Division of Securities
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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
THE CANTAMAR LLC; **GLENN ALLEN BRITT;** and MAURO E. LOBATO JR.; Respondents.	**Docket No. SD-07-0002** **Docket No. SD-07-0003** Docket No. SD-07-0004

The Utah Division of Securities (Division), by and through its Director of Enforcement, Michael Hines, and The Cantamar LLC, and Glenn Allen Britt, hereby stipulate and agree as follows:

1. The Cantamar LLC (Cantamar), Glenn Allen Britt (Britt), and Mauro E. Lobato Jr. (Lobato Jr.) 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 January 25, 2007, the Division issued an Order to Show Cause to Cantamar, Britt, and Lobato Jr., alleging that they all committed securities fraud, and that Cantamar and Britt employed an unlicensed agent, in violation of the Act.

3. Cantamar, Britt, and the Division have agreed to settle the matter by way of this Stipulation and Consent Order (Consent Order). Lobato Jr.'s administrative action was settled by a Stipulation and Consent Order with the Division on June 19, 2007.

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

5. Cantamar and Britt waive any right to a hearing to challenge the Division's evidence and present evidence on their own behalf.

THE DIVISION'S INVESTIGATIVE FINDINGS

From May through September 2006, the Division conducted an investigation of Cantamar and Britt which revealed the following:

6. The Cantamar LLC was registered as a Nevada limited liability company from 1998 to 2005, when its registration was revoked. Glenn Allen Britt and James H. Britt were Cantamar's only two managers. Cantamar is not registered as a business entity in Utah.

7. Commercial Lending Group, Inc. (CLG) was registered as a Utah corporation on February 22, 2001, but its corporate status expired on January 31, 2005. Glen Bauer

(Bauer) was CLG's registered agent, president, and one of two directors, and Troy D. Thuet (Thuet) was CLG's secretary, and a director.

8. Glenn Allen Britt resides in Davis County, Utah, and was one of two members of The Cantamar LLC.

9. Mauro E. Lobato Jr. resides in Davis County, Utah, and was an agent for The Cantamar LLC.

10. On July 7, 2004, the state of Utah (State) filed criminal charges against Britt, Bauer, and Thuet in Utah's Third District Court for violations of the Act.

11. Britt was charged with four counts of Securities Fraud, one count of Sale of Unregistered Securities, one count of Sale by an Unlicenced Agent, and one count of a Pattern of Unlawful Activity (Racketeering).

12. The charges were based on criminal misconduct occurring between April 5, 2001 and January 9, 2003, involving the offer and sale of CLG and Cantamar promissory notes.

13. On March 14, 2005, Britt entered into a plea in abeyance agreement with the State.

14. Britt pleaded guilty to one count of Securities Fraud, a second degree felony, and one count of Sale by an Unlicensed Agent, a third degree felony, and the State agreed to hold Britt's plea in abeyance for a period of three years.

15. Britt agreed to pay $23,067.42 in restitution, jointly and severally with Bauer, Thuet, and another defendant by the name of David Bruce Townley. To date, Britt has paid $10,800 in restitution.

16. This administrative action includes six investors who purchased CLG and/or Cantamar promissory notes and one offeree, who were not identified by the State, or disclosed by Britt to the State, prior to or during Britt's criminal action.

17. From May 2001 to August 2003, Cantamar and Britt solicited a total of $384,794 in CLG and Cantamar promissory notes from at least eight different investors. Lobato Jr., acting as a sales agent of Cantamar and CLG, assisted in the solicitation of two of the eight investors, and received a commission from Britt in return.

18. Respondents told investors that CLG and Cantamar were hard money lenders that catered to builders working on large construction projects. Respondents also told investors they would receive an interest rate of anywhere from 18 to 60% per year, and that their promissory notes would mature in anywhere from two months to five years.

19. On September 25, 2006, in connection with the same acts described in this Consent Order, the State charged Britt criminally with four counts of Securities Fraud, and one count of Exploitation of a Vulnerable Adult, in Utah's Second District Court, Davis County, Case No. 061701382.

20. On May 14, 2007, in the above mentioned criminal action, Britt pleaded guilty to one count of Securities Fraud (3rd degree felony), was sentenced to an indeterminate term of five years in prison (suspended), and ordered to pay $40,539 in restitution by the end of his three years of probation. Pursuant to a plea agreement with the State, Britt agreed to pay a total of $211,979 in restitution to the victims, and any part of that $211,979 not

paid back at the end of Britt's three years of probation will convert to civil judgments in favor of each victim who is still owed money.

Investor R. H.

21. In 2000, investor R. H. was selling his home in Weber County, Utah.

22. Richard Smith (Smith) approached R. H. about purchasing R. H.'s home. Smith purchased R. H.'s home, and during the process, told R. H. about Glenn Britt.

23. Smith said Britt was an investment broker who raised capital.

24. Smith later introduced R. H. to Britt at a meeting in Weber County.

25. Britt told R. H. he was raising venture capital to invest with CLG. Britt said CLG provided funding to new businesses in need of cash, for a term of one to five years.

26. Britt said CLG only funded businesses with real property to pledge as collateral, so if R. H. invested, R. H.'s money would be "backed by real property."

27. Britt said "you've got all this cash from the sale of your home, why don't you invest it."

28. Britt then invited R. H. to attend a meeting for CLG investors.

29. R. H. attended the meeting, which was held in Davis County, Utah.

30. The meeting was attended by R. H., Britt, Thuet, and someone else representing CLG. Britt, Thuet, and the other CLG representative made a presentation which included the same information that Britt told R. H. regarding the investment.

31. The CLG representative also said there was a $100,000 minimum to invest and the return was 20% per year.

32. At the same meeting, R. H. asked Britt if he was licensed to sell the investment opportunity. Britt said he was not licensed but CLG was.

33. R. H. told Britt he was not interested in investing because he could not meet the $100,000 minimum requirement.

34. A few months later, Britt called R. H. and said he had other investors who could not meet the minimum requirement, and said he could pool R. H. with the others to meet the minimum.

35. On March 19, 2001, R. H. invested $25,000 in CLG, by giving Britt a personal check made payable to CLG.

36. In return for his investment, R. H. received a CLG promissory note by mail, dated March 20, 2001, and signed by Troy Thuet, CLG's secretary. The promissory note was in the amount of $25,000, and matured in March 2003.

37. As the maturity date on R. H.'s note approached, Britt began calling R. H. Britt told R. H. to reinvest his money in another company that was in the same kind of business as CLG.

38. Britt told R. H. the terms of the new investment would not be as good as his first investment, but Britt did not provide the specifics.

39. R. H. met Britt at Alliance Credit Union in Weber County, where Britt gave R. H. a check for the principal and interest owing on R. H.'s CLG promissory note (approximately $33- 34,000). The check cleared the bank.

40. On July 31, 2002, R. H. reinvested $31,000 with Britt, by personal check made payable to CLG. Britt did not provide R. H. with a promissory note at this time.

41. After approximately two months passed without R. H. receiving his promissory note from Britt, R. H. called Britt. Britt told R. H. he had the note and would send R. H. a copy.

42. Shortly thereafter, R. H. received a Cantamar promissory note in the mail, dated October 7, 2002, and signed by Britt. The note was in the amount of $44,950[1], and stated a maturity date of October 7, 2007.

43. R. H. has made no attempt to collect on his Cantamar note because the maturity date has not passed.

44. R. H. is owed $25,000 in principal alone.

Investors K. W. M. and K. J. M., Husband and Wife

45. Investors K. W. M. and K. J. M. lived in the same Davis County, Utah, neighborhood as Britt.

46. In early 2001, Britt knocked on K. W. M.'s and K. J. M.'s front door and when K. J. M. answered, Britt said "I heard you're interested in investing."

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[1]R. H. cannot explain why the promissory note was in the amount of $44,950, when he actually invested $31,000.

47. Britt told K. J. M. he had an investment she might like. Britt told K. J. M. he used to work with "the stock exchange," but moved from stocks to "real estate" because he could make more money.

48. K. J. M. told Britt she would think about it.

49. Britt returned a few weeks later to K. J. M.'s home, and told her he had "an amazing deal" where K. J. M. could make a lot of money in a short time.

50. Britt said he needed $20,000 for about two months for a real estate transaction, and offered K. J. M. 20% annual interest for such an investment. K. J. M. discussed the investment opportunity with her husband, K. W. M., and they decided to invest.

51. On or about June 8, 2001, K. J. M. gave Britt a personal check for $25,000 (the First Investment).

52. In return for their investment, Britt delivered a CLG promissory note to K. W. M.'s and K. J. M.'s home.

53. The CLG note was dated June 8, 2001, was in the amount of $25,000, included annual interest of 60%[2], and matured on July 8, 2001.

54. Approximately two months later, Britt returned K. W. M.'s and K. J. M.'s principal and interest.

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[2] K. W. M. and K. J. M. do not recall why the promissory note included annual interest of 60%, when Britt had actually offered them 20%.

55. After receiving payment from Britt on the First Investment, K. J. M. met with Britt in Layton, Utah, to discuss a new investment opportunity. Britt asked K. J. M. to purchase a Cantamar promissory note.

56. Britt told K. J. M. that Cantamar was Britt's company, and that Cantamar, through CLG, had a vast number of real estate holdings in California.

57. Britt told K. J. M. that money K. J. M. invested in Cantamar would be placed directly into real estate through CLG.

58. Britt told K. J. M. his investors were happy.

59. Britt also said he invested for his own father, and that he would never invest his father's money in something that was not a good deal.

60. Britt told K. J. M. her investment would be secured by real property.

61. Britt gave K. J. M. some written material relating to CLG.

62. K. J. M. discussed the investment opportunity with her husband, and they decided to invest.

63. Britt told K. J. M. to open a self-directed IRA and suggested she do so through PENSCO Trust Company (PENSCO). Britt provided K. J. M. with the necessary paperwork to open an account at PENSCO, and arranged for the transfer of funds from her Tax-Shelter Annuity (TSA) to PENSCO.

64. After K. J. M.'s PENSCO account was opened on August 24, 2001, a CLG promissory note was purchased for $19,750.

65. In late September 2001, K. J. M. received a statement in the mail from PENSCO stating that a CLG promissory note had been purchased on September 9, 2001, for $19,750, which carried 18% annual interest (the Second Investment).

66. Shortly thereafter, K. J. M. received a letter from PENSCO expressing concern that CLG and Cantamar were not financially solid.

67. Britt visited K. J. M. at her home a few days after she received the letter from PENSCO. Britt told K. J. M. that PENSCO had made some errors and he did not want her to work with them. Britt told K. J. M. to open an IRA with Entrust Group (Entrust), and said he would pay the fees for moving the account.

68. Britt completed the forms to open an Entrust account, which K. J. M. then signed.

69. Britt also completed the paperwork to have K. J. M.'s PENSCO IRA transferred to Entrust.

70. Britt completed an Entrust buy direction letter, dated July 26, 2002, and instructed K. J. M. to sign it. The letter directed Entrust to purchase a Cantamar promissory note for $22,284.49.

71. In a July 23, 2002 letter to Entrust, Britt stated that he enclosed a buy letter to "exchange the Commercial Lending Group note with the Cantamar note."

72. On or about July 23, 2002, Britt delivered a Cantamar promissory note to K. J. M. at her home. The note was dated July 23, 2002, was in the amount of $22,284.49, included annual interest of 20%, and a maturity date of August 1, 2007 (The Third Investment).

73. The note stated that it was secured by "a prorated amount of company assets" which included "trust deeds, accounts receivables, and other negotiable instruments."

74. Britt also gave K. J. M. a ten-year amortization table for 20% annual interest on her Second Investment.

75. After July 23, 2002, Britt began acting as a financial advisor for K. W. M. and K. J. M.

76. Britt told K. J. M. her TSAs were bad investments and was particularly critical of her Northwestern TSA.

77. Britt said he heard that Northwestern was "going bad" and told K. J. M. she would lose her money unless she disposed of her Northwestern TSA right away.

78. Britt advised K. J. M. to dispose of all of her investments and invest the money in Cantamar.

79. K. J. M. discussed Britt's advice with her husband and they decided to close K. J. M.'s Northwestern TSA, but leave her other investments in place.

80. K. J. M. advised Britt of her decision, and Britt told K. J. M. to open an IRA account at Mid-Ohio Securities Corporation (Mid-Ohio).

81. Britt completed all of the paperwork to open the account at Mid-Ohio and transfer K. J. M.'s balance from her Northwestern TSA. K. J. M. signed the paperwork.

82. On or about October 11, 2002, Britt delivered a Cantamar promissory note to K. J. M. at her home.

83. The note was signed by Britt and was in the amount of $39,000, with annual interest of 20%, and a maturity date of October 25, 2005 (The Fourth Investment). The note also stated that it is "secured by a prorated amount of company assets."

84. Britt also gave K. J. M. a ten year amortization table for her investment.

85. On or about October 24, 2002, K. J. M. received a letter from Mid-Ohio telling her that, pursuant to her instructions, an investment check of $39,000 had been sent to Cantamar.

86. In late 2002, after their third investment, K. W. M. and K. J. M. attended a banquet, along with approximately ten other couples, hosted by Britt at a hotel in Davis County, Utah.

87. Britt paid for the meal and then held a meeting about investing, all of which lasted approximately three hours.

88. Britt told those in attendance they should pull out the equity in their homes with a second mortgage, and invest the money in Britt's promissory notes at 20% annual interest.

89. Britt said investor money would be invested in real estate.

90. K. W. M. and K. J. M. chose not to invest any equity in their home with Britt.

91. On or about December 12, 2002, K. W. M. and K. J. M. sold their home in Davis County.

92. K. J. M. told Britt that she and K. W. M. could invest some additional money with Britt for one year.

93. Britt told K. J. M. he was buying homes in foreclosure and "turning them over for a large profit."

94. Britt said any money K. W. M. and K. J. M. invested would be secured by the homes purchased, and that she would earn interest of 20% per year.

95. On or about December 18, 2002, K. J. M. gave Britt two cashier's checks totaling $40,183.03. One of the cashier's checks was dated December 18, 2002, for $21,000. The other cashier's check was dated December 18, 2002, for $19,183.03.

96. Britt gave K. J. M. a receipt dated December 18, 2002 for her investment, which is on Cantamar letterhead and signed by Britt.

97. Britt also gave K. J. M. a Cantamar promissory note dated December 19, 2002, in the amount of $40,183.03, carrying interest of 20% per year, and a maturity date of July 1, 2004 (The Fifth Investment). The note was signed by Britt.

98. K. W. M. and K. J. M. did not hear from Britt for about nine months.

99. In October 2003, K. W. M. and K. J. M. met with Britt at his home while visiting Utah.

100. K. W. M. and K. J. M. told Britt they would need all of the money from their Fifth Investment when it comes due on July 1, 2004. Britt replied that it would not be a problem.

101. When their note came due in July 2004, K. W. M. and K. J. M. began calling Britt.

102. Britt told K. W. M. and K. J. M. that he invested their money in the Ruby River Plaza Development, LLC, in Riverdale, Utah, through the developer, Brent Burnett, and that Britt was supposed to get their money from Burnett.

103. Britt continued to give K. W. M. and K. J. M. excuses about non-payment.

104. Sometime after July 2004, Britt told K. W. M. that he lost all of their money.

105. K. W. M. and K. J. M. immediately contacted an attorney.

106. Through their attorney, K. W. M. and K. J. M. were able to get Britt to assign to K. W. M. and K. J. M., Cantamar's membership interest in the Ruby River Plaza Development.

107. Despite their demands, and the threat of legal action, K. W. M. and K. J. M. have received no return of their principal or interest from Britt. K. W. M. and K. J. M. are still owed $101,467.53 in principal alone.

Investors H. A. and D. A., Husband and Wife

108. On April 17, 2001, H. A. and D. A. met with Britt and Richard Smith, D. A.'s brother-in-law, to discuss an investment opportunity offered by Britt.

109. Britt told H. A. and D. A. if they invested in his real estate program, they would earn 20 to 25% interest per year.

110. Britt also said that Britt and his father had invested in the program.

111. Britt told H. A. and D. A. they would need to open an IRA account at PENSCO, and Britt helped H. A. complete the forms. The forms were filled out to provide that H. A. was the depositor, D. A. the beneficiary, and Britt was their designated representative.

112. On April 23, 2001, H. A. and D. A. received a letter from PENSCO confirming that H. A. and D. A. had opened a new account.

113. On May 7, 2001, H. A. transferred $20,000 from his Western Life Reserve annuity to his PENSCO account.

114. On May 11, 2001, H. A. and D. A. received a PENSCO statement in the mail reflecting the purchase of a CLG note for $19,880.

115. On May 9, 2002, H. A. and D. A. received a Cantamar note in the mail. The note was in the amount of $6,624.34[3], dated May 9, 2002, stated interest at 20% per year until the maturity date of May 2007. The note was signed by Britt.

116. On May 13, 2002, approximately one year after investing, H. A. and D. A. moved their IRA account from PENSCO to Entrust, and began transferring some of their other investments into the Entrust account.

117. On May 22, 2002, H. A. and D. A. received a statement in the mail from Entrust providing that $9,531.96 had been rolled over into their account from H. A.'s Kraft IRA.

118. On June 4, 2002, H. A. and D. A. received a statement in the mail from Entrust, confirming that $7,180.03 had been deposited into their account from their Western Reserve Life annuity.

119. On June 12, 2002, H. A. and D. A. received a letter in the mail from Entrust, confirming that an additional $23,275.16 had been deposited into their account from PENSCO.

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[3] H. A., who is now deceased, handled this investment. D. A. does not know what transpired between H. A. and Britt prior to the investment.

120. On July 19, 2002, H. A. and D. A. received another statement in the mail from Entrust, confirming that a Cantamar promissory note was purchased for $40,002.45 using the money in their account.

121. H. A. and D. A. never received the Cantamar promissory note.

122. In Spring 2004, D. A. heard that CLG had either filed bankruptcy, or was in the process of filing bankruptcy.

123. D. A. called Britt immediately to ask about their investment in CLG. Britt said H. A. and D. A. no longer had money in CLG, and that their money was safe.

124. D. A. told Britt that H. A. and D. A. wanted to invest their money in something other than Cantamar.

125. Britt told D. A. he would have to "sell off something" to get their money.

126. Despite several demands, H. A. and D. A. have received no return of principal or interest from their investments. H. A. and D. A. are still owed $43,216.33 in principal alone.

Investor B. D.

127. In May or June 2001, B. D. contacted Britt about an investment opportunity. B. D. set up an appointment with Britt, at B. D.'s home, in order to discuss the investment opportunity.

128. At the meeting, Britt offered B. D. an investment in CLG and said it paid 18% annual interest.

129. Britt told B. D. that CLG acted like a bank, CLG was associated with Cantamar, the investment was sound, there was no chance B. D. would lose her money, and that B. D. could get her money back at any time.

130. Britt told B. D. that doctors and people like Karl Malone invested in CLG because it is so safe.

131. Britt gave B. D. some testimonial letters and a CLG financial statement. Britt also gave B. D. his Iron Street Securities Inc.[4] business card, and told B. D. he was licensed to sell securities.

132. The following day, Britt returned to B. D.'s home, where B. D. invested in CLG by giving Britt a cashier's check for $18,000 (First Investment). B. D. told Britt she had to withdraw the money from her savings account in order to invest. B. D. was 71-years-old at the time of this investment.

133. A few days later, Britt returned to B. D.'s home and gave her a receipt for her investment.

134. In May 2002, Britt met with B. D. at her home to discuss the status of her First Investment. Britt told B. D. her investment was doing well and the interest rate had gone from 18% to 20% per year.

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[4] Britt was a registered representative with Iron Street Securities Inc., a registered broker-dealer out of Kansas, from November 15, 2000 to July 19, 2001.

135. The following year, in May 2003, Britt visited B. D. at her home to discuss the status of her First Investment. Britt told B. D. her investment was still doing well, and then solicited a second investment from B. D. in Britt's company Cantamar.

136. Britt told B. D. that Cantamar acted just like a bank and loaned money to builders working on big construction projects like McDonald's and Wendy's restaurants.

137. Several days later, Britt returned to B. D.'s home where she invested in Cantamar by giving Britt a $20,000 cashier's check (Second Investment).

138. On or about May 22, 2003, Britt returned to B. D.'s home and gave her a Cantamar promissory note for $45,920, representing the principal plus interest earned from her First Investment, plus the $20,000 from her Second Investment.

139. The promissory note stated interest at a rate of 20% per year, a maturity date of May 22, 2005, and was signed by Britt. Britt also gave B. D. a ten-year amortization chart, showing how B. D.'s investment would grow.

140. In May 2004, B. D. called Britt to ask about their annual meeting. Britt told B. D. he had not called to schedule the annual meeting because they had agreed to let the investment run for two years.

141. B. D. told Britt she did not recall a two-year agreement, but had no objections to waiting.

142. Britt told B. D. her investment was "doing very well," and was "strong as ever."

143. In 2005, B. D. decided to withdraw $40,000 from her Cantamar investment to pay for home repairs. B. D. called Britt but found that his telephone number had been disconnected.

144. B. D. drove to Britt's office in Layton, Utah, where a man told her Britt had filed bankruptcy.

145. In June 2005, B. D. made contact with Britt. Britt admitted to B. D. that he filed bankruptcy, but did not include B. D. as a creditor because he was trying to pay her back.

146. Despite several demands, B. D. has received no return of interest or principal from her investment with Britt. Britt still owes B. D. $38,000 in principal alone.

Investors M. L. and E. L., Husband and Wife

147. In or about September 2002, M. L. and E. L. met with Britt and Lobato Jr. at their home in Layton, Utah. Britt showed M. L. and E. L. a Cantamar promissory note and said an investment in Cantamar would earn 20% annual interest.

148. Britt gave M. L. and E. L. a "10 Year Amorization (sic) Table 20% APR" and said a $50,000 investment would double every 3.8 years. Britt circled the amount of

$120,844.03 on the amortization table and told M. L. and E. L. "this is where you'll be in five years."

149. Britt gave M. L. and E. L. an undated form entitled "THE CANTAMAR LLC. 'Your 21st Century Lending Consultant'" (the Cantamar Document) which contained the following explanation about Cantamar's business:

> The CANTAMAR LLC. raises money from Private Lenders, secures the principal, and loans the money to Commercial companies and/or Commercial Finance companies. The Company holds Trust Deeds, Trust Notes, Accounts Receivables, Real Estate, and government Treasuries as security, and pledges a prorated share as collateral for the notes it receives from Lenders.

150. The Cantamar Document also states that private lenders may loan anywhere from $2,000 to $49,000 for a minimum of five years at 20% annual interest, and loans over $50,000 for a minimum of one year at 15 to 20% annual interest.

151. The Cantamar Document also states "[y]ou will be paid a specific interest rate on the specific term and are not subject to profits or loses of the company."

152. M. L. asked Britt what would happen to his investment if something happened to Britt. Britt told M. L. that Britt's father, who resides in California, started Cantamar and that it had been in business for about 17 years. Britt also said he had an office in Las Vegas and provided M. L. with the address.

153. M. L. asked Britt how Britt made money from the investment. Britt told M. L. he gives investors 20% annual interest, but he charges the borrowers 5% per month.

154. Britt then told M. L. if he referred other investors to Cantamar, Britt would pay him a commission.

155. M. L. told Britt his money was in a State of Utah 401K. Britt told M. L. he had the enrollment forms and M. L. would need to move his 401K to an Entrust Group self-directed IRA. Britt helped M. L. complete the required paperwork.

156. Britt told M. L. that Entrust charged a management fee but offered to pay the fee from the money M. L. would make on his Cantamar promissory note.

157. On or about September 20, 2002, M. L. received a letter from Entrust confirming the opening of a self-directed IRA.

158. On or about October 1, 2002, M. L. received a letter from the Utah Retirement Systems (URS) stating that M. L.'s 401K had been transferred as requested. On or about October 7, 2002, M. L. received a letter from Entrust confirming the receipt of $50,000 from URS.

159. On or about October 4, 2002, Britt delivered to M. L. and E. L. a Cantamar promissory note. The promissory note was dated October 4, 2002, in the amount of $50,000, bearing interest of 20% annually, and a maturity date of October 10, 2007. The promissory note was signed by Britt.

160. M. L. asked Britt what would happen if Britt's father died. Britt directed M. L.'s attention to the following language in the promissory note:

> This Note is secured by a prorated amount of company assets. The Cantamar LLC holds notes, trust deeds, accounts receivables, and other negotiable instruments. In case of default the Lender is not required to rely upon the security of any asset, but may proceed directly against the Borrower.

161. In early January 2003, M. L. received a statement from Entrust which stated that a Cantamar promissory note was purchased on October 8, 2002 for $50,000.

162. In or around October 2003, M. L. requested a meeting with Britt at M. L.'s home, to discuss his investment. At the meeting, Britt reassured M. L. that his money was safe. M. L. requested three other such meetings with Britt.

163. M. L. hand delivered Entrust bills to Britt and Britt paid those bills until 2005.

164. In March 2005, M. L. spoke to Britt about getting his money back. Britt told M. L., "you can't do anything to me. You can't even touch my house." Britt told M. L. that he sued someone for 1.8 million dollars, and when the case settled, he might give some money back to M. L.

165. Despite several demands, M. L. and E. L. have received no return of principal or interest from their investment in Cantamar. M. L. and E. L. are still owed $50,000 in principal alone.

<u>Offeree B. M.</u>

166. Offeree B. M. met Britt in 1998, when Britt, while employed at WMA Securities, Inc.[5], started handling some of B. M.'s investments.

167. In early February 2003, Britt asked B. M. to invest in Cantamar. Britt telephoned B. M. several times about moving his investments to Cantamar, but B. M. declined.

168. In early 2003, when the stock market took a downturn, B. M. asked Britt to give him some investment advice.

169. B. M. met with Britt, at B. M.'s home, and again presented B. M. with the opportunity to invest in Cantamar.

170. Britt showed B. M. a Cantamar promissory note, and told him an investment in Cantamar paid 20% annual interest, and said that was a much better rate than B. M. was currently earning in his IRA.

171. Britt told B. M. that Cantamar was somehow involved in the mortgage business, but provided B. M. with no other information about Cantamar's business or product.

172. Britt told B. M. to transfer his IRA to a self-directed IRA at Entrust Group so B. M. could invest in a Cantamar note.

173. Britt provided B. M. with an Entrust enrollment form and IRA transfer form. B. M. completed the forms, and at the end for their meeting, Britt left with the forms.

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[5] Britt was a registered representative with WMA Securities, Inc., a broker-dealer out of Georgia, from June 26, 1995 to October 30, 2000.

174. On or about February 14, 2003, B. M. received a letter from Entrust indicating $37,292.69 from his IRA had been transferred to his Entrust IRA account.

175. B. M. did not fill out an Entrust buy order for a Cantamar note because Britt was in the process of preparing it. B. M.'s money, therefore, remained in the Entrust account, and no Cantamar note was purchased.

Investors E. N. and C. N., Husband and Wife

176. In early 2003, E. N. and C. N. got Lobato Jr.'s telephone number from one of C. N.'s coworkers, and called Lobato Jr. to discuss the investment opportunity in Cantamar.

177. Lobato Jr. set up an appointment to meet with E. N. and C. N. at their home in Layton, Utah.

178. At the meeting, Lobato Jr. told E. N. that money invested in Cantamar was used to fund large construction projects such as Wal-Mart stores and Las Vegas casinos. Lobato Jr. also said large construction companies used private funding sources like Cantamar because the interest rates charged by banks were too high.

179. Lobato Jr. suggested E. N. meet with Britt to discuss the investment opportunity in Cantamar.

180. A couple of weeks later, E. N., C. N., Lobato Jr., and Britt, all met at the home of E. N. and C. N.

181. At the meeting Lobato Jr. repeated what he told E. N. at their first meeting, and then went on to say that Cantamar offered promissory notes which paid 20% annual interest, and construction companies that borrowed money from Cantamar were charged a higher interest rate.

182. E. N. asked Britt and Lobato Jr. if the investment was secure. Lobato Jr. said the investment was secure but did not specify how or why.

183. E. N. asked Britt and Lobato Jr. if he could get his money out in case of an emergency, and if he could borrow against his investment. E. N. does not recall who responded, but he was told he could take his money out at any time, but if he did so before the promissory note matured he would lose his earned interest. E. N. was also told he could borrow against his investment.

184. E. N. told Britt and Lobato Jr. he would have to invest money from his IRA account. Britt suggested E. N. open an Entrust Group self-directed IRA.

185. The same day as the meeting, Britt delivered Entrust new account paperwork to E. N. Britt told E. N. that Cantamar would pay the Entrust fees associated with E. N.'s new IRA.

186. On May 21, 2003, E. N. filled out a form authorizing Britt to receive information about E. N.'s Entrust account.

187. On June 25, 2003, after E. N.'s Entrust IRA was open, he transferred, via wire transfer, $3,108.03 from his account at America First Credit Union, to his Entrust account.

188. On July 14, 2003, E. N. transferred $44,174.30 from his retirement account at McDonald Douglas to his Entrust account.

189. On August 5, 2003, E. N. transferred $4,311.23 from his Boeing VIP Defined Contribution Retirement Plan into his Entrust account.

190. On or about August 3, 2003, E. N. completed an Entrust Buy Direction Letter for the purchase of a $51,350 Cantamar promissory note. The following day, Britt signed an IRA Investment Acknowledgment Form concerning the transfer of funds from E. N.'s Entrust IRA.

191. On August 8, 2003, $51,350 from E. N.'s Entrust IRA was used to purchase a Cantamar promissory note.

192. Shortly after purchasing the note, Lobato Jr. delivered two Cantamar promissory notes to E. N. The first note was dated July 20, 2003, in the amount of $5,882, bearing interest of 20% annually, and a maturity date of July 20, 2008[6]. The second note was dated July 29, 2003, in the amount of $51,350, bearing interest of 20% annually, and a maturity date of July 20, 2008. Both notes bear Britt's signature, on behalf of Cantamar.

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[6] E. N. is unable to explain why he received the first note for $5,882.

193. Both promissory notes were accompanied by a "10 Year Amorization (sic) Table 20% APR."

194. Britt gave E. N. nothing to prove that E. N.'s investments were secured.

195. In June 2003, E. N. began receiving bills from Entrust, which he gave to Lobato Jr. to deliver to Britt. When E. N. noticed the Entrust bills were not being paid, he tried to contact Britt.

196. E. N. telephoned Britt several times starting in April 2005 and into 2006, but Britt did not answer and there was no answering service on which to leave a message.

197. E. N. tried to find information about Cantamar on the Internet, but found nothing.

198. E. N. drove to Britt's home and left a note, but Britt did not respond.

199. In late 2005, E. N. spoke to Lobato Jr.'s father who informed him that Britt and/or Cantamar had filed for bankruptcy.

200. On February 13, 2006, E. N. wrote a letter to Entrust requesting Britt's name be removed from E. N.'s account.

201. In or around April 2006, E. N. went to Britt's home and knocked on the door until Britt answered. Britt told E. N. he had no money. Britt said he had filed a lawsuit against someone and that E. N.'s investment was tied-up in the lawsuit.

202. Britt also told E. N. his attorney's name was "Miller" but refused to provide Miller's full name or his telephone number.

203. E. N. asked for documentation of E. N.'s investment and the lawsuit, but Britt refused the request.

204. Despite several demands, E. N. and C. N. have received no return of interest or principal from their investments in Cantamar. E. N. and C. N. are still owed $51,350 in principal alone.

Securities Fraud

205. In connection with the offer and sale of a security to investors, Cantamar and Britt, directly or indirectly, made false statements, including, but not limited to, the following:

a. Britt told investor M. L. that Cantamar had been in business for about 17 years, when, in fact, Cantamar registered with the Nevada Secretary of State on March 11, 1998 and had been in business for about four years;

b. Britt told investor R. H. that CLG was licensed to sell the investment opportunity, when, in fact, it was not;

c. Britt told investors K. J. M. and K. W. M. that Cantamar had a vast number of real estate holdings in California, when, given Cantamar and Britt's reliance on new investor money, Britt had no reasonable basis on which to make this representation;

d. Britt told investor K. J. M. her tax-shelter annuities were poor investments, and that she was going to lose her money in the Northwestern TSA if she did not get

rid of it right away, when, in fact, Britt had no reasonable basis on which to make this representation;

e. Britt told investors K. J. M. and K. W. M. that Britt was buying homes in foreclosure and selling them for a "large profit," when, in fact, given Britt's reliance on new investor money, Britt had no reasonable basis on which to make this representation;

f. Britt told investor B. D. that doctors and people like Karl Malone invested in CLG because of how safe it is, when, in fact, Britt had no reasonable basis on which to make this representation;

g. Britt told investor B. D. there was "no chance" she would lose her money, when, in fact, Britt had no reasonable basis on which to make this representation;

h. Prior to soliciting a second investment, Britt told B. D. her first investment was doing well and the interest rate had gone from 18 to 20% annual interest, when, in fact, Britt had no reasonable basis on which to make this representation;

i. Britt told offeree B. M. that an investment in Cantamar paid a much better rate of return than B. M. was earning in his IRA;

j. Britt told investor R. H. that CLG only funded businesses with real property to use as collateral;

k. Britt told K. J. M. she could make a lot of money in a short time by purchasing a CLG promissory note;

l. Britt told investor K. J. M. that an investment in Cantamar would be put directly into real estate through CLG, and that her investment would be secured by real property;

m. Britt told investor K. J. M. that his investors were happy;

n. Britt told investor B. D. she could get her investment back at any time;

o. Britt represented to investors M. L. and E. L. that their investment would be collateralized; and

p. Britt represented to investors M. L. and E. L. that they would receive a set amount of interest, regardless of any losses experienced by Cantamar.

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

a. Some or all of the information typically provided in an offering circular or prospectus regarding CLG and Cantamar, such as:

i. The business and operating history for CLG and Cantamar;

ii. Identities of CLG's and Cantamar's principals along with their experience in this type of business;

iii. CLG's and Cantamar's financial statements;

iv. The market for the product of CLG and Cantamar;

v. The nature of the competition for the product;

vi. Current capitalization of CLG and Cantamar;

vii. A description of how the investment would be used by the business;

viii. CLG's and Cantamar's past performance for its investors;

ix. Risk factors for investors;

x. The number of other investors;

xi. The minimum capitalization needed to participate in the investment;

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

xiii. The liquidity of the investment;

xiv. Discussion of pertinent suitability factors for the investment;

xv. The proposed use of the investment proceeds;

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

xvii. Agent commissions or compensation for selling the investment;

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

xix. Whether the person selling the investment was licensed.

207. Cantamar and Britt engaged in acts, practices, or courses of business that operate or would operate as a fraud or deceit on an investor, including:

a. Telling investor R. H. the minimum investment was $100,000;

b. Telling investors that Britt's own father had invested;

c. Telling investor K. J. M. to move her self-directed IRA from Pensco to Entrust because Pensco had supposedly made some errors;

d. Telling investors to pull all of the equity in their home to invest in Cantamar;

e. Telling investor B. D. that doctors and people like Karl Malone invested in similar investment opportunities;

f. Giving investor B. D. Britt's business card which stated that he was a registered agent with a broker-dealer;

g. Allowing and encouraging a 71-year-old woman to invest money from her savings account;

h. Telling investor M. L. that Cantamar would pay a commission to those who referred other investors;

i. Telling investor E. N. that Cantamar money funded the building of Wal-Mart stores and Vegas casinos;

j. Telling investors to move their retirement investment into a Cantamar investment; and

k. Telling investors to replace their CLG notes with Cantamar notes.

Licensing Violations

208. Cantamar and Britt employed or engaged Mauro E. Lobato Jr., to offer and sell securities in Utah.

209. Mauro E. Lobato Jr. has never been licensed to sell securities in Utah as a broker-dealer or agent.

THE DIVISION'S CONCLUSIONS

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

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

b. Cantamar and Britt 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 in or from Utah;

c. Cantamar and Britt wilfully violated § 61-1-1 of the Act by engaging in acts, practices, or courses of business that operate or would operate as a fraud or deceit on an investor; and

d. Cantamar and Britt wilfully violated § 61-1-3 of the Act by employing an unlicensed agent.

211. Cantamar and Britt neither admit nor deny the substance of the Division's investigative conclusions but consents to the Division entering an Order:

a. Requiring that The Cantamar LLC and Glenn Allen Britt CEASE and DESIST from engaging in any further conduct in violation of the Utah Securities Act;

b. Requiring that The Cantamar LLC pay a fine of ten thousand dollars ($10,000) to the Division, which will be waived in its entirety so long as The Cantamar LLC violates no Utah securities laws, and so long as Britt pays the entire amount of court-ordered restitution ($40,539) from Case No. 061701382, by the end of Britt's three year probationary period. If at any time the Division discovers that The Cantamar LLC acted in violation of Utah securities laws, the full fine would be due to the Division within one month of the date on which the Division gives The Cantamar LLC written notice; and

c. Requiring that Glenn Allen Britt pay a fine of ten thousand dollars ($10,000) to the Division, which will be waived in its entirety so long as Britt violates no Utah

securities laws, and so long as Britt pays the entire amount of court-ordered restitution ($40,539) from Case No. 061701382, by the end of Britt's three year probationary period. If at any time the Division discovers that Britt has acted in violation of Utah securities laws, the full fine would be due to the Division within one month of the date on which the Division gives Britt written notice.

212. Cantamar and Britt acknowledge that this Consent Order, upon approval by the Division Director, shall be the final compromise and settlement of this matter. Cantamar and Britt 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.

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

214. 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.

215. Cantamar and Britt represent that any information they have provided to the Division is accurate and complete.

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

217. Cantamar and Britt 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 Cantamar and Britt to enter into this Consent Order.

Utah Division of Securities

Date: 9/12/07

By: _____
Michael Hines
Director of Enforcement

_____
Jeff Buckner
Assistant Attorney General

Respondent The Cantamar LLC

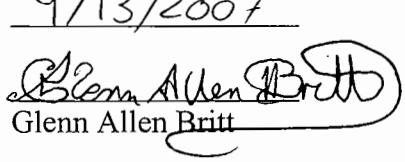
Date: 9/13/2007

By: _____
Glenn Allen Britt

Its: Mgr
Approved:

Respondent Britt

Date: 9/13/2007



Glenn Allen Britt

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. The Cantamar LLC and Glenn Allen Britt CEASE and DESIST from engaging in any further conduct in violation of the Utah Securities Act;

b. The Cantamar LLC pay a fine of ten thousand dollars ($10,000) to the Division, which will be waived in its entirety so long as The Cantamar LLC violates no Utah securities laws, and so long as Britt pays the entire amount of court-ordered

restitution ($40,539) from Case No. 061701382, by the end of Britt's three year probationary period. If at any time the Division discovers that The Cantamar LLC acted in violation of Utah securities laws, the full fine would be due to the Division within one month of the date on which the Division gives The Cantamar LLC written notice; and

c. Glenn Allen Britt pay a fine of ten thousand dollars ($10,000) to the Division, which will be waived in its entirety so long as Britt violates no Utah securities laws, and so long as Britt pays the entire amount of court-ordered restitution ($40,539) from Case No. 061701382, by the end of Britt's three year probationary period. If at any time the Division discovers that Britt has acted in violation of Utah securities laws, the full fine would be due to the Division within one month of the date on which the Division gives Britt written notice.

DATED this 18th day of September, 2007.

WAYNE KLEIN
Director, Utah Division of Securities

CERTIFICATE OF MAILING

I hereby certify that on the 19th day of September 2007, I mailed, by certified mail, a true and correct copy of the forgoing **Stipulation and Consent Order** to:

Glenn Allen Britt
1935 Deere Valley Drive
Layton, UT 84040

CERTIFIED MAIL: 7005 1820 0003 7190 6083

Pamala Radding

Executive Secretary