

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

AM PROPERTY INVESTMENTS LLC
MARK E. HUGENTOBLER

Respondents.

STIPULATION AND CONSENT
ORDER

Docket No. SD-08-0034
Docket No. SD-08-0035

The Utah Division of Securities (the Division), by and through its Director of Enforcement, Michael Hines, and AM Property Investments LLC, and Mark E. Hugentobler, hereby stipulate and agree as follows:

1. Am Property Investments LLC and Mark E. Hugentobler (Respondents) 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. Respondents and the Division have agreed to settle this matter by way of this Stipulation and Consent Order (Consent Order).
3. Respondents admit the jurisdiction of the Division over the Respondents and over the subject matter of this action.
4. Respondents waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf.

THE DIVISION'S INVESTIGATIVE FINDINGS

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

5. AM Property Investments, LLC (AM Property) was registered as a Utah limited liability company on June 30, 2006, and its entity status is currently "active." Mark E. Hugentobler is the manager and registered agent of AM Property.
6. Mark E. Hugentobler (Hugentobler) resides in Sanpete County, Utah.
7. Between November 2, 2005 and April 11, 2007, Hugentobler raised \$130,000 from the sale of promissory notes to two Utah investors.
8. Hugentobler issued a personal promissory note to one investor in return for a \$20,000 investment, and an AM Property promissory note to the second investor in return for a \$110,000 investment. The personal promissory note promised interest of 4% per month, and the AM Property note promised interest of 3% per month.

9. Hugentobler represented that he gave the \$130,000 he raised to Five Pillars Investments, LLC (Five Pillars) and Five Pillars' sole member, Stephen Freestone, who in turn promised Hugentobler a return of 4% per month on the \$20,000 investment, and 3% per month on the \$110,000 investment.
10. Hugentobler received a return of 4% on \$20,000 of the money he gave to Five Pillars and Stephen Freestone, and gave all of the interest received to his investor.
11. Hugentobler received a return of 3.5% on \$110,000 of the money he gave to Five Pillars and Stephen Freestone, and gave 3% of the interest he received to his investor. Hugentobler therefore kept .5% per month, or \$550 per month, of the \$110,000 investment, as compensation from Five Pillars for bringing in investor money.
12. The promissory notes are securities that were not registered under the Act, and Hugentobler did not file any claim of exemption relating to the securities.

THE DIVISION'S CONCLUSIONS

13. Based on the Division's investigative findings, the Division concludes that:
 - a. The promissory notes offered and sold by AM Property and Hugentobler are securities under § 61-1-13 of the Act.; and
 - b. AM Property and Hugentobler violated § 61-1-7 of the Act by offering or selling unregistered securities in Utah.

14. AM Property and Hugentobler neither admit nor deny the substance of the Division's investigative conclusions but consent to the Division entering an Order:
 - a. Requiring AM Property and Hugentobler to cease and desist from engaging in any further conduct in violation of the Utah Securities Act.
 - b. Requiring AM Property and Hugentobler to pay a fine, jointly and severally, of ten thousand dollars (\$10,000) to the Division of Securities, payment of which will be waived in its entirety so long as:
 - i. AM Property and Hugentobler violate no provisions of the Act for a term of three years;
 - ii. No later than February 29, 2008, AM Property and Hugentobler disgorge to their investor the compensation Hugentobler received from Five Pillars and Stephen Freestone, in the amount of two thousand two hundred dollars (\$2,200), or provides the Division with signed waivers (approved as to form by the Division) from Hugentobler's investor, stating that he/she waives the right to receive his/her portion of Hugentobler's compensation for all purposes and from all sources; and
 - iii. Hugentobler provides continuing truthful testimony and cooperation (including production of documents) with any State or Federal investigation involving Five Pillars or Stephen Freestone.

If AM Property or Hugentobler fail to abide by the terms of this Stipulation and Consent Order, the Division will give them written notice of the violation, and the suspended fine will be due to the Division within one month of that notice.

15. AM Property and Hugentobler acknowledge that this Consent Order, upon approval by the Division Director, shall be the final compromise and settlement of this matter. AM Property and Hugentobler 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.
16. AM Property and Hugentobler acknowledge that the Consent Order does not affect any civil or arbitration causes of action that third parties may have against AM Property and Hugentobler 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.
17. 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.
18. AM Property and Hugentobler 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, AM Property and Hugentobler acknowledge that this Consent Order will be deemed null and void and without any force or effect whatsoever.

19. Violation of this Consent Order is a third degree felony pursuant to § 61-1-21(1) of the Act.
20. AM Property and Hugentobler have read this Consent Order, understand its contents, and enter into this Consent Order voluntarily.

Utah Division of Securities

Date:



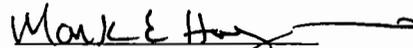
By:

Michael Hines
Director of Enforcement

Respondent AM Property

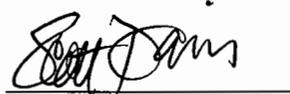
Date: 2-29-08

By:


Mark E. Hugentobler

Its: Manager

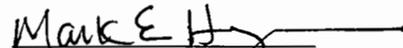
Approved:



Scott Davis
Assistant Attorney General

Respondent Hugentobler

Date: 2-29-08


Mark E. Hugentobler

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. Am Property Investments LLC and Mark E. Hugentobler CEASE and DESIST from engaging in any further conduct in violation of the Utah Securities Act.
- b. Am Property Investments LLC and Mark E. Hugentobler pay a fine, jointly and severally, of ten thousand dollars (\$10,000) to the Division of Securities, payment of which will be waived so long as:
 - i. AM Property and Hugentobler violate no provisions of the Act for a term of three years;
 - ii. No later than February 29, 2008, AM Property and Hugentobler either disgorge to their investor compensation Hugentobler received from Five Pillars and Stephen Freestone, in the amount of two thousand two hundred dollars (\$2,200), or provides the Division with signed waivers (approved as to form by the Division) from Hugentobler's investor, stating that he/she waives the right to receive his/her portion of Hugentobler's compensation for all purposes and from all sources; and

- iii. Hugentobler provides continuing truthful testimony and cooperation (including production of documents) with any State or Federal investigation involving Five Pillars and Stephen Freestone.

If AM Property and Hugentobler fail to abide by the terms of this Stipulation and Consent Order, the Division will give them written notice of the violation, and the suspended fine will be due to the Division within one month of that notice.

DATED this 5th day of May, 2008.


THAD LEVAR
Acting Director, Utah Division of Securities



Certificate of Mailing

I certify that on the 8TH day of MAY, 2008, I mailed, by certified mail, a true and correct copy of the Stipulation and Consent Order to:

AM Property Investments LLC
346 E. 600 So.
Manti, UT 84642

Certified Mail # 70041160000301960082

Mark E. Hugentobler
346 E. 600 So.
Manti, UT 84642

Certified Mail # 70041160000301960099

Paul MacArthur, Attorney
3507 N. University Ave. #350
Provo, UT 84604

Certified Mail # 70041160000301960105



Executive Secretary