedom Assets, Executive Assets, Kerry, and Laurie which revealed the following:

6. Freedom Assets, LLC (Freedom Assets) was registered as a Utah limited liability company on October 2, 2000, but its status expired on February 9, 2005. Freedom Assets was located at 3725 South Washington Boulevard, Suite 1, in South Ogden, Utah, and Kerry D. Pipkin was its registered agent, sole manager and member.

7. Executive Assets, LLC (Executive Assets) was registered as a Utah limited liability company on May 13, 2002, and its status is currently "active." Executive Assets is located at 3725 South Washington Boulevard, Suite 1, in South Ogden, Utah, and Kerry D. Pipkin is its registered agent, sole manager and member.

8. Kerry D. Pipkin (Kerry) resides in Weber County, Utah.

9. Laurie Ann Pipkin (Laurie) resides in Weber County, Utah.

10. In January 2002, Kerry and Laurie Pipkin (the Pipkins) introduced Idaho residents S. T. and V. T. to an investment opportunity, while they visited at the Pipkins' home in Utah.

11. The Pipkins (both were actively involved in the discussion) described the investment as the factoring of accounts receivable. They told S. T. and V. T. there was a company (the name of the company was not disclosed) which purchased the accounts receivable of Asian latex glove manufacturers for a discount. The Pipkins said, by selling the accounts receivable, the glove manufacturers did not have to wait three months to get paid for their product, which was in transit to a purchaser in the United States.

12. The Pipkins told S. T. and V. T. that the company then collected the full purchase price of the gloves from the purchaser, which enabled the company to pay individuals who loaned them money a 15% return in three months.

13. The Pipkins told S. T. and V. T. that the investment opportunity was "a sure thing," and that any investment of money was secured by the product being shipped, i. e., the latex gloves.

14. The Pipkins told S. T. and V. T. that many people were investing in the program, including relatives of the Pipkins, that everyone seemed very pleased with the returns they were making, and that investors were paying off their homes and purchasing expensive cars.

15. The Pipkins said that most people were investing at least $10,000, although they did not say that was the minimum required to invest. The Pipkins said they wanted to be able to add money to their total investment in $100,000 increments, so they would hold S. T.'s and V. T.'s investment until they had acquired $100,000, and then place the money in the investment opportunity.

16. The Pipkins failed to tell S. T. and V. T. that the company from whom the investor would supposedly purchase accounts receivable was under investigation by the SEC.

17. The company, J. T. Wallenbrock & Associates (Wallenbrock), was a California based company.

18. In late January 2002, as a result of their investigation, the SEC froze the assets of Wallenbrock.

19. In Utah, investments in Wallenbrock were being promoted by the Pipkins, among others, through Freedom Assets. In August 2002 the Pipkins began promoting the program through Executive Assets.

20. On January 27, 2002, one day before the SEC froze Wallenbrock's assets, S. T. and V. T. invested in the latex glove program by personal check for $10,000 made payable to

Freedom Assets. S. T. and V. T. did not receive a promissory note at the time of the investment. Their investment remained in Freedom Assets' account until April, 2002, well after the Pipkins learned of the SEC freeze on Wallenbrock's assets.

21. On April 23, 2002, Freedom Assets gave S. T. and V. T. a promissory note. The note was signed by Kerry Pipkin on behalf of Freedom Assets. The note promised to pay $11,500 on July 12, 2002.

22. Instead of receiving their principal and interest on the maturity date, S. T. and V. T. decided to roll over their investment. S. T. and V. T. rolled their note over three times, and received a new note each time, issued by Executive Assets, LLC and signed by Kerry Pipkin, as follows:

Date Signed	Amount	Date Due
August 9, 2002	$13,225.00	October 12, 2002
November 27, 2002	$15,208.75	January 12, 2003
February 21, 2003	$17,490.06	April 12, 2003

23. In a letter dated February 20, 2003, addressed "To all lenders in the glove program:" and signed "Executive Assets, LLC", the Pipkins advised investors they had decided to withdraw all funds from the program. The reason for this action cited in the letter was "the Political environment between China and the U.S. and the rest of the world, as well as, recent events that have been purported to us concerning our government's possible intentions to cause great delays and possible discontinuance of the program itself."

24. After receiving the above information, V. T. did some research on her own. She discovered that the company running the glove factoring program was J. T. Wallenbrock & Associates. Further, she learned about the SEC action taken a full year earlier, none of which was disclosed by the Pipkins.

25. V. T. asked the Pipkins for the money due on the last note on February 10, 2004.

26. S. T. and V. T. have received nothing from the Pipkins, nor from the bankruptcy Kerry Pipkin filed in August 2004.

27. Bank records for the Freedom Assets account at America First Credit Union revealed S. T. and V. T.'s investment was used by the Pipkins to pay for personal expenses and to run two separate businesses called Crazy Cash, LLC, and Crazy Money, LLC.

28. The personal expenses paid by the Pipkins using S. T.'s and V. T.'s money include payments to Rosehill Dairy, American Express, Nextel Communications, South Ogden City, First USA Card, Chase Manhattan, US West Communications, AT&T Broadband, Conti Mortgage, as well as child support payments, and payments on multiple loans to Kerry Pipkin from America First Credit Union.

Securities Fraud

29. In connection with the offer and sale of a security to investors, Respondents made false statements, including, but not limited to, the following:

a. That invested funds would be used to factor accounts receivable for Asian latex glove manufacturers, when, in fact, there were no accounts receivable being factored; and

b. That the investment was safe because is was secured by the product being shipped, when, in fact, there was no product being shipped.

30. In connection with the offer and sale of securities to investors, Respondents failed to disclose or provide material information to investors, including, but not limited to, the following, which was necessary in order to make representations made not misleading:

a. The name of the company factoring accounts receivable.

b. The business and operating history of that company (Wallenbrock).

c. The identity and backgrounds of the principals in Wallenbrock.

d. That the SEC had frozen the assets of Wallenbrock and caused a receiver to be appointed, following the SEC's investigation of Wallenbrock.

e. That the Pipkins were using invested funds for personal expenses and to run another business.

f. That the securities were not registered nor were they exempt from registration.

g. That the Pipkins were unlicensed broker-dealers or agents.

h. That Laurie Pipkin had an ongoing child support lien.

Sale of Unregistered Securities

31. Respondents offered and sold securities in this state.

32. The securities were not registered under the Act, and Respondents did not file any claim of exemption relating to the securities.

Sale by and Unlicensed Agent

33. When offering and selling the securities in Utah on behalf of Freedom Assets and Executive Assets, Kerry and Laurie were acting as agents of an issuer.

34. Neither Kerry nor Laurie have ever been licensed to sell securities in Utah as agents of Freedom Assets or Executive Assets, or any other issuer.

Employing an Unlicensed Agent

35. Freedom Assets and Executive Assets employed or engaged unlicensed agents, Kerry and Laurie Pipkin, to offer and sell their securities in Utah.

THE DIVISION'S CONCLUSIONS

36. Based on the Division's investigative findings, the Division concludes that:

a. The promissory notes offered and sold by Respondents are securities under § 61-1-13 of the Act;

b. Respondents wilfully violated § 61-1-1 of the Act by making misrepresentations of material fact and omitting to state material facts in connection with the offer and sale of a security;

c. Respondents wilfully violated § 61-1-7 of the Act by selling securities in Utah that were not registered under the Act;

d. Kerry and Laurie Pipkin wilfully violated § 61-1-3 of the Act by selling securities in Utah without a license; and

e. Freedom Assets and Executive Assets wilfully violated § 61-1-3 of the Act by employing unlicensed agents, Kerry and Laurie Pipkin, to sell their securities in Utah.

37. Respondents admit the substance of the Division's investigative conclusions and consent to the Division entering an Order:

a. Requiring Respondents to cease and desist from engaging in any further conduct in violation of the Utah Securities Act;

b. Requiring Kerry D. Pipkin pay a fine of five thousand dollars ($5,000) to the Division, half of which would be waived so long as Kerry permanently refrains from violating Utah securities laws. If at any time the Division discovers that Kerry acted in violation of Utah securities laws, the other half of the fine would be due within one month of the date on which the Division provides Kerry with notice of the violation; and

c. Requiring Laurie Ann Pipkin pay a fine of two thousand five hundred dollars ($2,500) to the Division, half of which would be waived so long as Laurie permanently refrains from violating Utah securities laws. If at any time the Division discovered that Laurie acted in violation of Utah securities laws, the

other half of the fine would be due within one month of the date on which the Division provides Laurie notice of the violation.

d. Requiring that the fines be paid upon execution of this Consent Order.

38. Respondents acknowledge that this Consent Order, upon approval by the Division Director, shall be the final compromise and settlement of this matter. Respondents further acknowledge that if the Division Director does not accept the terms of the Consent Order, it shall be deemed null and void and without any force or effect whatsoever.

39. Respondents acknowledge that the Consent Order does not affect any civil or arbitration causes of action that third parties may have against Respondents arising in whole or in part from their actions, and that the Consent Order does not affect any criminal cause of action that a prosecutor might bring.

40. This Consent Order constitutes the entire agreement between the parties herein and supersedes and cancels any and all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements which modify, interpret, construe, or otherwise affect this Consent Order in any way.

41. Respondents represent that any information they have provided to the Division is accurate and complete.

42. Violation of this Consent Order is a third degree felony pursuant to § 61-1-21(1) of the Act.

43. Respondents have read this Consent Order, understand its contents, and enter into this Consent Order voluntarily. No promises or threats have been made by the Division, nor by any member, officer, agent, or representative of the Division other than as contained herein, to induce Respondents to enter into this Consent Order.

Utah Division of Securities

Date: 12/10/50

By: _____
Michael Hines
Director of Enforcement

Approved:

Jeff Buckner
Assistant Attorney General

Respondent Freedom Assets, LLC

Date: 6/25/07

By: Kerry Pipkin
Kerry Pipkin

Its: President

Respondent Executive Assets, LLC

Date: 6/25/07

By: Kerry Pipkin
Kerry Pipkin

Its: President

Respondent Kerry

Date: 6/25/07

Kerry Pipkin
Kerry Pipkin

Respondent Laurie

Date: Laurie Pipkin 10-31-07

Laurie Pipkin

Laurie Pipkin

Approved:

Rebecca Hyde
Counsel for Respondents

ORDER

Pursuant to the terms of the Stipulation and Consent Order defined above, the Director of the Utah Division of Securities hereby orders that:

a. Freedom Assets, LLC, Executive Assets, LLC, Kerry D. Pipkin, and Laurie Ann Pipkin CEASE and DESIST from engaging in any further conduct in violation of the Utah Securities Act;

b. Kerry D. Pipkin pay a fine of five thousand dollars ($5,000) to the Division, half of which will be waived so long as Kerry permanently refrains from violating Utah securities laws. If at any time the Division discovers that Kerry acted in violation of Utah securities laws, the other half of the fine will be due within one month of the date on which the Division provides Kerry with notice of the violation;

c. Laurie Ann Pipkin pay a fine of two thousand five hundred dollars ($2,500) to the Division, half of which will be waived so long as Laurie refrains from violating Utah securities laws. If at any time the Division discovers that Laurie acted in violation of Utah securities laws, the other half of the fine will be due within one month of the date on which the Division provides Laurie with notice of the violation; and

d. The fines be paid upon execution of this Agreement.

DATED this 31st day of October, 2007.

WAYNE KLEIN
Director, Utah Division of Securities

Certificate of Mailing

I certify that on the 1ST day of ~~October,~~ NOVEMBER 2007, I mailed CERTIFIED a true and correct copy of the Stipulation and Consent Order to:

Kerry D. Pipkin
Individually, and as Registered Agent for Freedom Assets and Executive Assets
3725 Washington Blvd.
South Ogden, UT 84403

Laurie Ann Pipkin
824 West 4250 South
Riverdale, UT 84405

Rebecca Hyde (Attorney representing Respondents)
Skordas, Caston & Hyde, LLC
341 S. Main Street, Suite 303
Salt Lake City, UT 84111

PAMELA BADZINSKI
Executive Secretary