Division of Securities
Utah Department of Commerce
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Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
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BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

IN THE MATTER OF:	STIPULATION AND CONSENT ORDER
HUNTERS CAPITAL, INC.	**Docket No.** SD-07-0092
PAUL LOUIS BOUCHARD	**Docket No.** SD-07-0093
DALE PARKES	Docket No. SD-07-0094
JARED HONE	Docket No. SD-07-0095
JERRY MARTIN	Docket No. SD-07-0096
CHRIS HORNE	Docket No. SD-07-0097
CHANSE CARLSON	Docket No. SD-07-0098
RICH RUSICK	Docket No. SD-07-0099
GREG WARBURTON	Docket No. SD-07-0100
JOEL SCHEER	Docket No. SD-07-0101
ISRAEL CURTIS	Docket No. SD-07-0102
RACHELLE TAYLOR	Docket No. SD-07-0103
Respondents.	

The Utah Division of Securities (the Division), by and through its Director of Enforcement, Michael Hines, and Hunters Capital, Inc. and Paul Louis Bouchard hereby stipulate and agree as follows:

1. Hunters Capital, Inc. and Paul Louis Bouchard 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 7, 2008, the Division issued an Order to Show Cause to Hunters Capital, Inc., Paul Louis Bouchard, Dale Parkes, Jared Hone, Jerry Martin, Chris Horne, Chanse Carlson, Rich Rusick, Greg Warburton, Joel Scheer, Israel Curtis, and Rachelle Taylor. With respect to Hunters Capital, Inc. and Paul Louis Bouchard, the Division alleged they committed securities fraud and paid unlicensed agents a commission to recommend an investment in Hunters Capital to potential investors. With respect to Dale Parkes, Jared Hone, Jerry Martin, Chris Horne, Chanse Carlson, Rich Rusick, Greg Warburton, Joel Scheer, Israel Curtis, and Rachelle Taylor the Division alleges they offered and/or sold securities without a license.

3. Hunters Capital, Inc., Paul Louis Bouchard, and the Division have agreed to settle this matter by way of this Stipulation and Consent Order (Consent Order). The administrative actions against all other respondents are currently pending.

4. Hunters Capital, Inc. and Paul Louis Bouchard are represented by attorney Justin Elswick, and are satisfied with the representation they have received.

5. Hunters Capital, Inc. and Paul Louis Bouchard admit the jurisdiction of the Division over them and over the subject matter of this action.

6. Hunters Capital, Inc. and Paul Louis Bouchard waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf.

THE DIVISION'S INVESTIGATIVE FINDINGS

From September 2007 to the present, the Division has been conducting an investigation into this matter which revealed:

7. Hunters Capital, Inc. (Hunters Capital) is not a registered entity in Utah.

8. Paul Louis Bouchard (Bouchard) resides in Utah County, Utah. At all times relevant to the matters asserted herein Bouchard held himself out to be a principal of Hunters Capital.

9. From March 2006 to May 2007, Bouchard received a total of $310,000 from four Utah investors, and an unknown amount from at least 127 other investors. Bouchard told some investors their money would be invested in real estate through Founders Capital[1], some were told their money would be used for Hunters Capital's general business purposes, and others were told their money would go to Rick Koerber of FranklinSquires[2] and used

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[1] Founders Capital, LLC is a Utah County company whose sole manager is Hill Erickson, LLC. Hill Erickson, LLC's sole manager is CRK Central Management, LLC. CRK Central Management's sole member is Franklin Squires Investments, LLC. Franklin Squires Investments, LLC is not a registered entity with the Utah Division of Corporations.

[2] According to the FranklinSquires website (http://franklinsquires.com/index.php), visited October 1, 2007, "FranklinSquires" refers to FranklinSquires Companies, LLC, a "private capital and business consulting firm." FranklinSquires Companies, LLC is a Utah County company, and Rick Koerber is the owner of FranklinSquires Investments, LLC, "a partner in the FranklinSquires Companies, LLC."

to purchase homes. Bouchard promised returns to investors of either 3% or 4% per month.

10. Bouchard gave some investors signed promissory notes from Hunters Capital to evidence their investment, others entered into oral agreements alone. Promissory notes are securities under § 61-1-13 of the Act.

11. Of the four Utah investors detailed below, two received approximately one-third of their principal investment back in monthly payments from Bouchard and Hunters Capital before the payments stopped in June 2007, and two received less than 10% of their initial investment before the payments stopped.

12. Bouchard told an unknown number of his investors that he and Hunters Capital would pay them a commission for bringing additional investors to Hunters Capital.

13. Bouchard and Hunters Capital paid ten investors (Dale Parkes, Jared Hone, Jerry Martin, Chris Horne, Chanse Carlson, Rich Rusick, Greg Warburton, Joel Scheer, Israel Curtis, and Rachelle Taylor) a commission of .5 - 1% per month on investor money they brought to Hunters Capital. Bouchard and Hunters Capital paid the ten investors using money Hunters Capital received from Founders Capital in the form of interest payments.

<u>Investor DS</u>

14. While listening to the Rick Koerber's Free Capitalist radio show on 630 KTALK, DS heard a commercial for a home refinance company called Innovator Mortgage LLC[3] (Innovator Mortgage).

15. In late 2005 or early 2006, DS contacted Innovator Mortgage to discuss refinancing his home mortgage. When DS contacted Innovator Mortgage he spoke to Paul Bouchard and set up an appointment to meet in person.

16. In January 2006, at FranklinSquire's offices in Utah County, DS met with Bouchard to discuss a refinance. Innovator Mortgage has office space within FranklinSquire's building.

17. DS asked Bouchard about using equity in DS's home to make an investment in Hunters Capital.

18. Bouchard told DS the following about the investment opportunity in Hunters Capital:

    a. Early investors received a return of 5% per month, but now Hunters Capital was offering 3% per month;

    b. Hunters Capital was a holding company;

    c. Founders Capital had $100 million in assets;

    d. DS's money would be sent to Founders Capital to be invested, and some would be used for general business purposes by Hunters Capital; and

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[3] Innovator Mortgage LLC is a licensed mortgage lender company in Utah County, and Bouchard was employed by Innovator Mortgage as a licensed mortgage lender agent.

e. Innovator Mortgage's refinance fee was $5,000.

19. At the conclusion of the meeting, DS told Bouchard he wanted to invest, but would refinance his home through a company other than Innovator Mortgage.

20. On March 31, 2006, after DS refinanced his home, DS sent, via wire transfer, $25,000 to Hunters Capital's bank account.

21. On April 1, 2006, DS received a promissory note in the mail from Hunters Capital, which appears to have been signed by Bouchard on behalf of Hunters Capital. The note is in the amount of $25,000, dated April 1, 2006, states an interest rate of 3% per month, but includes no maturity date.

22. In November 2006, DS needed money to put toward the purchase of a condo, and requested the return of $6,000 of his principal from Bouchard. Shortly after making the request, Bouchard mailed DS a check for $6,000 which cleared the bank.

23. On January 5, 2007, DS invested an additional $30,000 in Hunters Capital, via wire transfer.

24. Shortly thereafter, DS received a new Hunters Capital promissory note in the mail for $49,000, which appears to have been signed by Bouchard. Bouchard back-dated the new note to April 1, 2006, the date of DS's original note. The note states an interest rate of 3% per month, but includes no maturity date.

25. From May 2006 through May 2007, DS received a total of $12,022 in monthly interest payments from Hunters Capital. The payments ranged in amount from $570 to $1,470.

26. When DS's interest payments stopped in June 2007, he made several requests of Bouchard to return DS's money.

27. DS has received no additional payments from Hunters Capital and Bouchard, and they still owe DS $36,978 in principal alone.

Investor GW

28. In December 2005, while listening to Rick Koerber's Free Capitalist radio show, GW heard a commercial for Innovator Mortgage LLC.

29. GW contacted Innovator Mortgage and spoke to Bouchard. Bouchard discussed several options, one of which was that GW could refinance his home and use the equity to invest in Hunters Capital. GW asked to meet with Bouchard to discuss the investment in greater detail.

30. In January 2006, GW met with Bouchard at Franklin Squires'/ Innovator Mortgage's offices in Utah County, Utah.

31. At the meeting, Bouchard told GW the following about the investment opportunity in Hunters Capital:

    a. An investment with Hunters Capital would yield a return of 3% per month;

b. Interest payments would be paid via wire transfer to the investor's account on the 12th of each month;

c. Additional investments in Hunters Capital could be made at any time;

d. Investor money would be sent to Founders Capital to be invested, and some would be used for general business purposes by Hunters Capital.

32. On April 13, 2006, GW invested by sending $20,000, via wire transfer, to Hunters Capital's bank account. GW told Bouchard that GW used $18,000 from his 401K to fund the majority of GW's investment.

33. GW received a promissory note in the mail from Hunters Capital dated April 13, 2006, in the amount of $20,000, with an interest rate of 3%, which appears to have been signed by Bouchard. The note includes no maturity date.

34. On April 28, 2006, GW invested another $55,000 in Hunters Capital by sending the money, via wire transfer, to Hunters Capital's bank account.

35. On or about May 1, 2006, GW received a promissory note in the mail from Hunters Capital, dated May 1, 2006, in the amount of $55,000, with an interest rate of 3%, which appears to have been signed by Bouchard. The note includes no maturity date.

36. From May 2006 to May 2007, GW received monthly interest payments from Hunters Capital totaling $27,300.

37. In early July 2007, after GW stopped receiving his monthly payments, GW mailed a certified letter to Hunters Capital requesting the return of his investments.

38. GW has received no additional payments from Hunters Capital or Bouchard, and they still owe GW $47,770 in principal alone.

Investor AW

39. In the fall of 2006, while employed to do contract work by FranklinSquires, AW heard other employees talking about an investment opportunity Rick Koerber offered that provided interest of 3-3.5% per month.

40. AW also heard about Paul Bouchard, and that he was accepting new investors.

41. In late December 2006, AW went to Bouchard's office in Utah County to talk about the investment opportunity.

42. Bouchard told AW the following regarding the investment opportunity:

    a. Bouchard could pay AW 4% per month on any money invested;

    b. AW's money would go to Rick Koerber to be used to purchase homes;

    c. AW could get his principal investment back with 30 days notice;

    d. AW would receive a promissory note in return for his investment; and

    e. AW could receive a commission of .5% if he referred other investors.

43. On January 12, 2007, AW invested in the investment opportunity by sending $25,000, via wire transfer, to Hunters Capital's bank account.

44. AW told Bouchard that AW invested using funds from AW's home equity loan.

45. After investing, AW received four monthly interest payments of $1,000 each, the last of which was received in May 2007.

46. AW never received a promissory note from Bouchard or Hunters Capital.

47. On February 16, 2007, AW received a letter in the mail from Justin Elswick, counsel for Bouchard and Hunters Capital, which stated:

> [W]e have advised Hunters Capital, Inc. NOT to accept any further investment monies from potential new investors, or to accept further investment monies from current investors. This does not mean that such additional investments will not be accepted in the future.

48. On March 10, 2007, AW sent an e-mail to Bouchard asking if he could invest additional money. AW also stated "I'm closing on a house and pulling out $179,000 of equity, but I need to know if I can loan the money to you. If I can I will go ahead with the closing."

49. Bouchard responded to AW's e-mail by stating "Go for it! Call me when you have funded or the day before."

50. When AW spoke to Bouchard prior to closing, Bouchard told AW the interest rate on AW's second investment would also be 4% per month.

51. AW asked Bouchard to provide him with written evidence of his investment.

52. On May 4, 2007, AW sent, via wire transfer, $130,000 to Hunters Capital's bank account.

53. AW never received a promissory note or any other written documentation of his second investment.

54. AW never received an interest payment on his second investment of $130,000.

55. On October 16, 2007, after going several months without seeing an interest payment, AW called Bouchard and asked what Bouchard did with AW's investment funds.

56. Bouchard told AW that other investors wanted out, so he let AW take over their positions, and Bouchard used AW's investment to pay them off.

57. Despite several demands to Bouchard to return AW's investments, AW has received nothing other than the $4,000 in interest payments. Bouchard and Hunters Capital still owe AW $151,000 in principal alone.

Investor WC

58. In 2006, WC first heard about Hunters Capital and Bouchard from WC's friend, Joel Scheer (Scheer).

59. Scheer told WC the following about the investment opportunity in Hunters Capital:

    a. Money invested with Hunters Capital was invested with FranklinSquires and Rick Koerber;

    b. Money invested was used to invest in real estate;

    c. WC would receive interest of 3% per month; and

    d. Bouchard would take full responsibility for investor money received.

60. Prior to investing, WC called Bouchard to verify that the information WC received from Scheer was accurate.

61. Bouchard confirmed to WC that everything Scheer told WC about the investment opportunity was accurate.

62. Bouchard also told WC that Hunters Capital and Bouchard would pay WC a commission of 1% for any new investor money WC brought in.

63. On January 25, 2007, WC invested by sending $25,000, via wire transfer, to Hunter Capital's bank account.

64. WC told Bouchard that WC was using funds from his home equity line of credit to invest.

65. WC received a Hunters Capital promissory note for $25,000 from Bouchard that appears to have been signed by Bouchard. The note states that WC would receive monthly payments of $750, and that "the entire principal shall not be required to be repaid until the principle [sic] amount is called due with 30 days advance written notice by lender. . ."

66. After investing WC received two interest payments of $750, one in May and one in April 2007.

67. On August 24, 2007, well after the payments stopped, WC sent an e-mail to Bouchard requesting the return of his principal.

68. Bouchard responded to WC's e-mail by stating, "When we pay investors back it needs to be at the same time as not to show preferential treatment. At this point I am not sure when funds will be available to make those principal payments. . ."

69. To date, Bouchard and Hunters Capital still owe WC $23,500 in principal alone.

Securities Fraud

70. In connection with the offer and sale of securities to investors, Hunters Capital and Bouchard failed to disclose material information to investors, 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 Hunters Capital and Founders Capital, such as:

i. Identities of the principals for Founders Capital, along with their experience with investing in real estate;

ii. Financial statements for Hunters Capital and Founders Capital;

iii. The market for Hunters Capital's and Founders Capital's service(s);

iv. The nature of the competition for the service(s);

v. The current capitalization for Hunters Capital and Founders Capital;

vi. The track record of Founders Capital to investors;

vii. Risk factors for investors;

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

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

x. Discussion of pertinent suitability factors for the investment;

xi. The proposed use of the investment proceeds;

xii Any conflicts of interest the issuer, the principals, or the agents may have with regard to the investment;

xiii. Agent commissions or compensation for selling the investment;

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

xv. Whether the person selling the investment is licensed.

Licensing Violations

71. Hunters Capital and Bouchard paid compensation to ten unlicensed individuals (Dale Parkes, Jared Hone, Jerry Martin, Chris Horne, Chanse Carlson, Rich Rusick, Greg Warburton, Joel Scheer, Israel Curtis, and Rachelle Taylor) for introducing investors to Hunters Capital securities in or from Utah.

THE DIVISION'S CONCLUSIONS

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

a. The promissory notes and investment contracts offered and sold by Hunters Capital and Bouchard are securities under § 61-1-13 of the Act;

b. Hunters Capital and Bouchard violated § 61-1-1 of the Act by omitting to state material facts in connection with the offer and sale of a security, disclosure of which was necessary in order to make representations made not misleading;

c. Hunters Capital and Bouchard violated § 61-1-3(2) of the Act by paying commissions to unlicensed individuals who recommended an investment in Hunters Capital to potential investors.

73. Hunters Capital and Bouchard admit the substance of the Division's investigative conclusions and consents to the Division entering an Order:

a. Requiring Hunters Capital and Bouchard to cease and desist from engaging in any further conduct in violation of the Utah Securities Act.

b. Requiring Hunters Capital to pay a fine of two hundred fifty thousand dollars ($250,000) to the Division of Securities, payment of which will be waived so long as Hunters Capital violates no provisions of the Act.

c. Requiring Bouchard to pay a fine of two hundred fifty thousand dollars ($250,000) to the Division of Securities, payment of which will be waived so long as Bouchard violates no provisions of the Act.

74. Hunters Capital and Bouchard acknowledge that this Consent Order, upon approval by the Division Director, shall be the final compromise and settlement of this matter. Hunters Capital and Bouchard 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.

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

76. 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.

77. Hunters Capital and Bouchard represent that any information they have provided to the Division is accurate and complete to the best of their knowledge, and if the Division finds otherwise, Hunters Capital and Bouchard acknowledge that this Consent Order will be deemed null and void and without any force or effect whatsoever.

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

79. Hunters Capital and Bouchard have read this Consent Order, understand its contents, and enter into this Consent Order voluntarily.

80. This Consent Order incorporates by reference all terms and conditions included in Bouchard's criminal plea agreement (Case No. 071404196) with the Utah Attorney General's office relating to the matters asserted herein.

Utah Division of Securities

Date: 2/13/08

By: _____
Michael Hines
Director of Enforcement

Respondent Bouchard

Date: 2-13-08

_____
Paul Louis Bouchard

Approved:

_____
Scott Davis
Assistant Attorney General

_____
Justin Elswick
Attorney for Hunters Capital and Bouchard

Respondent Hunters Capital, Inc.

Date: 2-13-08

By: _____
Paul Louis Bouchard

Its: _____

ORDER

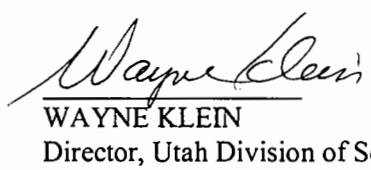
Pursuant to the terms of the Stipulation and Consent Order defined above, the Director of the Utah Division of Securities hereby orders that:

a. Hunters Capital, Inc. and Paul Louis Bouchard CEASE and DESIST from engaging in any further conduct in violation of the Utah Securities Act.

b. Hunters Capital, Inc. pay a fine of two hundred fifty thousand dollars ($250,000) to the Division, payment of which is waived so long as Hunters Capital, Inc. violates no provisions of the Act.

c. Paul Louis Bouchard pay a fine of two hundred fifty thousand dollars ($250,000) to the Division, payment of which is waived so long as Paul Louis Bouchard violates no provisions of the Act.

DATED this 28th day of February, 2008.



WAYNE KLEIN
Director, Utah Division of Securities

Certificate of Mailing

I certify that on the 4TH day of MARCH, 2008, I mailed, by certified mail, a true and correct copy of the Order to Show Cause and Notice of Agency Action to:

Paul Louis Bouchard
Individually and on behalf of Hunters Capital, Inc.
85 Eastbay Blvd.
Provo, UT 84606

Certified Mail # 7004 1160 0003 0195 6146

Justin R. Elswick
Ascione, Heideman & McKay, LLC
2696 N. University Ave., Suite 180
Provo, UT 84604

Certified Mail # 7004 1160 0003 0195 6160

PAM RADZINSK
Executive Secretary