



or sale of a security, directly or indirectly, to **DARRELL VAN DEVENTER**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a second degree felony under Utah Law.

**COUNT 2**  
**SECURITIES FRAUD**  
**a second degree felony**

Commencing on or about August 2006, in the State of Utah, County of Salt Lake, the defendant, in connection with the offer or sale of a security, directly or indirectly, to **DARRELL VAN DEVENTER**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a second degree felony under Utah Law.

**COUNT 3**  
**THEFT, a second degree felony**

From on or about September 2005, the defendant obtained or exercised unauthorized control over the property of **DARRELL VAN DEVENTER**, with a purpose to deprive him thereof. The value of the property exceeds \$5,000.00. This is a violation of Utah Code Ann. § 76-6-404, a second degree felony.

DATED this 25 day of October, 2007.

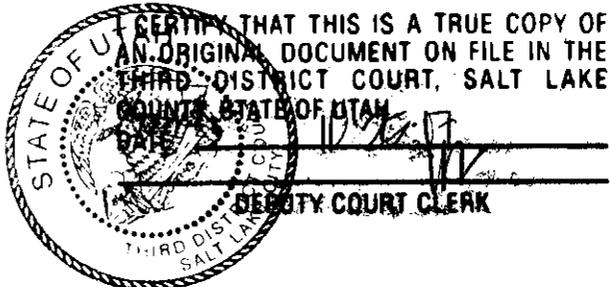
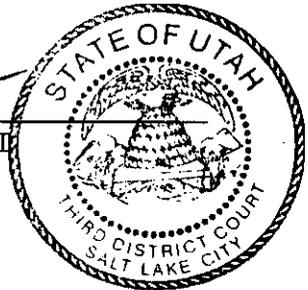


\_\_\_\_\_  
JONATHAN STEWART, Affiant

SUBSCRIBED AND SWORN to before me on this 25 day of October, 2007.



\_\_\_\_\_  
JUDGE, THIRD DISTRICT COURT



This CRIMINAL INFORMATION is based upon evidence from the following witnesses:

1. Darrell Van Deventer
2. Susan Van Deventer
3. And others.

AUTHORIZED FOR PRESENTMENT AND FILING this 27 day of October, 2007.

MARK L. SHURTLEFF  
Utah Attorney General

By:

  
E. NEAL GUNNARSON  
Assistant Attorney General

**FILED DISTRICT COURT**  
Third Judicial District

**OCT 25 2007**

SALT LAKE COUNTY

By \_\_\_\_\_  
Deputy Clerk

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IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR  
SALT LAKE COUNTY, STATE OF UTAH

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THE STATE OF UTAH, :  
 :  
 Plaintiff, : **AFFIDAVIT OF PROBABLE CAUSE**  
 :  
 vs. :  
 :  
 **DAVID RHETTE ADLARD** : Case No: 071907908  
 DOB: March 30, 1962 :  
 :  
 Defendant. : Judge: \_\_\_\_\_

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STATE OF UTAH )  
 :ss  
 COUNTY OF SALT LAKE )

I, JONATHAN STEWART, being first duly sworn upon oath, depose and state as follows:

1. I am currently employed as a Securities Compliance Investigator for the Utah Department of Commerce, Division of Securities. Prior to my employment with the Division of Securities, I was employed by the Utah Division of Consumer Protection as an investigator. I hold a Bachelor of Science degree from the University of Utah in

Sociology with a Certificate in Criminology. I am currently investigating possible violations of securities fraud statutes and related criminal code violations by DAVID R. ADLARD.

2. The facts set forth in this affidavit are based upon the results of an investigation during which I have interviewed and/or collected and reviewed records from one witness and other sources. I have received information from Darrell Van Deventer.

#### **PARTIES**

3. David R. Adlard, ("ADLARD") at all pertinent times, resided in Heber and Midway, Wasatch County, Utah.
4. A search on the Utah's Department of Commerce web site reveals that Cash Flow Gurus, Inc. (GURUS), was registered as a corporation on September 23, 2005. ADLARD is listed as Registered Agent, and Director. College Funding Gurus and Rainmaker Group are not registered with the Department of Commerce.

#### **BACKGROUND**

5. ADLARD used "Free Dinner Workshops" to locate potential clients for his company called College Funding Gurus. ADLARD mailed out invitations to parents of graduating high school seniors. The invitations were entitled "How to Get Thousands of Additional Dollars to Pay for College." Parents who attended the Free Dinner Workshop were given the opportunity to schedule a private consultation with ADLARD. ADLARD told attendees of his workshop that he could also act as their investment advisor.
6. ADLARD told Darrell Van Deventer money invested with Cash Flow Gurus ("Cash

Flow”) would be used to purchase land in Midway, Utah.

7. ADLARD told Van Deventer an investment with Cash Flow would be for six months or until the properties had sold with a return of 24% per year.

### **SECURITIES FRAUD**

8. From April 2006 through October 2006, Van Deventer invested on two separate occasions totaling \$120,000. For the first investment of \$50,000, ADLARD provided Van Deventer with a “Joint Venture Agreement.” The Joint Venture Agreement stated that Van Deventer would receive a “guaranteed rate of return of 2 percentage points per month.” For the second investment of \$70,000, ADLARD provided Van Deventer with a Rainmaker Group Note. The Rainmaker Group Note stated “Annual interest rate on matured, unpaid amounts shall be 12% (twelve percent).” The Rainmaker Group note also takes into consideration that Van Deventer had agreed to roll over his initial investment of \$50,000 plus accrued interest in January 2007.
9. Between April 2006 through October 2006, ADLARD accepted \$120,000 from the above named investor. Even though demand has been made by Van Deventer, only \$10,000 of principal has been returned to the investor. The transactions involve a promissory note and an investment contract which are securities as defined by Utah Code Ann. §61-1-13 and R164-13-1 (1953, as amended).
10. ADLARD misrepresented material facts to one investor in connection with the offer or sale of a security, including but not limited to:
  - a. ADLARD said Van Deventer would receive a guaranteed return of 24% annually;

- b. ADLARD said he and his partners were assuming all of the risk;
  - c. ADLARD said there was no risk because the worst thing that could happen is that Van Deventer would get his money back, but no money would be lost;
  - d. ADLARD said he could easily get Van Deventer a 12% return on his second investment.
  - e. Adlard said that he and his partners bought in early, that they got in before the “for sale” signs had been placed.
11. ADLARD directly or indirectly omitted material facts in discussions with one or more investors in connection with the offer or sale of a security, including but not limited to:
- a. ADLARD did not provide any information on his business experience or operating history;
  - b. ADLARD did not provide any information about the identities of the principals in the company along with their experience in this type of business;
  - c. ADLARD did not provide Van Deventer with Cash Flow’s financial statements;
  - d. ADLARD did not provide any information about the current capitalization of the issuer;
  - e. ADLARD did not provided any information about the number of other investors;
  - f. ADLARD did not provide any information about the disposition of any investments received if the minimum capitalization was not achieved;
  - g. ADLARD did not discuss pertinent suitability factors for the investment;
  - h. ADLARD did not give any information about any involvement of the issuer or the

principals in certain legal proceedings, including bankruptcy and prior violation of state of federal securities laws;

- i. ADLARD did not give any information about any conflict of interest the issuer, the principals or the agent may have with regard to the investment;
- j. ADLARD did not discuss Agent commissions or compensation for selling the investment;
- k. ADLARD did not inform investors if the investment was a registered security or exempt from registration;
- l. ADLARD did not inform Van Deventer he had previously filed for Chapter 7 Bankruptcy in 1996;
- m. ADLARD did not inform Van Deventer of previous judgments that had been filed against him totaling more than \$36,000; and
- n. ADLARD did not tell Van Deventer he was going to use his investment money for personal expenses.
- o. ADLARD was not licensed as an investment advisor within the State of Utah.

**COUNT 1  
SECURITIES FRAUD, a second degree felony  
(Darrell Van Deventer)**

12. Darrell Van Deventer who resides in West Jordan, Utah, said that sometime prior to September 22, 2005, he received a letter in the mail from ADLARD inviting him to a “Free Dinner Workshop.” The letter was entitled “How to Get Thousands of Additional

Dollars to Pay for College.” On September 22, 2005, Van Deventer called the phone number provided on the letter to RSVP for the dinner at Archibald’s Restaurant on October 4, 2005.

13. Van Deventer and his wife Susan attended the dinner meeting at Archibald’s Restaurant located in West Jordan, Utah on October 4, 2005. ADLARD and his wife Sabrina both spoke at the meeting. ADLARD told attendees at the meeting that his company could help parents find financial aid and scholarships for their children to attend college. ADLARD also mentioned to the group that he could be their financial advisor.
14. Sometime after December 2005, Van Deventer called ADLARD and told him he was going to be getting some inheritance money, he did not know how much, but he wanted some assistance investing the money. ADLARD told Van Deventer he wanted to be the second person Van Deventer notified after he received the inheritance so they could get a plan and get the money invested.
15. In April 2006, Van Deventer received his inheritance of \$57,000 and told ADLARD about the money. Van Deventer told ADLARD about some townhomes in his neighborhood he thought would be a good investment. ADLARD told Van Deventer that once the “for sale” sign goes up, all the deals are done and it is too late to invest. ADLARD told Van Deventer he wanted to show him what he was doing in Wasatch County and invited him to his home in Midway.
16. Van Deventer met ADLARD in Wasatch County and ADLARD drove Van Deventer around showing him multiple pieces of property, including one that Van Deventer could

invest in. ADLARD told Van Deventer he and his partners had bought in early, that they got in before the “for sale” signs had been placed. ADLARD told Van Deventer the piece of property had been divided into six different lots. ADLARD said he was going to buy all six and Van Deventer could get in on two of the six for \$50,000 with a guaranteed annual return of 24%. ADLARD told Van Deventer he and his partners were putting up \$850,000 and they were going to develop each lot and sell each one for \$1.9 to \$3.5 million.

17. On April 24, 2006 Van Deventer sent an email to ADLARD. In the email Van Deventer said:

Thanks for the generous offer. I do have a few questions to help me understand this completely.

The guaranteed 24% annual return. If I understand this correctly, the money I invest will be used as a portion of the funds to purchase the property. Your group may make more or less than this rate, but you’re also accepting the risk. By making more than this rate of return. Don’t misunderstand my assessment; I think this is a fantastic deal for this guaranteed rate. I just want to be sure I understand that I am assuming none of the risk.

18. ADLARD responded to the email sent by Van Deventer on April 24, 2006 with: “Your understanding of this first arrangement is exactly correct. My partners and I will probably make more than that rate of return but we are assuming all of the risk. We may make less.”
19. Van Deventer invested with ADLARD on April 25, 2006 by wire transferring \$50,000 to Cash Flow’s Bank of America account in Independence, MO. Van Deventer signed a document entitled “Joint Venture Agreement” between Cash Flow and Van Deventer,

which states that Van Deventer invested \$50,000, the agreement was for six months, and that Cash Flow is responsible for “All day to day duties and management of the business” and Van Deventer has “No specific day to day duties.”

20. In late June or early July ADLARD invited Van Deventer and his wife to Midway for dinner. While in Midway, Van Deventer’s wife wanted to see what they had invested in so ADLARD took them to the property. There was a trailer with the name Rainmaker Group on the side parked next to the lots. ADLARD told Van Deventer that Rainmaker Group was his company. There were also Rainmaker Group “for sale” signs on each lot. ADLARD told Van Deventer there was no risk in his investment because the worst thing that could happen is that he would just get his money back, but no money would be lost.

**COUNT 2**  
**SECURITIES FRAUD, a second degree felony**  
**(Darrell Van Deventer)**

21. On August 31, 2006, Van Deventer called ADLARD and they spoke about getting a home equity loan to cover tuition costs for his son to go to college. ADLARD spoke to Van Deventer about getting a second mortgage and using what he needed for tuition and then investing the additional amount. ADLARD told Van Deventer he could easily get him a return of 12% if he invested the excess with him.
22. Van Deventer and ADLARD had a meeting on September 25, 2006, at Van Deventer’s office located in Salt Lake City. Prior to this meeting Van Deventer had already secured a home equity loan for \$80,000. At this meeting ADLARD gave Van Deventer a document entitled “Van Deventer College Funding Summary.” ADLARD’s plan

included Van Deventer rolling over his initial \$50,000 investment plus interest into a new investment that would return 12% interest. Van Deventer asked ADLARD about his \$50,000 and if the lots he had purchased had sold yet. ADLARD said the lots had not sold yet, but the price had been raised to \$895,000 and the prospects looked good. Van Deventer mentioned to ADLARD that the six month deadline mentioned in the investment agreement was going to arrive on October 27, 2006 and he was wondering if this new deal would terminate that agreement. ADLARD told Van Deventer his money would continue to earn 24% interest until it is rolled over into the new investment plan on January 1, 2007. ADLARD told Van Deventer that no one had ever invested with him and not made money.

23. Van Deventer typed up an amortization schedule detailing the plan ADLARD had given to him. The basic plan was as follows:

04/25/2006	Van Deventer invested \$50,000 with Cash Flow Gurus, Inc.
10/1/2006	Van Deventer had \$80,000, used \$10,000 to pay tuition for his son and then combined the remaining \$70,000 with the interest from his previous \$50,000 investment (\$5,593.46) and invested with ADLARD at 12% interest (Total \$75,593.46).
11/1/2006	Van Deventer is supposed to receive first interest payment of \$907.25.
12/1/2006	Second interest payment of \$907.25
1/1/2007	Third interest payment of \$907.25, withdrawal of \$10,000 for tuition payment, and add \$50,000 original investment plus interest of \$4,043.01

(Total current investment=\$119,332.32).

Van Deventer was supposed to continue to receive interest payments of \$1432.19 each month.

24. At the beginning of October 2006, Van Deventer took out a home equity loan for \$80,000, \$70,000 of which he was planning on investing with ADLARD. On October 2, 2006, Van Deventer received a check from his bank for \$70,000 made payable to Cash Flow Gurus. ADLARD told Van Deventer to deposit the check back into his account and then transfer the money to Cash Flow Gurus' Wells Fargo bank account. Van Deventer deposited the check on October 3, 2006, but because of an issue at the Gateway Wells Fargo branch, the funds were not transferred to Cash Flow Gurus' account until October 6, 2006.
25. Van Deventer received \$907.25 in November and December, but had trouble getting his January payment which was supposed to include a \$10,000 payout for his son's college tuition.
26. ADLARD visited Van Deventer at his home on January 29, 2007. Because Van Deventer had not received his January interest payment ADLARD wrote Van Deventer a check for \$11,126.27 which ADLARD said included interest on the money due.
27. Van Deventer told ALDLARD he was not happy with the current state of their relationship, that he was frustrated by ADLARD's lack of communication and deceptive excuses, and also uncertain about their current financial contract which did not specify collateral protection for Van Deventer.

28. ADLARD offered to return all of Van Deventer's money with interest if that is what he wanted, but it would take up to 120 days. Van Deventer told ADLARD that if the contract could be amended to reduce risk he would accept it. ADLARD suggested that they both "sleep on it."
29. The check Van Deventer received from ADLARD for \$11,126.27 bounced twice and he was not able to cash the check until February 27, 2007 (\$1,432.19 interest payment and \$67.81 late fee).
30. Van Deventer received a payment of \$1,500 in February 2007.
31. ADLARD called Van Deventer on March 1, 2007 and told him he was transferring \$1,000 on Friday and \$500.00 on Saturday for the March payment. Van Deventer asked ADLARD why he could not transfer the whole amount all at once, ADLARD told him his bank would only let him transfer \$1,000 per day. Van Deventer received \$1,000 on March 5, 2007 and nothing else. When the \$500.00 was not transferred Van Deventer called ADLARD and ADLARD did not answer his telephone. Van Deventer left ADLARD a message and did not hear back from him for two months.
32. Even though demand has been made by Van Deventer, no money has been returned by ADLARD since March 5, 2007.

**COUNT 3**  
**THEFT, a second degree felony**  
**(Darrell Van Deventer)**

33. ADLARD told Van Deventer that all money he invested with Cash Flow Gurus would only be used to purchase land in Midway.

34. A source and use analysis of Cash Flow Gurus' bank account shows that in excess of \$5,000.00 of Van Deventer's investment was used for dining out, groceries, child support payment, Federal Taxes, Utah and Missouri State Taxes, gas, car washes, cash withdrawals, and other retail spending.
35. It appears Van Deventer's investment money was not solely used to purchase land in Midway.

**SUMMARY**

36. There is probable cause to believe that DAVID RHETTE ADLARD committed the crimes of:

**SECURITIES FRAUD**  
a second degree felony, 2 counts

**THEFT**  
a second degree felony, 1 count

DATED this 25 day of October, 2007.

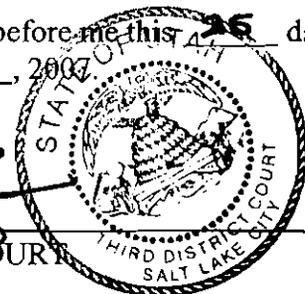


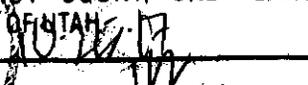
Jonathan Stewart, Affiant

SUBSCRIBED AND SWORN before me this 26 day of October, 2007.



JUDGE, THIRD DISTRICT COURT



12  
STATE OF UTAH  
I CERTIFY THAT THIS IS A TRUE COPY OF AN ORIGINAL DOCUMENT ON FILE IN THE THIRD DISTRICT COURT, SALT LAKE COUNTY, STATE OF UTAH.  
  
DEPUTY COURT CLERK





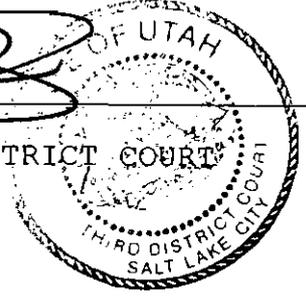
defendant, DAVID RHETTE ADLARD, has committed these offenses,

**YOU ARE THEREFORE COMMANDED** to arrest the above named defendant forthwith and bring the defendant before this court, or before the nearest or most accessible magistrate for setting bail. If the defendant has fled justice, you shall pursue the defendant into any other county of this state and there arrest the defendant. The offenses listed above are felonies.

Bail is set in the amount of \$ 50,000.00/cash only

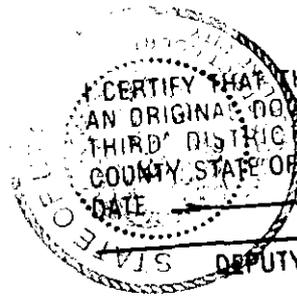
DATED this 25 day of October, 2007.

  
HONORABLE,  
JUDGE, THIRD DISTRICT COURT



Defendant's Address:

3550 East Stonewall Circle  
Heber, UT 84043

 THIS IS A TRUE COPY OF  
AN ORIGINAL DOCUMENT ON FILE IN THE  
THIRD DISTRICT COURT, SALT LAKE  
COUNTY, STATE OF UTAH  
DATE 10/25/07  
DEPUTY COURT CLERK