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:	**ORDER TO SHOW CAUSE**
RACE, LLC **RANDY JAMES BRADLEY** **ANNA LEE BRADLEY** **Respondents.**	**Docket No.** SD-08-0038 **Docket No.** SD-08-0039 **Docket No.** SD-08-0040

It appears to the Director for the Utah Division of Securities (Director) that Race, LLC, Randy James Bradley, and Anna Lee Bradley, 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 Respondents and the subject matter is appropriate because the Division alleges that the Respondents violated § 61-1-1 (securities fraud) of the Act, while engaged in the offer and sale of securities in or from Utah.

STATEMENT OF FACTS

THE RESPONDENTS

2. Race, LLC (Race) was registered as a Utah limited liability company on May 24, 2005, and its current entity status is "active." Randy James Bradley is the registered agent and sole member and manager of Race.

3. Randy James Bradley R. (Bradley) resides in Utah County, Utah.

4. Anna Lee Bradley (A. Bradley) resides in Utah County, Utah. At all times relevant to the matters asserted herein, A. Bradley held herself out to be a member of Race.

GENERAL ALLEGATIONS

5. In May 2007, Randy Bradley and his wife Anna Bradley received investments of at least $376,000, from at least three Utah investors.

6. R. Bradley and A. Bradley told investors their money would be secured by real estate, that they would receive a promissory note in return for their investment, and that they would receive interest of 3% per month.

7. Prior to accepting the investors' money, R. Bradley and A. Bradley failed to disclose

material information, including, but not limited to, R. Bradley's and A. Bradley's prior bankruptcy filing.

8. Two of the investors were able to recover their principal investment plus interest, and the third investor received only a few interest payments and is still owed $346,000 in principal alone.

Investors RH & WH, Husband and Wife

9. In March or April 2007, in Utah County, investor WH was first introduced to the investment opportunity in Race, LLC, by A. Bradley.

10. A. Bradley told WH that Race was a company owned and operated by herself and R. Bradley. A. Bradley said RH and WH could borrow money on their home to invest with Race, and that WH would receive a monthly return of 3%.

11. A. Bradley also told WH that WH could collect money from other investors, offer them a return of 2% monthly on their investment, while RH and WH still earned 3% monthly by investing the money with Race. WH could then keep the remaining 1% received from Race.

12. WH told A. Bradley that WH sold her mother's home in California, and from the sale had approximately $30,000 remaining to invest.

13. A. Bradley offered WH a return of 3% per month if she invested the money with Race.

14. A. Bradley told WH that Race would give WH a promissory note as evidence of her

investment.

15. In April or May, 2007, RH and WH went to dinner with R. Bradley and A. Bradley in Utah County, and the investment opportunity with Race was discussed. RH and WH were again told by R. Bradley and A. Bradley that they would receive a monthly return of 3% from an investment with Race.

16. WH told R. Bradley and A. Bradley that the $30,000 RH and WH were thinking about investing was "precious money" because it belonged to WH's mother.

17. WH asked R. Bradley and A. Bradley about the risk involved, and R. Bradley and A. Bradley both said the promissory note would be backed by real estate and that R. Bradley and A. Bradley would personally guarantee the investment.

18. R. Bradley and A. Bradley said they had been paying their investors interest for two years and that everything would be fine.

19. R. Bradley assured RH and WH that their money would go to Founders Capital, LLC[1], where R. Bradley was employed, and their investment would be secured by real estate.

20. On May 11, 2007, RH and WH invested $30,000 with Race, by hand-delivering a check from RH's and WH's business, made payable to Race, LLC, to R. Bradley.

21. RH and WH received a promissory note from Race, dated June 1, 2007, in the amount of

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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.

$30,000, with a stated interest rate of 3% per month, signed by R. Bradley as the managing member.

22. In September, 2007, R. Bradley went to lunch with RH, and RH told R. Bradley he had an appointment to meet with the Director of Enforcement at the Utah Division of Securities regarding RH's investment in Race. R. Bradley brought up the topic of disclosure for the first time, and told RH that R. Bradley and A. Bradley filed for bankruptcy approximately seven years earlier.

23. RH and WH asked R. Bradley to return their investment.

24. On or about November 5, 2007, R. Bradley gave RH two checks, one for $30,000 to cover the principal amount of RH's and WH's investment, and one for $2,781.81 for interest.

Investor RM

25. In April 2006, in Utah County, RM and her brother-in-law, Karl Markham (Markham), attended a meeting held by Rick Koerber, at which Koerber spoke about his "principles of prosperity" and how to make money with real estate.

26. After the meeting, Markham told RM he was excited about investing with Race, LLC, a company owned by his friends R. Bradley and A. Bradley. Markham told RM that invested money would be sent to Race, Race would send it to a company called Founders Capital, where it would be used to purchase real estate. Markham told RM she would

receive a return of 3% per month on such an investment.

27. On April 4, 2006, RM invested money with Race by giving Markham a cashier's check for $35,000 made payable to Race, LLC.

28. RM received a promissory note from Race in return for her investment. The note was issued to Markham in the amount of $105,000. The note included RM's $35,000 investment in addition to investments made by Markham's father. The note included interest of 3% per month, and contained no maturity date.

29. On May 5, 2006, Markham, Markham's father, and RM formed a limited liability company called KDRM, LLC (KDRM). Markham told RM the LLC was necessary because according to R. Bradley, all investments in Founders Capital had to come from businesses as opposed to individuals.

30. On August 1, 2006, RM invested another $200,000 with Race, via wire transfer.

31. In October 2006 RM attended a Rick Koerber class at the Franklin Squires building in Utah County. After the class, RM visited with R. Bradley and told him she may invest with Race again.

32. R. Bradley told RM that all interest payments would now go from Race to JAMAR Property, LLC[2] (JAMAR), and from JAMAR to KDRM.

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[2] JAMAR Property, LLC was registered as a Utah limited liability company on September 20, 2006, but its entity status expired on September 20, 2007. Karl Markham and Debora Markham are the members of JAMAR Property, LLC.

33. On November 14, 2006 RM invested $111,000 with Race, via wire transfer to Race's bank account.

34. Prior to investing, R. Bradley told RM that she would receive a return of 3%.

35. Between May 2006 and August 2007, RM received a total of $53,615 in interest from Race. Interest payments were deposited directly into KDRM's bank account, and RM would then pay herself, Markham, and Markham's father the proportionate share.

36. In August 2007, KDRM received its last interest payment from Race.

37. In September 2007, RM asked R. Bradley for her money back and R. Bradley told her he had assets, but no cash flow to pay her back. R. Bradley told RM it would do no good to sue him because he had no money to pay her back.

38. R. Bradley still owes RM a total of $346,000 in principal alone.

CAUSES OF ACTION

COUNT I
Securities Fraud under § 61-1-1 of the Act
(Race, LLC, Randy James Bradley, and Anna Lee Bradley)

39. The Division incorporates and re-alleges paragraphs 1 through 38.

40. The promissory notes offered and sold by Race, R. Bradley, and A. Bradley are securities under § 61-1-13 of the Act.

41. In connection with the offer and sale of securities, Race, R. Bradley, and A. Bradley, directly or indirectly, made false statements, including, but not limited to, the following:

a. The investment was secured by real estate;

b. The investment in Race, LLC would provide interest of 3% per month; and

c. R. Bradley and A. Bradley told RH and WH they would personally guarantee their investment.

42. In connection with the offer and sale of securities to RH and WH, Race, R. Bradley and A. Bradley, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make representations made not misleading:

a. That R. Bradley and A. Bradley filed for bankruptcy in 2000;

b. Respondents failed to provide investors with some or all of the information typically provided in an offering circular or prospectus regarding Race, LLC and Founders Capital, LLC, such as:

i. The business and operating history for Race and Founders Capital;

ii. Financial statements for Race and Founders Capital;

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

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

v. The current capitalization for Race and Founders Capital;

vi. The number of other investors;

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

viii. The disposition of any investments received if the minimum capitalization

were not achieved;

ix. R. Bradley's and A. Bradley's experience with investing in real estate;

x. Discussion of pertinent suitability factors for the investment;

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

xii. Agent commissions or compensation for selling the investment;

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

xiv. Whether the person selling the investment is licensed; and

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

43. Based upon the foregoing, Race, LLC, Randy James Bradley, and Anna Lee Bradley violated § 61-1-1 of the Act.

ORDER

The Director, pursuant to § 61-1-20 of the Act, hereby orders the Respondents 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, May 6th, 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 Respondents fail to file an answer and appear at the hearing, the Division of Securities may hold

Respondents 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 Respondents may show cause, if any they have:

a. Why Race, LLC, Randy James Bradley, and Anna Lee Bradley should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;

b. Why Race, LLC, Randy James Bradley, and Anna Lee Bradley 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;

c. Why Race, LLC should not be ordered to pay a fine of five hundred thousand dollars ($500,000) to the Division of Securities, which may be reduced by restitution paid to the victims;

d. Why Randy James Bradley should not be ordered to pay a fine of twenty five thousand dollars ($25,000) to the Division of Securities, which may be reduced by restitution paid to the victims; and

e. Why Anna Lee Bradley should not be ordered to pay a fine of five thousand dollars ($5,000) to the Division of Securities, which may be reduced by restitution paid to the victims.

DATED this 26TH day of March, 2008.

THAD LEVAR
Acting Director, Utah Division of Securities

Approved:

SCOTT DAVIS
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:	**NOTICE OF AGENCY ACTION**
RACE, LLC **RANDY JAMES BRADLEY** **ANNA LEE BRADLEY** **Respondents.**	**Docket No.** SD-08-0038 **Docket No.** SD-08-0039 **Docket No.** SD-08-0040

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

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:

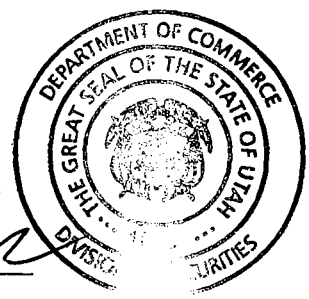
Signed originals to:	A copy to:
Administrative Court Clerk c/o Pam Radzinski Division of Securities 160 E. 300 S., Second Floor Box 146760 Salt Lake City, UT 84114-6760 (801) 530-6600	Scott Davis Assistant Attorney General 160 E. 300 S., Fifth Floor Box 140872 Salt Lake City, UT 84114-0872 (801) 366-0310

A hearing date has been set for Tuesday, May 6th, 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. Pursuant to U.C.A. Subsection 63-46b-2(1)(h), Mr. Eklund is hereby designated as presiding officer for the purpose of conducting this formal administrative proceeding. Questions regarding the Order to Show Cause and Notice of Agency Action should be directed to the Division's attorney, Scott Davis, at (801) 366-0310.

DATED this 26th day of March, 2008.



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

Certificate of Mailing

I certify that on the 27TH 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:

Race, LLC
C/O Randy James Bradley, Manager / Registered Agent
423 E. 1700 N.
Mapleton, UT 84664

Certified Mail # 70041160000301956498

Randy James Bradley
423 E. 1700 N.
Mapleton, UT 84664

Certified Mail # 7004 1160 0003 0195 6504

Randy James Bradley
599 E. 1355 So.
Springville, UT 84663

Certified Mail # 7004 1160 0003 0195 6511

Anna Lee Bradley
423 E. 1700 N.
Mapleton, UT 84664

Certified Mail # 7004 1160 0003 0195 6528

Anna Lee Bradley
599 E. 1355 So.
Springville, UT 84663

Certified Mail # 70041160 0003 0195 6535

Pam Radzinski
Executive Secretary