

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:

ROBERT LEROY MAREADY;

Respondent.

STIPULATION AND CONSENT
ORDER

Docket No. SD-07-0076

The Utah Division of Securities (Division), by and through its Director of Enforcement, Michael Hines, and Robert Leroy Maready (Maready, or Respondent) hereby stipulate and agree as follows:

1. Robert Leroy Maready was the subject of an investigation conducted by the Division into allegations that Maready violated certain provisions of the Utah Uniform Securities Act (the Act), Utah Code Ann. § 61-1-1, et seq, as amended.
2. Maready and the Division have agreed to settle this matter by way of this Stipulation and Consent Order (Consent Order).

3. Maready admits the jurisdiction of the Division over him and over the subject matter of this action.
4. Maready waives any right to a hearing to challenge the Division's evidence and present evidence on Maready's behalf.

THE DIVISION'S INVESTIGATIVE FINDINGS

From August 2007 to the present, the Division has been conducting an investigation of the Respondent which revealed the following:

5. Maready resides in Wasatch County, Utah.
6. In January and February 2005, Maready solicited a total of \$20,000 from investor MN, a Utah resident, for a property development.
7. In January 2005, Maready sent MN an e-mail regarding the investment opportunity. Maready told MN he was going to develop property in Provo, Utah; that Maready had given the land owners \$10,000 to secure the land by a deed of trust for six to twelve months; that Maready was going to package the land in partials, work with the city to zone the land for residential use, and then sell the land to a developer.
8. Maready told MN he would double MN's investment in six months, but did not specify a minimum amount MN needed to invest.

9. Maready told MN he would use MN's investment funds for surveying the land and to research the property. Maready said he would give MN a promissory note in return for the investment.
10. MN and Maready discussed the investment in more detail over the telephone and in person at Maready's home. During these discussions Maready told MN that the investment would be going through Maready's company, Pony Express Road, Inc. (Pony Express Road); that Maready had worked in real estate in the 1980s and 1990s; that the property deal would consist of 51 lots which would be sold for \$100,000 each; and that Maready would make \$1.5 million on the deal, and then pay MN his investment principal plus profit.
11. Maready failed to tell MN, among other things, that he spent several years in the 1990's in an Arizona prison after being convicted of fraud and theft.
12. In February 2005, MN went to Maready's home and Maready showed MN the deeds to the properties.
13. At around the same time, Maready called MN on the telephone and asked how much money MN could invest. MN told Maready he could invest \$20,000.
14. On or about February 11, 2005, MN went to a Zions Bank in Salt Lake County and deposited a personal check for \$5,000 into the account of Maready's company, Athena Capital, Inc. (Athena Capital).

15. On or about February 14, 2005, at Maready's home, MN gave Maready a personal check for \$15,000 made payable to Pony Express Road.
16. In return for MN's \$20,000 investment, Maready gave MN a promissory note for \$20,000. The note is dated February 14, 2005, matured in six months, and offered an interest rate of 100% at the end of the six months.
17. From the end of February through May 2005, MN tried to contact Maready about the status of the real estate investment. Maready contacted MN on a sporadic basis, and told MN that there were some issues with zoning the property. Maready also said he had two buyers lined up to purchase the property once the land was packaged.
18. In August 2005, when MN's promissory note matured, MN contacted Maready who told MN he was working on the developing the property, but health issues were keeping him from completing it in time.
19. In August or September 2005, MN contacted the owners of the property Maready was supposedly developing. The property owners said Maready had a land survey and a plot map completed, but that Maready had since stopped working on the development, and relinquished his right to develop the land.
20. In September or October 2005, MN discovered that Provo City was not aware of any zoning plans submitted by Maready.

21. MN contacted Maready to confront him with this information, and Maready admitted to leaving the land development.
22. MN asked Maready to return his investment, and Maready agreed, but said it would take about thirty days.
23. Maready continued to make excuses and delay the return of MN's investment, and to date, Maready still owes MN \$20,000 in principal alone.

Securities Fraud

24. In connection with the offer and sale of a security to MN, Maready made false statements, including, but not limited to, the following:
 - a. That Maready would double MN's investment in the property development in six months; and
 - b. That Maready would make \$1.5 million on the property development, part of which he would use to pay back MN.
25. In connection with the offer and sale of a security to MN, Maready failed to disclose the following, which was necessary in order to make representations made not misleading:
 - a. From approximately 1995 to 2000, Maready was incarcerated in an Arizona prison after being convicted of fraud and theft;
 - b. Maready had several civil suits and judgments against him in the early 1990s;

- c. Some or all of the information typically provided in an offering circular or prospectus regarding Pony Express Road, Inc., such as:
- I. The business and operating history for Pony Express Road;
 - ii. Identities of the principals for Pony Express Road, along with their experience in property development;
 - iii. Financial statements for Pony Express Road;
 - iv. The market for Pony Express Road's service(s);
 - v. The nature of the competition for the service(s);
 - vi. The current capitalization for Pony Express Road;
 - vii. A description of how the investment would be used by Pony Express Road;
 - viii. The track record of Pony Express Road 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.

THE DIVISION'S CONCLUSIONS

- 26. Based on the Division's investigative findings, the Division concludes that:
 - a. The promissory note offered and sold by Maready to MN is a security under § 61-1-13 of the Act.
 - b. Maready 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.
- 27. Maready neither admits nor denies the substance of the Division's investigative conclusions but consents to the Division entering an Order:
 - a. Requiring Robert Leroy Maready to cease and desist from engaging in any further conduct in violation of the Utah Securities Act.

- b. Requiring Robert Leroy Maready to pay a fine of twenty thousand dollars (\$20,000) to the Division, to be reduced, dollar for dollar, by any restitution paid to MN, by December 31, 2007.
28. Maready acknowledges that this Consent Order, upon approval by the Division Director, shall be the final compromise and settlement of this matter. Maready further acknowledges 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.
29. Maready acknowledges that the Consent Order does not affect any civil or arbitration causes of action that third parties may have against the Maready 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.
30. 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.
31. Maready represents that any information he has provided to the Division is accurate and complete, and if the Division finds otherwise, Maready acknowledges that this Consent Order will be deemed null and void and without any force or effect whatsoever.

32. Violation of this Consent Order is a third degree felony pursuant to § 61-1-21(1) of the Act.
33. Maready has read this Consent Order, understands its contents, and enters 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 Maready to enter into this Consent Order.

Utah Division of Securities

Respondent

Date: 10/12/07

Date: 10-15-07

By: [Signature]

[Signature]
Robert Leroy Maready

Michael Hines
Director of Enforcement

Approved:

[Signature]
Jeff Buckner
Assistant Attorney General

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. Robert Leroy Maready CEASE and DESIST from engaging in any further conduct in violation of the Utah Securities Act; and
- b. Robert Leroy Maready pay a fine of twenty thousand dollars (\$20,000) to the Division, to be reduced, dollar for dollar, by any restitution paid to the victim by December 31, 2007.

DATED this 17th day of October, 2007.

Wayne Klein

WAYNE KLEIN

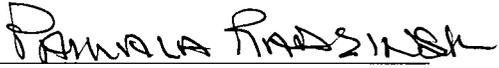
Director, Utah Division of Securities



Certificate of Mailing

I certify that on the 29TH day of October 2007, I mailed a true and correct copy
of the Stipulation and Consent Order to:

Robert Leroy Maready
2112 N. State Road 32
Kamas, UT 84036


Pamela Rasmussen
Executive Secretary