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
FAX: (801) 530-6980

BEFORE THE DIVISION OF SECURITIES

OF THE DEPARTMENT OF COMMERCE OF THE STATE OF UTAH

IN THE MATTER OF:	MOTION FOR ENTRY OF DEFAULT JUDGMENT
AMERICAN MORTGAGE ALLIANCE, INC.	Docket No. SD-07-0040
NATIONAL MORTGAGE ALLIANCE, LLC.	Docket No. SD-07-0041
REAL-PRINTS, INC.	**Docket No. SD-07-0042**
ROBERT MICHAEL FAIN	**Docket No. SD-07-0043**
DARON WILSON LEBLANC	Docket No. SD-07-0044
ANTONIUS "TONY" MARIA VERSTEEG	Docket No. SD-07-0045
Respondents.	

The Utah Division of Securities (Division) hereby moves for a default judgment against Real-Prints, Inc. and Robert Michael Fain, based on the following:

1. On June 6, 2007 the Division commenced a formal adjudicative proceeding by issuing an Order to Show Cause (OSC) and Notice of Agency Action (Notice) to Real-Prints, Inc., Robert Michael Fain, Daron Wilson LeBlanc, American Mortgage Alliance, Inc., National Mortgage Alliance, LLC, and Antonius Maria Versteeg. The Division's administrative actions against Daron Wilson LeBlanc and Antonius Maria Versteeg are

currently pending. The Division defaulted American Mortgage Alliance, Inc. and National Mortgage Alliance, LLC on August 2, 2007 for failing file a written response to the Order to Show Cause and for failing to appear at a hearing.

2. On June 6, 2007, the Division mailed, by certified mail, an OSC to Real-Prints, Inc. (Real-Prints) and Robert Michael Fain (Fain), along with a Notice, advising that a default order would be entered if they failed to file a written response to the OSC within thirty (30) days of the mailing date of the Notice.

3. On June 18, 2007, the Division received notice from the United States Postal Service (USPS) that the OSC and Notice had been delivered to Real-Prints' given address, but because Real-Prints was not there to accept them, the OSC and Notice were forwarded to Real-Prints at a different address. The Division heard nothing further regarding the forwarding address, or whether or not the OSC and Notice were delivered.

4. At the July 10, 2007 initial administrative hearing, neither Real-Prints nor Fain made an appearance. The presiding officer gave the Division additional time to serve a copy of the OSC and Notice to Real-Prints and Fain, and continued the hearing to August 27, 2007.

5. On July 11, 2007, after receiving notice from the USPS that attempts to deliver the certified mailing to Fain had failed, the Division mailed the OSC and Notice to Fain and Real-Prints for a second time, but by regular mail.

6. On July 17, 2007, the Division received notification from the USPS that the OSC and Notice were not delivered to Fain because he does not reside at the given address.

7. On July 18, 2007, the Division received notification from the USPS that it was unable to deliver the OSC and Notice to Real-Prints, and that there was no forwarding address.

8. At the August 27, 2007 continued hearing, Real-Prints and Fain failed to appear.

9. As of the date of this motion, the Division has not received a response from Real-Prints or Fain.

WHEREFORE, the Division requests that the Court find Real-Prints, Inc. and Robert Michael Fain in default pursuant to Utah Code Ann. § 63-46b-11(1)(c) and requests that the Court enter a default judgment for the Division as follows:

1. That Real-Prints, Inc. and Robert Michael Fain be adjudged and decreed to have engaged in the acts alleged in the June 6, 2007, OSC, in violation of the Utah Uniform Securities Act;

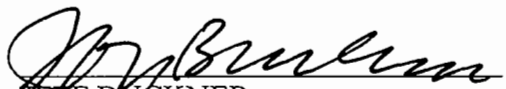
2. That Real-Prints, Inc. and Robert Michael Fain be ordered to permanently cease and desist from any violations of the Act;

3. That Real-Prints, Inc. be ordered to pay a fine of ten thousand dollars ($10,000) to the Division; and

4. That Robert Michael Fain be ordered to pay a fine of one hundred thousand dollars ($100,000) to the Division.

DATED this 7 day of September, 2007.

MARK L. SHURTLEFF
UTAH ATTORNEY GENERAL



JEFF BUCKNER
Assistant Attorney General

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
FAX: (801) 530-6980

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

IN THE MATTER OF:	AFFIDAVIT OF SERVICE AND NON-RESPONSE
AMERICAN MORTGAGE ALLIANCE, INC. NATIONAL MORTGAGE ALLIANCE, LLC. **REAL-PRINTS, INC.** **ROBERT MICHAEL FAIN** DARON WILSON LEBLANC ANTONIUS "TONY" MARIA VERSTEEG Respondents.	Docket No. SD-07-0040 Docket No. SD-07-0041 **Docket No. SD-07-0042** **Docket No. SD-07-0043** Docket No. SD-07-0044 Docket No. SD-07-0045

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 June 6, 2007, the Division mailed, by certified mail, an Order to Show Cause (OSC) to Real-Prints, Inc. and Robert Michael Fain, along with a Notice of Agency Action (Notice), advising that a default order would be entered if they failed to file a written response to the OSC within thirty (30) days of the mailing date of the Notice.

4. On June 18, 2007, the Division received notice from the United States Postal Service (USPS) that the OSC and Notice had been delivered to Real-Prints' given address, but because Real-Prints was not there to accept them, the OSC and Notice were forwarded to Real-Prints at a different address.

5. On July 11, 2007, after receiving notice from the USPS that attempts to deliver the certified mailing to Mr. Fain had failed, the Division mailed the OSC and Notice to Mr. Fain and Real-Prints for a second time, but by regular mail.

6. On July 17, 2007, the Division received notification from the USPS that the OSC and Notice were not delivered to Mr. Fain because he does not reside at the given address.

7. On July 18, 2007, the Division received notification from the USPS that they were unable to deliver the OSC and Notice to Real-Prints, Inc., and that there was no forwarding address.

8. As of the date of this Affidavit, the Division has not received a response from Real-Prints, Inc. or Robert Michael Fain.

DATED this 10TH day of September, 2007.

PAM RADZINSKI
Executive Secretary

SALT LAKE COUNTY)
) ss
STATE OF UTAH)

Signed and subscribed to before me this 10th day of September, 2007.

Notary Public

NOTARY PUBLIC
CHRISHEL JAMES
160 East 300 South 2nd Floor
Salt Lake City, UT 84114-6760
COMMISSION EXPIRES
September 9, 2010
STATE OF UTAH

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
FAX: (801) 530-6980

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

IN THE MATTER OF:	NOTICE OF ENTRY OF DEFAULT AND ORDER
AMERICAN MORTGAGE ALLIANCE, INC. NATIONAL MORTGAGE ALLIANCE, LLC. **REAL-PRINTS, INC.** **ROBERT MICHAEL FAIN** DARON WILSON LEBLANC ANTONIUS "TONY" MARIA VERSTEEG Respondents.	Docket No. SD-07-0040 Docket No. SD-07-0041 **Docket No. SD-07-0042** **Docket No. SD-07-0043** Docket No. SD-07-0044 Docket No. SD-07-0045

I. BACKGROUND

A formal adjudicative proceeding was initiated by the Division's Order to Show Cause and Notice of Agency Action dated June 6, 2007, against Real-Prints, Inc., Robert Michael Fain, Daron Wilson LeBlanc, American Mortgage Alliance, Inc., National Mortgage Alliance, LLC, and Antonius Maria Versteeg. The Division's administrative actions against Daron Wilson

LeBlanc and Antonius Maria Versteeg are currently pending. The Division defaulted American Mortgage Alliance, Inc. and National Mortgage Alliance, LLC on August 2, 2007 for failing to file a written response to the Order to Show Cause and for failing to appear at a hearing. The Division has moved for entry of a default judgment against Real-Prints, Inc. and Robert Michael Fain.

II. FINDINGS OF FACT

1. On June 6, 2007, the Division mailed, by certified mail, an OSC to Real-Prints, Inc. (Real-Prints) and Robert Michael Fain (Fain), along with a Notice, advising that a default order would be entered if they failed to file a written response to the OSC within thirty (30) days of the mailing date of the Notice.
2. On June 18, 2007, the Division received notice from the United States Postal Service (USPS) that the OSC and Notice had been delivered to Real-Prints' given address, but were forwarded to Real-Prints at a different address. The Division heard nothing further regarding the forwarding address, or whether or not the OSC and Notice were delivered.
3. At the July 10, 2007 initial administrative hearing, neither Real-Prints nor Fain made an appearance. The presiding officer gave the Division additional time to serve a copy of the OSC and Notice to Real-Prints and Fain, and continued the hearing to August 27, 2007.

4. On July 11, 2007, after receiving notice from the USPS that attempts to deliver the certified mailing to Fain had failed, the Division mailed the OSC and Notice to Fain and Real-Prints for a second time, but by regular mail.

5. On July 17, 2007, the Division received notification from the USPS that the OSC and Notice were not delivered to Fain because he does not reside at the given address.

6. On July 18, 2007, the Division received notification from the USPS that it was unable to deliver the OSC and Notice to Real-Prints, and that there was no forwarding address.

7. At the August 27, 2007 continued hearing, Real-Prints and Fain failed to appear.

8. The Division has yet to receive a response from Real-Prints or Fain.

9. Real-Prints, Inc. was registered as a Utah corporation on May 12, 2005, but its corporate status expired on August 29, 2006. Robert Michael Fain was the registered agent and sole director and officer of Real-Prints.

10. Robert Michael Fain resides in Salt Lake County, Utah, and was a manager and member of National Mortgage, and the sole director and officer of Real-Prints.

11. American Mortgage Alliance, Inc. (American Mortgage) was registered as a Utah corporation on December 22, 1997, but its corporate status expired on July 11, 2001. American Mortgage was located at 143 East 4800 South, Murray, Utah. Fain held himself out to be one of three principals of American Mortgage.

12. National Mortgage Alliance, LLC (National Mortgage) was registered as a Utah limited liability company on May 21, 2002, but its corporate status expired on October 1, 2003.

National Mortgage was located at 141 East 5600 South, Suite 204, Murray, Utah. Fain was one of three managers and members of National Mortgage.

Investor M. S.

13. In May 2002, a sales agent for American Mortgage (Agent 1) offered M. S. an investment opportunity in American Mortgage while at their place of employment in Salt Lake County.

14. Agent 1 told M. S. the following about the investment opportunity in American Mortgage:

a. That American Mortgage generated leads for mortgage loans and refinances from kiosks placed in shopping malls;

b. That American Mortgage had a great group of people selling the loans and the company would generate a profit;

c. That American Mortgage was a start-up company;

d. That American Mortgage's principals were Fain, Agent 1, and Agent 2, and they had all invested their own money with the company;

e. That American Mortgage needed investor money for operating capital to get things started;

f. That the kiosks placed in malls would generate mortgages, or the leads could be sold to other mortgage brokers; and

g. The investment was 100% guaranteed and there was no risk involved because M. S. would receive his principal plus 20%.

15. Agent 1 failed to tell M. S., among other things, that Fain had a criminal history involving securities fraud, and that American Mortgage's corporate status had expired in 2001.

16. Agent 1 told M. S. that American Mortgage needed M. S. to invest $14,000.

17. M. S. told Agent 1 he had no money to invest.

18. Agent 1 suggested M. S. take out a second mortgage on his home, and said the investment in American Mortgage would generate a monthly payment large enough to cover M. S.'s second mortgage, with a little extra left over.

19. On May 13, 2002, Agent 1 drove M. S. to a Key Bank in Salt Lake County to arrange the second mortgage on M. S.'s home. Agent 1 remained with M. S. while the loan officer processed the second mortgage.

20. While still at the bank, M. S. was approved for a $14,000 loan.

21. M. S. received a cashier's check from the bank for $14,000 and gave it to Agent 1 while still at the bank.

22. Agent 1 drove M. S. from the bank to American Mortgage's offices in Murray, Utah, and introduced him to Fain and Agent 2.

23. At American Mortgage's offices, M. S. saw the investment contracts for the first time. One contract was entitled "Advance of Dividends Agreement" (Agreement 1), and the second was entitled "Pre-Determined Dividend Agreement" (Agreement 2).

24. Agreement 1 states that American Mortgage will pay M. S. an advance of dividends in the amount of $152.50 per month. It also states that payments made to M. S. pursuant to Agreement 1 will be treated as Pre-Determined Dividend payments under Agreement 2. Agreement 1 was signed by Fain, Agent 1, Agent 2, and M. S. on May 13, 2002.

25. Agreement 2 states that M. S. will receive a return of his principal plus 20% annual interest, but provides no maturity date. Agreement 2 was signed by Fain, Agent 1, Agent 2, and M. S. on May 14, 2002, at American Mortgage's offices.

26. During M. S.'s subsequent conversations with Agent 1, Agent 1 pressured M. S. for names of others who might be interested in investing in American Mortgage. M. S. mentioned that his parents might be interested.

27. M. S. told his parents, L. S. and J. S., about the investment opportunity in American Mortgage.

28. On or about June 11, 2002, M. S. and his parents met with Agent 1 in San Juan County, Utah, where M. S.'s parents made their first investment. M. S.'s parents' investments are discussed in more detail below.

29. Shortly after June 11, 2002, Agent 1 approached M. S. and asked him to invest more money in American Mortgage. Agent 1 said "we gotta have this money so we don't go under."

30. Agent 1 suggested that M. S. increase the amount of his second mortgage at Key Bank and invest the money in American Mortgage.

31. In June 2002, M. S. arranged to have his second mortgage increased by $22,000, and of the $22,000, M. S. invested $16,000 in American Mortgage.

32. The same day, M. S. met with Fain, Agent 1, and Agent 2 at American Mortgage where they all signed a new Advance of Dividends Agreement, with the exact same terms as M. S.'s first investment for $14,000 (return of principal plus 20% annual interest with no maturity date).

33. After investing in May and June 2002, M. S. received only two dividend checks from American Mortgage, which together totaled $230.

34. When American Mortgage continued to miss monthly dividend payments, M. S. contacted Agent 1 and Agent 2. Agent 1 and Agent 2 promised to pay M. S. back.

35. On December 19, 2006, M. S. received an e-mail from Agent 1, acknowledging that he owed M. S. money and promising to pay M. S. one-third of what he invested. In the e-mail, Agent 1 tells M. S. that "by spring of '07 I will start a monthly repayment until my share of the debt is re-paid."

36. M. S. received no additional return of principal or interest on his investment in American Mortgage, and he is still owed $29,770 in principal alone.

Investors L. S. and J. S., Wife and Husband

37. In June 2002, Agent 1 offered L. S. and J. S. an investment opportunity in National Mortgage while meeting in their home in San Juan County, Utah. L. S. and J. S. met Agent 1 through their son M. S.

38. At the meeting, Agent 1 used his computer to show L. S. and J. S. several spreadsheets for American Mortgage which showed things like estimated gross revenue from "Live Contacts," estimated gross income by "lead rate," and estimated monthly and annual returns based upon the number of malls with an American Mortgage kiosk.

39. Agent 1 told L. S. and J. S. the following about National Mortgage:

    a. That National Mortgage planned to put kiosks in malls to gather leads for mortgage loans;

    b. That National Mortgage planned to offer a prize drawing to anyone who filled out an interest card for a new mortgage;

    c. That National Mortgage would follow up on the leads and process some of the loans, while others would be sold to an existing market;

    d. That Agent 1 had no doubt he could sell the leads as "they" had done something similar in the past;

e. That National Mortgage planned to expand its kiosk operation into Las Vegas, Nevada within two months;

f. That L. S. and J. S. would receive 20% annual interest on their investment, and if things went well, it would generate a monthly income;

g. That National Mortgage was a start-up company;

h. That National Mortgage's principals were Fain, Agent 1, and Agent 2;

i. That National Mortgage had been raising money and had several investors including Agent 1's parents; and

j. If L. S. and J. S. were unhappy with the investment after a few months, they could get their money back.

40. Agent 1 failed to tell L. S. and J. S., among other things, that Fain had a criminal history involving securities fraud.

41. Agent 1 asked L. S. and J. S. to invest $10,000 in National Mortgage.

42. L. S. told Agent 1 that she and her husband would not invest unless it was guaranteed and had no risk.

43. Agent 1 told L. S. they would "do it her way" and guarantee their investment.

44. On June 11, 2004, L. S. and J. S. invested $10,000 in National Mortgage using money borrowed on their home equity line of credit.

45. In return for L. S.'s and J. S.'s investment, National Mortgage mailed L. S. and J. S. an investment contract entitled "Pre-Determined Dividend Agreement" (the Agreement)

which stated that L. S. and J. S. would receive a return of their investment plus 20% annual interest, but provided no maturity date.

46. The Agreement was dated June 11, 2002, and appears to have been signed by Fain, Agent 1, and Agent 2.

47. On or about November 26, 2002, L. S. received a letter from Agent 1 on American Mortgage letterhead. The letter states that American Mortgage completed thirteen closings in October and fifteen in November.

48. L. S. and J. S. received no return of principal or interest on their investment in National Mortgage.

49. In the Fall of 2003, L. S. met with Agent 1 and Fain at Fain's company called Real-Prints, Inc. in Salt Lake City, and asked for her money back.

50. Agent 1 and Fain told L. S. they would pay her back.

51. Fain told L. S. about his new business which promoted an inkless fingerprint product. Fain said he was going to market it to the scrap-booking industry.

52. In early October 2003, L. S. met with Fain in Salt Lake City, Utah, and complained that she had still not been paid back for her investment in National Mortgage.

53. Fain again told L. S. that they (Fain, Agent 1, and Agent 2) would pay her back.

54. Fain then showed L. S. his inkless fingerprint product. Fain said the product could be used in child identification kits, but he needed $15,000 to buy the exclusive rights to the product.

55. Fain said his new business would generate enough money to not only pay L. S. back on her prior investment, but to pay profits on a new investment of $15,000 in Real-Prints, Inc.

56. Fain gave L. S. a spreadsheet which stated an estimated profit for Real-Prints, Inc. of over $5 million after just one year of operation.

57. As a guarantee of payment, Fain gave L. S. five post-dated checks from his Resource U.S.A., Inc. business account at Wells Fargo Bank. The checks ranged from $1,000 to $2,500. The final check was for $20,000.

58. In addition, Fain said he would give L. S. a royalty on his product if she invested.

59. On or about October 8, 2003, L. S. and J. S. met with Fain at Fain's office in Salt Lake City, and invested $15,000 in Real-Prints, Inc.

60. Fain gave L. S. and J. S. a promissory note in exchange for their investment. Fain signed the note in the presence of L. S. and J. S. and their daughter A. A.

61. The promissory note was dated October 8, 2003, in the amount of $15,000, included interest of $1,000, and a maturity date of November 1, 2003.

62. L. S. began depositing the post-dated checks into her bank account on the dates indicated on the checks, and was able to successfully deposit checks totaling $15,400.

63. L. S. deposited the last check for $20,000 on or about March 2, 2004. The check bounced on March 10, 2004 leaving L. S. with $9,600 in unpaid principal from the first investment.

64. L. S. telephoned Fain about the bounced check for $20,000. Fain said he was at the bank with an investor closing a deal when the banker asked if he wanted the investor's check to cover the bounced check for $20,000. Fain said his investor backed out.

65. Fain said the reason L. S. didn't get her money back was because she cashed the post-dated check too early. Fain said he would continue to try to pay back L. S.

66. Around the time that Fain's $20,000 check to L. S. bounced, Fain gave L. S. and J. S. two untitled agreements commemorating L. S.'s and J. S.'s investments with Fain and Real-Prints. Both agreements appear to have been signed by Fain, and both are misdated November 1, 2000.

67. The first agreement (Agreement A) acknowledges L. S.'s and J. S.'s two investments of $10,000 and $15,000 and lists payments to be made to L. S. and J. S. in each month beginning in November 2004, continuing through March 2005, totaling $29,000 with interest. Agreement A was signed by L. S. and J. S., and appears to have been signed by Fain.

68. The second agreement (Agreement B) is a revised version of Agreement A and appears to have been signed by Fain alone. Agreement B includes amounts that L. S. charged on her charge card while purchasing supplies for Fain's business.

69. Both agreements state that prior agreements are null and void and the new agreement incorporates all outstanding debt owed to L. S. and J. S. The agreements state that, in

addition to paying back the debt, L. S. and J. S. will receive a royalty payment from Fain, equal to the amount they are owed ($29,000).

70. When L. S. spoke to Agent 2 about paying back her principal, he said he was not obligated to L. S. because he sold his interest in National Mortgage to Fain and Agent 1, and at the same time executed a Hold-Harmless Agreement with Fain and Agent 1.

71. L. S. asked Agent 2 for a copy of the Hold-Harmless Agreement, but he has yet to provide it.

72. L. S. and J. S. are still owed $9,600 in principal alone from their investments in National Mortgage and Real-Prints, Inc.

Misrepresentations and Omissions

73. In connection with the offer and sale of securities related to American Mortgage and National Mortgage, Robert Michael Fain, directly or indirectly, made false statements, including, but not limited to, the following:

a. That American Mortgage used kiosks placed in shopping malls to generate leads for mortgage loans and refinances;

b. That many leads would be generated from the mall kiosks which would generate mortgages or be sold to other mortgage brokers;

c. That the investment was guaranteed and there was no risk;

d. That American Mortgage had a great group of people selling the loans and the company would generate a profit;

e. That the principals of American Mortgage had all invested their own money in the company;

f. That an investment in American Mortgage would generate a monthly payment large enough to cover his second mortgage payment, with a little extra left over;

g. That there was no doubt the companies could sell the leads because "they" had done something similar in the past;

h. That National Mortgage planned to expand its kiosk operation into Las Vegas within two months;

i. That investors would receive 20% annual interest on their investment, and if things went well, their investment would generate an additional monthly income;

j. That National Mortgage had been raising money and had several investors including Agent 1's parents; and

k. If investors were unhappy with the investment after a few months, they could get their money back.

74. In connection with the offer and sale of securities related to American Mortgage and National Mortgage, Robert Michael Fain, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make representations made not misleading:

a. That Fain had $40,692 in outstanding civil judgments against him;

b. That in 1996 Fain was charged with multiple felony violations of the Utah Uniform Securities Act, and pleaded guilty to 5 counts of securities fraud and 14 counts of sale of an unregistered security. In February 1997, Fain was sentenced to 0-5 years in prison and ordered to pay $308,850 in restitution;

c. That in 1992, Fain petitioned for personal bankruptcy;

d. That Agents 1 and 2 had been sued several times and had several judgments filed against them;

d. That American Mortgage's corporate status had expired in July 2001, almost one year before M. S. invested in American Mortgage;

e. That the Pre-Determined Divided Agreements and promissory notes were securities that should have been registered with the Division;

f. Some or all of the information typically provided in an offering circular or prospectus regarding American Mortgage Alliance, Inc., and National Mortgage Alliance, LLC (the Companies), such as:

   i. The business and operating history for the Companies;

   ii. The principals' experience in the mortgage industry;

   iii. Financial statements for the Companies;

   iv. The market for the Companies' product(s);

   v. The nature of the competition for the product(s);

   vi. Each Company's current capitalization;

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

viii. The track record of the Companies to 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 agents 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 is licensed.

75. In connection with the offer and sale of securities related to Real-Prints, Inc., Real-Prints, Inc. and Robert Michael Fain, directly or indirectly, made false statements, including, but not limited to, the following:

a. That Fain needed $15,000 to buy the exclusive rights to the inkless fingerprint product;

b. That Fain's new business would generate enough money to not only pay L. S. back on her prior investment, but to pay profits on a new investment of $15,000 in Real-Prints, Inc.;

c. That Fain would give L. S. a royalty on his product if she invested; and

d. Fain informed L. S. that the estimated profit for Real-Prints, Inc. after just one year of operation was over $5 million. This information was contained in a spreadsheet that Fain gave to L. S.

76. In connection with the offer and sale of securities related to Real-Prints, Inc., Real-Prints, Inc. and Robert Michael Fain, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make representations made not misleading:

a. That Fain had $40,692 in outstanding civil judgments against him;

b. That in 1996 Fain was charged with multiple felony violations of the Utah Uniform Securities Act, and pleaded guilty to 5 counts of securities fraud and 14 counts of sale of an unregistered security. In February 1997, Fain was sentenced to 0-5 years in prison and ordered to pay $308,850 in restitution;

c. That in 1992, Fain petitioned for personal bankruptcy;

d. That the promissory note and investment contracts are securities that should have been registered with the Division;

e. Some or all of the information typically provided in an offering circular or prospectus regarding Real-Prints, Inc., such as:

i. The business and operating history for Real-Prints;

ii. The principals' experience in the area of inkless fingerprints;

iii. Financial statements for Real-Prints;

iv. The market for Real-Prints' product;

v. The nature of the competition for the product;

vi. Real-Prints' current capitalization;

vii. A description of how the investment would be used by Real-Prints;

viii. The track record of Real-Prints to 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 agents 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 is licensed.

77. Robert Michael Fain engaged in acts, practices, or courses of business that operate or would operate as a fraud or deceit on L. S. including, but not limited to, the following:

a. Giving L. S. post-dated checks as an inducement to invest in Real-Prints, Inc. and as a guarantee of payment on her investment in Real-Prints, Inc., and then failing to maintain enough money in the account to cover the post-dated checks;

b. Telling L. S. that a new investor backed out after hearing about the $20,000 check Fain bounced, to pacify L. S. temporarily and lead her to believe that new money would be coming in to pay her off; and

c. Giving L. S. two written agreements documenting her investments in American Mortgage and Real-Prints, and the amount she was still owed, in order to pacify her temporarily.

78. Based upon the foregoing, Robert Michael Fain violated § 61-1-1 of the Act.

Registration Violations

79. The investment contracts and guarantees offered and sold by Robert Michael Fain, and the promissory note, investment contracts, and guarantee offered and sold by Real-Prints, Inc. and Robert Michael Fain are all securities under § 61-1-13 of the Act.

80. The securities were offered and sold in or from this state.

81. The securities offered and sold by Real-Prints, Inc. and Robert Michael Fain were not registered under the Act, and Real-Prints and Fain did not file any claim of exemption relating to the securities.

82. Based on the above information, Real-Prints, Inc. and Robert Michael Fain violated § 61-1-7 of the Act.

Licensing Violations

83. Robert Michael Fain offered or sold securities in or from Utah.

84. When offering and selling these securities on behalf of American Mortgage and National Mortgage, Robert Michael Fain was acting as an agent of an issuer.

85. When offering and selling securities on behalf of Real-Prints, Inc., Robert Michael Fain was acting as an agent of an issuer.

86. Robert Michael Fain has never been licensed to sell securities in Utah as an agent of these issuers, or any other issuer.

87. Based on the above information, Robert Michael Fain violated § 61-1-3(1) of the Act.

III. CONCLUSIONS OF LAW

88. The service of the OSC and the Notice initiating these proceedings is valid upon Real-Prints, Inc. and Robert Michael Fain.

89. Because Real-Prints, Inc. and Robert Michael Fain failed to file a written response to the June 6, 2007 OSC, and because they failed to appear at the July 10th and August 27th, 2007 initial hearings, they are in default.

90. In connection with the offer and sale of securities, Real-Prints, Inc. and Robert Michael Fain misrepresented material facts to investors.

91. By this conduct, Real-Prints, Inc. and Robert Michael Fain violated § 61-1-1(2) of the Act.

92. In connection with the offer and sale of securities, Real-Prints, Inc. and Robert Michael Fain failed to disclose material information to investors which was necessary to make the statements made not misleading.

93. By this conduct, Real-Prints, Inc. and Robert Michael Fain violated § 61-1-1(2) of the Act.

94. In connection with the offer and sale of securities, Robert Michael Fain engaged in acts, practices, or courses of business that operate or would operate as a fraud or deceit on investors.

95. By this conduct, Robert Michael Fain violated § 61-1-1(3) of the Act.

96. The securities offered and sold by Real-Prints, Inc. and Robert Michael Fain were not registered under the Act, and Real-Prints, Inc. and Robert Michael Fain did not file any claim of exemption relating to the securities.

97. By this conduct, Real-Prints, Inc. and Robert Michael Fain violated § 61-1-7 of the Act.

98. Robert Michael Fain offered and sold securities in this state without a license.

99. By this conduct, Robert Michael Fain violated § 61-1-3(1) of the Act

IV. ORDER

Based on the above, the Director hereby:

1. Declares Real-Prints, Inc. and Robert Michael Fain in default for failing to file a written response to the June 6, 2007 OSC and for failing to appear at the July 10th and August 27th, 2007 hearings.

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 Real-Prints, Inc. and Robert Michael Fain violated the Utah Uniform Securities Act by misrepresenting material facts in connection with the offer of a security in or from Utah in violation of § 61-1-1(2).

5. Finds that Real-Prints, Inc. and Robert Michael Fain violated the Utah Uniform Securities Act by failing to disclose material information in connection with the offer of a security in or from Utah in violation of § 61-1-1(2).

6. Finds that Robert Michael Fain violated the Utah Uniform Securities Act by engaging in acts, practices, or courses of business that operate or would operate as a fraud or deceit on investors in violation of § 61-1-1(3).

7. Finds that Real-Prints, Inc. and Robert Michael Fain violated the Utah Uniform Securities Act by failing to register securities for sale prior to offering them for sale in or from Utah in violation of § 61-1-7.

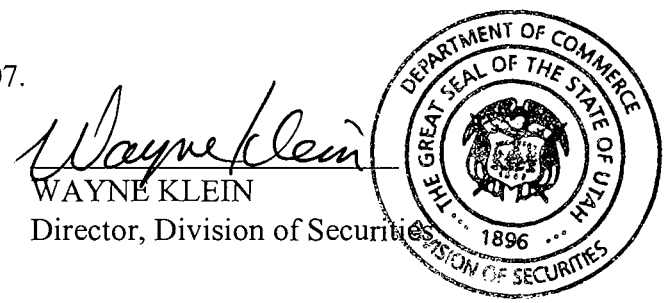
8. Finds that Robert Michael Fain violated the Utah Uniform Securities Act by selling securities in Utah without a license in violation of § 61-1-3(1).

9. Orders Real-Prints, Inc. and Robert Michael Fain to permanently CEASE and DESIST from any violations of the Act.

10. Orders Real-Prints, Inc. to pay a fine of ten thousand dollars ($10,000) to the Division, by November 30, 2007.

11. Orders Robert Michael Fain to pay a fine of one hundred thousand dollars ($100,000) to the Division, by November 30, 2007.

DATED this 12th day of September, 2007.



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 13TH day of September, 2007, I mailed, by certified mail, a true and correct copy of the Notice of Entry of Default and Order to:

Robert Michael Fain (Individually, and on behalf of Real-Prints, Inc.)
C/O Attorney Jason Poppleton, SL Legal Defender's Office
424 E. 500 S., #300
Salt Lake City, UT 84111

PAMALA RADZINSKI
Executive Secretary