

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:

BRADLEY GRANT KITCHEN

Respondent.

ORDER TO SHOW CAUSE

Docket No. SD-08-0022

It appears to the Director of the Utah Division of Securities (Director) that Bradley Grant Kitchen 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 Respondent and the subject matter is appropriate because the Division alleges that he violated § 61-1-1 (securities fraud) of the Act, while engaged in the offer and sale of a security in or from Utah.

STATEMENT OF FACTS

THE RESPONDENT

2. Bradley Grant Kitchen (Kitchen) resides in Utah County, Utah.

GENERAL ALLEGATIONS

3. In November 2006, Kitchen discussed an investment opportunity with investor DL at his (DL's) office in Utah County, Utah.
4. Kitchen told DL that Kitchen needed money immediately, but only for ten days. Kitchen said he needed a short-term hard money loan.
5. On December 7, 2006, DL went to Kitchen's office in Utah County, Utah, where Kitchen gave DL a promissory note. Kitchen signed the note in the presence of DL.
6. The note stated that DL would receive a "one time all inclusive Lender fee of Ten (10) points" on his investment of \$600,000; that Kitchen would pay DL his principal investment plus interest (\$660,000) on or before December 18, 2006; and that the note was secured by real property in St. George and Provo, Utah, and a written personal guarantee from Kitchen which was attached to the note.
7. On December 8, 2006, DL invested \$600,000 with Kitchen. DL sent \$283,051.02 to Alliance Title Company, and \$316,948.98 to Kitchen's bank account, both via wire transfer.
8. DL did not receive his \$660,000 from Kitchen on or before December 18, 2006.
9. On January 19, 2007, DL received \$315,000 from Kitchen.

10. Sometime in April 2007, DL received another \$30,000 from Kitchen.
11. To date, DL has received no additional payments from Kitchen, and is still owed \$315,000.
12. DL was not secured by property in St. George or Provo, Utah.

CAUSES OF ACTION

COUNT I

Securities Fraud under § 61-1-1 of the Act

13. The Division incorporates and re-alleges paragraphs 1 through 12.
14. The promissory note offered and sold by Kitchen to DL is a security under § 61-1-13 of the Act.
15. In connection with the offer and sale of a security to DL, Kitchen made false statements, including, but not limited to, the following:
 - a. DL would receive a “one time all inclusive Lender fee of Ten (10) points;” and
 - b. The investment would be secured by real property located in St. George and Provo, Utah.
16. In connection with the offer and sale of a security to DL, Kitchen failed to disclose material information, including, but not limited to, the following, which was necessary in order to make representations made not misleading:
 - a. Kitchen was under investigation by the Utah Insurance Fraud Division;
 - b. Kitchen had an extensive history of civil litigation dating back to 1991, which

produced many civil judgments against Kitchen;

c. Kitchen had no less than five Utah State tax liens against him since 1993; and

d. Kitchen's company, FSR Portable Storage, LLC filed for bankruptcy in November 2003.

17. Based upon the foregoing, Bradley Grant Kitchen violated § 61-1-1 of the Act.

ORDER

The Director, pursuant to § 61-1-20 of the Act, hereby orders the Respondent 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 Tuesday, April 1, 2008, 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 Respondent fails to file an answer and appear at the hearing, the Division of Securities may hold Respondent 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 Respondent may show cause, if any they have:

a. Why Bradley Grant Kitchen should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;

b. Why Bradley Grant Kitchen 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; and

- c. Why Bradley Grant Kitchen should not be ordered to pay a fine of three hundred thousand dollars (\$300,000) to the Division of Securities, which may be reduced by restitution paid to the victims.

DATED this 5TH day of March, 2008.



THAD LEVAR
Acting Director, Utah Division of Securities



Approved:



JEFF BUCKNER

Assistant Attorney General

J. S.

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:

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Respondent.

NOTICE OF AGENCY ACTION

Docket No. SD 08-0022

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENT:

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:

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

A copy to:

Jeff Buckner
Assistant Attorney General
160 E. 300 S., Fifth Floor
Box 140872
Salt Lake City, UT 84114-0872
(801) 366-0310

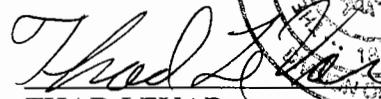
A hearing date has been set for Tuesday, April 1, 2008, at 9:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd Floor, Salt Lake City, Utah.

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 Administrative Law Judge will be J. Steven Eklund, Utah Department of Commerce, 160 East 300 South, P.O. Box 146701, Salt Lake City, UT 84114-6701, telephone (801) 530-6648. 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 5th day of March, 2008.


THAD LEVAR
Acting Director, Division of Securities
Utah Department of Commerce

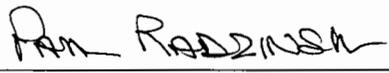


Certificate of Mailing

I certify that on the 6TH day of MARCH, 2008, I mailed, via certified mail, a true and correct copy of the Order to Show Cause and Notice of Agency Action to:

Bradley Grant Kitchen
259 West Stonebrook Lane
Provo, UT 84604

Certified Mail # 7004 1160000301956238


Executive Secretary