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: **ICE NIGHTCLUB, L.L.C.;** **INVESTMENT CAPITALISTS L.L.C.;** **JASON KING BRENT;** **Respondents.**	**ORDER TO SHOW CAUSE** **Docket No.** SD-07-0046 **Docket No.** SD-07-0047 **Docket No.** SD-07-0048

It appears to the Director of the Utah Division of Securities (Director) that Ice Nightclub, L.L.C., Investment Capitalists L.L.C., and Jason King Brent (Respondents) may have engaged in acts and practices that violate the Utah Uniform Securities Act, Utah Code Ann. § 61-1-1, et seq. (the Act). Those acts are more fully described herein. Based upon information discovered in the course of the Utah Division of Securities' (Division) investigation of this matter, the Director issues this Order to Show Cause in accordance with the provisions of § 61-1-20(1) of the Act.

STATEMENT OF JURISDICTION

1. Jurisdiction over the Respondents and the subject matter is appropriate because the Division alleges that Respondents violated § 61-1-1 (securities fraud) of the Act, while

engaged in the offer and sale of securities in Utah.

STATEMENT OF FACTS

THE RESPONDENTS

2. Ice Nightclub, L.L.C. (Ice Nightclub) was registered as a Utah limited liability company on May 16, 2005, and its corporate status is currently "active." Ice Nightclub's business address is 2585 E. Country Oaks Drive, in Layton, Utah. Jason King Brent is the registered agent of Ice Nightclub, and a Joshua D. Slater is its sole member.

3. Investment Capitalists, L.L.C. (Investment Capitalists) was registered as a Utah limited liability company on April 11, 2002, but its corporate status expired on August 1, 2006. Investment Capitalists' business address was 2551 N. 475 W. #C, in Sunset, Utah, and Jason King Brent was its sole manager and registered agent.

4. Jason King Brent (Brent) resides in Davis County, Utah.

GENERAL ALLEGATIONS

5. From July through September 2005, in Davis County, Utah, Brent offered an investment in a night club to two Utah investors. Brent had been in the process of forming a private club in Salt Lake City called Ice Nightclub, and needed funds to get the private club operating and functioning.

6. Brent told two Utah investors (A. C. and M. C) that he needed short-term funds to finish improvements for the club.

7. Brent promised to return the investors' principal investment, plus 100% interest, within

30 days.

8. Brent told A. C. and M. C. that the return on their investment was not contingent upon the success of the private club.

9. Brent told A. C. and M. C. that their investments would be repaid by income from Brent's other businesses.

10. Brent failed to provide A. C. and M. C. with the information typically provided in an offering circular or prospectus regarding Ice Nightclub and Investment Capitalists. Brent also failed to disclose that he had an outstanding civil judgment against him.

11. On July 21, 2005, A. C. invested by giving Brent a cashier's check in the amount of $5,000 made payable to Investment Capitalists.

12. On August 9, 2005, M. C. invested by giving Brent a cashier's check in the amount of $500 made payable to Investment Capitalists.

13. On August 20, 2005, Brent accompanied A. C. to Key Bank where A. C. secured a loan in the amount of $20,000. While at the bank, A. C. gave the loan proceeds, in the form of a check made payable to Investment Capitalists, to Brent.

14. On August 23, 2005, A. C. gave Brent two personal checks made payable to Investment Capitalists, one for $2,000, and the other for $6,000.

15. On or about September 16, 2005, M. C. gave Brent $950 in cash.

16. Thirty days after each investment, Brent failed to repay the principal and interest as promised to A. C. and M. C.

17. Brent convinced A. C. and M. C. to give him an extension of up to two months to repay them, and promised A. C. that Brent would make the monthly payments on his bank loans.

18. Sometime in September 2005, A. C. and M. C. agreed to give Brent a two-month extension.

19. Brent made two monthly payments on A. C.'s loan, and repaid a portion of A. C.'s principal investment, for a total of $11,100. Brent still owes A. C. $21,900 in principal alone.

20. M. C. has yet to receive any of his principal or a return on his investment. Brent still owes M. C. $1,450 in principal alone.

CAUSES OF ACTION

COUNT I
Securities Fraud under § 61-1-1(2) of the Act
(The Respondents)

21. The Division incorporates and re-alleges paragraphs 1 through 20.

22. The investment opportunity offered and sold by the Respondents to A. C. and M. C. are investment contracts, and therefore securities under § 61-1-13 of the Act. An investment contract includes "any investment in a common enterprise with the expectation of profit to be derived through the essential managerial efforts of someone other than the investor." UTAH ADMIN. CODE R164-13-1(B)(1).

23. In connection with the offer and sale of securities to Utah investors, the Respondents,

directly or indirectly, made false statements, including, but not limited to, the following:

a. That investors would receive a return of the principal plus 100% interest within 30 days;

b. That investors would receive 100% interest in 30 days regardless of the success of the private club; and

c. That the principal and 100% interest would be paid by income from Brent's other businesses.

24. In connection with the offer and sale of a security to Utah investors, the Respondents, 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 Brent had an outstanding civil judgment against him in the amount of $2,586;

b. Some or all of the information typically provided in an offering circular or prospectus regarding Ice Nightclub and Investment Capitalists, such as:

i. The business and operating history for Ice Nightclub and Investment Capitalists;

ii. Identities of the principals for Ice Nightclub and Investment Capitalists, along with their experience with operating a private club;

iii. Financial statements for Ice Nightclub and Investment Capitalists;

iv. The market for Ice Nightclub's and Investment Capitalists' product(s);

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

vi. Ice Nightclub's and Investment Capitalists' current capitalization;

vii. A description of how the investment would be used by Ice Nightclub and Investment Capitalists;

viii. The track record of Ice Nightclub and Investment Capitalists 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.

25. Based upon the foregoing, Ice Nightclub, L.L.C., Investment Capitalists L.L.C., and Jason King Brent violated § 61-1-1 of the Act.

ORDER

The Director, pursuant to § 61-1-20 of the Act, hereby orders the Respondents to appear at a formal hearing to be conducted in accordance with Utah Code Ann. §§ 63-46b-4 and 63-46b-6 through -10, and held before the Utah Division of Securities. The hearing will occur on July 27, 2007, at 9:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd Floor, Salt Lake City, Utah. The purpose of the hearing is to establish a scheduling order and address any preliminary matters. If the Respondents fail to file an answer and appear at the hearing, the Division of Securities may hold Respondents in default, and a fine may be imposed in accordance with Utah Code Ann. § 63-46b-11. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, the Respondents may show cause, if any they have:

a. Why Ice Nightclub, L.L.C., Investment Capitalists L.L.C., and Jason King Brent should not be found to have wilfully engaged in the violations alleged by the Division in this Order to Show Cause;

b. Why Ice Nightclub, L.L.C., Investment Capitalists L.L.C., and Jason King Brent should not be ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1-1, or any other section of the Act;

c. Why Ice Nightclub, L.L.C. should not be ordered to pay a fine of twenty five thousand dollars ($25,000) to the Division of Securities;

d. Why Investment Capitalists L.L.C. should not be ordered to pay a fine of twenty five thousand dollars ($25,000) to the Division of Securities; and

e. Why Jason King Brent should not be ordered to pay a fine of twenty five thousand dollars ($25,000) to the Division of Securities.

DATED this 20th day of June, 2007.

WAYNE KLEIN
Director, Utah Division of Securities

Approved:

JEFF BUCKNER
Assistant Attorney General

D. H.

Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
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Salt Lake City, UT 84114-6760
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BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

IN THE MATTER OF:	**NOTICE OF AGENCY ACTION**
ICE NIGHTCLUB, L.L.C.; **INVESTMENT CAPITALISTS L.L.C.;** **JASON KING BRENT;** **Respondents.**	**Docket No.** SD-07-0046 **Docket No.** SD-07-0047 **Docket No.** SD-07-0048

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

The purpose of this Notice of Agency Action is to inform you that the Division hereby commences a formal adjudicative proceeding against you as of the date of the mailing of the Order to Show Cause. The authority and procedure by which this proceeding is commenced are provided by Utah Code Ann. §§ 63-46b-3 and 63-46b-6 through 11. The facts on which this action is based are set forth in the foregoing Order to Show Cause.

Within thirty (30) days of the mailing date of this notice, you are required to file an Answer with the Division. The Answer must include the information required by Utah Code §

63-46b-6 (1). In addition, you are required by § 63-46b-6 (3) to state: a) by paragraph, whether you admit or deny each allegation contained in the Order to Show Cause, including a detailed explanation for any response other than an unqualified admission; b) any additional facts or documents which you assert are relevant in light of the allegations made; and c) any affirmative defenses (including exemptions or exceptions contained within the Utah Uniform Securities Act) which you assert are applicable. To the extent that factual allegations or allegations of violations contained in the Order to Show Cause are not disputed in your Answer, they will be deemed admitted.

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

Signed originals to:	A copy to:
Administrative Court Clerk c/o Pam Radzinski Division of Securities 160 E. 300 S., Second Floor Box 146760 Salt Lake City, UT 84114-6760 (801) 530-6600	Jeff Buckner Assistant Attorney General 160 E. 300 S., Fifth Floor Box 140872 Salt Lake City, UT 84114-0872 (801) 366-0310

A hearing date has been set for Friday, July 27th, 2007, at 9:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd Floor, Salt Lake City, Utah.

If you fail to file an Answer, as set forth herein, or fail to appear at the hearing, the Division of Securities may hold you in default, and a fine and other sanctions may be imposed against you in accordance with Utah Code Ann. § 63-46b-11, without the necessity of providing you with any further notice. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, you may appear and be heard and present evidence on your behalf. You may be represented by counsel during these proceedings.

The presiding officer in this case is Wayne Klein, Director, Division of Securities. Questions regarding the Order to Show Cause and Notice of Agency Action should be directed to the Division's attorney, Jeff Buckner, at (801) 366-0310.

DATED this 20th day of June, 2007.

Wayne Klein

WAYNE KLEIN
Director, Division of Securities
Utah Department of Commerce

Certificate of Mailing

I certify that on the 20TH day of June, 2007, I mailed, by certified mail, a true and correct copy of the Order to Show Cause and Notice of Agency Action to:

Jason King Brent
608 East 405 South
Layton, UT 84041

Certified Mail # 7005 1820 0003 7191 2992

Ice Nightclub L.L.C.
2585 E. Country Oaks Dr.
Layton, UT 84040

Certified Mail # 7005 1820 0003 7191 3005

Investment Capitalists L.L.C.
2551 N. 475 W. #C
Sunset, UT 84015

Certified Mail # 7005 1820 0003 7191 3012

Pam Radzinski
Executive Secretary