

Division of Securities
Utah Department of Commerce
160 East 300 South
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:

BRADLEY GRANT KITCHEN,

Respondent.

**STIPULATION AND CONSENT
ORDER**

Docket No. SD-08-0022

The Utah Division of Securities (the Division), by and through its Director of Enforcement, Michael Hines and Bradley Grant Kitchen, hereby stipulate and agree as follows:

1. Bradley Grant Kitchen (Kitchen) was the subject of an investigation conducted by the Division into allegations that he 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, the Division issued an Order to Show Cause against him on March 5, 2008, alleging securities fraud. Criminal charges were also filed against

Kitchen¹ in connection with the investigation.

3. Respondent is represented by Attorney Rebecca Skordas of the law firm Skordas Caston & Hyde in this matter and is satisfied with the representation he has received.
4. Respondent waives any right to a hearing to challenge the Division's evidence and present evidence on his behalf.
5. Respondent acknowledges that this stipulation and consent order does not affect any enforcement action that might be brought by a criminal prosecutor or any other local, state, or federal enforcement authority.
6. Kitchen admits the jurisdiction of the Division over him and over the subject matter of this action.

I. THE DIVISION'S FINDINGS OF FACT

THE RESPONDENT

7. Bradley Grant Kitchen (Kitchen) at all relevant times resided in Utah County, Utah.

GENERAL ALLEGATIONS

8. In November 2006, Kitchen discussed an investment opportunity with investor DL at his (DL's) office in Utah County, Utah.
9. Kitchen told DL that Kitchen needed money immediately, but only for ten days. Kitchen

¹*State of Utah v. Bradley Kitchen*, Case No. 081403145, Fourth Judicial District Court of Utah (2008). Kitchen later pleaded guilty to one count of securities fraud, a third degree felony. Kitchen agreed to pay \$279,000 in restitution on May 21, 2009.

said he needed a short-term hard money loan.

10. 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.
11. 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.
12. 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.
13. DL did not receive his \$660,000 from Kitchen on or before December 18, 2006.
14. On January 19, 2007, DL received \$315,000 from Kitchen.
15. Sometime in April 2007, DL received another \$30,000 from Kitchen.
16. To date, DL has received no additional payments from Kitchen, and is still owed \$315,000.
17. 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

(Investor D.L.)

18. The Division incorporates and re-alleges paragraphs 1 through 17.
19. The promissory note offered and sold by Kitchen to DL is a security under § 61-1-13 of the Act.
20. 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.
21. 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 statements 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.

II. THE DIVISION’S CONCLUSIONS OF LAW

22. Based on the Division's investigative findings, the Division concludes that:
- a. The investment opportunities offered and sold by Kitchen are securities under § 61-1-13 of the Act;
 - b. Kitchen violated § 61-1-1(2) of the Act by misstating and omitting to state material facts in connection with the offer and sale of a security.

III. REMEDIAL ACTIONS/SANCTIONS

23. Respondent admits the Division's findings and conclusions and consents to the sanctions below being imposed by the Division.
24. Respondent represents that any information they provided to the Division as part of the Division's investigation of this matter is accurate.
25. Respondent agrees to the imposition of a cease and desist order, prohibiting him from any conduct that violates the Act.
26. Respondent agrees that he will be barred from (i) associating² with any broker-dealer or investment adviser licensed in Utah; and (ii) acting as an agent for any issuer soliciting investor funds in Utah.

²“Associating” includes, but is not limited to, acting as an agent of, receiving compensation directly or indirectly from, or engaging in any business on behalf of a broker-dealer, agent, investment adviser, or investment adviser representative licensed in Utah. “Associating” does not include any contact with a broker-dealer, agent, investment adviser, or investment adviser representative licensed in Utah incidental to any personal relationship or business not related to the sale or promotion of securities or the giving of investment advice in the State of Utah.

27. Respondent agrees to cooperate with the Division, the State of Utah, and the Federal Government in any future investigations and/or prosecutions relevant to the matter herein.

IV. FINAL RESOLUTION

28. Respondent acknowledges that this Order, upon approval by the Securities Commission shall be the final compromise and settlement of this matter.
29. Respondent further acknowledges that if the Securities Commission does not accept the terms of the Order, it shall be deemed null and void and without any force or effect whatsoever.
30. Respondent acknowledges that the Order does not affect any civil or arbitration causes of action that third-parties may have against him arising in whole or in part from his actions, and that the Order does not affect any criminal causes of action that may arise as a result of his conduct referenced herein.
31. The Stipulation and 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 the Order in any way.

Utah Division of Securities

Respondent Kitchen

Date: 2/7/11

Date: _____

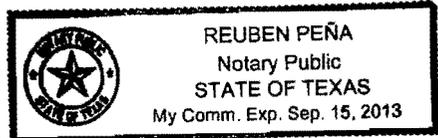
By: [Signature]

By: [Signature]

Michael Hines
Director of Enforcement

Bradley Grant Kitchen

[Signature]



6-29-11

Approved:

Approved:

[Signature]

[Signature]

Jeff Buckner
Assistant Attorney General
J.S.

Rebecca Skordas
Attorney for Respondent

ORDER

IT IS HEREBY ORDERED THAT:

1. The Division has made a sufficient showing of Findings of Fact and Conclusions of Law to form a basis for this settlement.
2. Respondent ceases and desists from violating the Utah Uniform Securities Act.
3. Respondent agrees to be permanently barred from the securities industry.
4. Respondent cooperates with the Division in any future investigations.

BY THE UTAH SECURITIES COMMISSION:

DATED this 28th day of JULY, 2011.

Tim Bangerter

Jane Cameron

Erik Christiansen

Laura Polacheck

Jan Graham
Van Graham

CERTIFICATE OF MAILING

I, Julie Price, hereby certify that on the 3rd day of August 2011, I mailed, by certified mail, a true and correct copy of the forgoing **Stipulation and Consent Order** to:

Bradley Grant Kitchen
c/o Attorney Rebecca Skordas
Skordas, Caston, and Hyde
341 South Main Street #303
Salt Lake City, UT 84111

Certified Receipt #: 7007 0220 0001 0063 6257

A handwritten signature in black ink that reads "Julie Price". The signature is written in a cursive style and is positioned above a horizontal line.

Julie Price
Executive Secretary