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:	STIPULATION AND CONSENT ORDER
JAMAR PROPERTY, LLC KARL MARKHAM Respondents.	Docket No. SD-08-0096 Docket No. SD-08-0097

The Utah Division of Securities (the Division), by and through its Director of Enforcement, Michael Hines, and JAMAR Property, LLC, and Karl Markham, hereby stipulate and agree as follows:

1. JAMAR Property, LLC and Karl Markham were the subject of an investigation conducted by the Division into allegations they violated certain provisions of the Utah Uniform Securities Act (the Act), Utah Code Ann. § 61-1-1, *et seq.*, as amended.

2. JAMAR Property, LLC, Karl Markham, and the Division have agreed to settle this matter by way of this Stipulation and Consent Order (Consent Order).

3. JAMAR Property, LLC and Karl Markham admit the jurisdiction of the Division over them and over the subject matter of this action.

4. JAMAR Property, LLC and Karl Markham waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf.

THE DIVISION'S INVESTIGATIVE FINDINGS

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

5. JAMAR Property, LLC (JAMAR) was registered as a Utah limited liability company on September 20, 2006, but its current status is "expired." Karl Markham and his wife, Debora Markham, are the only members of JAMAR.

6. Karl Markham (Markham) resides in Utah County, Utah.

7. In or around January 2007, investor LL met with Markham at Markham's home in Utah County, at least five times, to discuss the investment opportunity in JAMAR.

8. Markham told LL the following regarding the investment in JAMAR:

   a. LL would receive interest of 3% per month;

   b. JAMAR would use the money to make down payments on undervalued homes;

   c. Property purchased would have enough equity to make the 3% per month interest payments;

   d. There was no risk;

e. The investment was secured and back by the properties purchased;

f. LL would have an interest in the properties purchased;

g. Markham invested over $500,000 of his own money with Race, LLC[1], and had been receiving his monthly interest payments;

h. Markham would not have invested $500,000 of his own money if he thought the investment had risk;

i. Markham was going to purchase a specific piece of farm land in Springville, Utah; and

j. LL should invest using equity from his home.

9. On February 28, 2007, LL invested $30,000 with JAMAR and Markham by giving Markham a Zions Bank Official Check made payable to JAMAR. LL invested money he obtained from the equity in LL's home, and Markham was aware of this fact.

10. On or about March 1, 2007, LL received a JAMAR promissory note from Markham. The note was signed by Markham as the managing member of JAMAR, and stated that LL would receive monthly interest payments of 3% ($900) on the 15th day of each month.

11. The JAMAR promissory note also stated that "Security/Collateral for this note shall be the relative portion of the total equity of real property estate holdings of [JAMAR] . . .

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[1] Race, LLC is a Utah limited liability company that was registered in May 2005 by its owner / operator, Randy Bradley.

and as verified by independent appraisal, shall have substantially similar or greater market value to the principal sum owing related to this note."

12. From April through November 2007, LL received monthly interest payments from JAMAR, for a total of $6,750.

13. On August 29, 2007, LL mailed a letter to JAMAR and Markham requesting the return of LL's principal investment.

14. Markham telephoned LL and told LL he would get LL his money, and that Markham had given the letter to Randy Bradley of Race, LLC. Markham told LL it was "in Bradley's hands now."

15. Markham paid LL four principal payments of $1,000 each, two in November 2007, one in December 2007, and one in January 2008, for a total of $4,000.

16. On or about February 29, 2008, Markham paid LL $26,000, which represents the remainder of the principal and interest owed.

Securities Fraud

17. In connection with the offer and sale of securities to LL, JAMAR and Markham, directly or indirectly, made false statements, including, but not limited to, the following:

    a. JAMAR and Markham would use the money to purchase real estate, when in fact, JAMAR and Markham sent LL's money to Race, LLC and Randy Bradley;

b. The investment was secured by property, and LL would have an interest in the property; and

c. There was no risk involved in the investment.

18. In connection with the offer and sale of a security to LL, JAMAR and Markham, 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. Some or all of the information typically provided in an offering circular or prospectus regarding JAMAR and Race, LLC (the Companies), such as:

i. The business and operating history for the Companies;

ii. The principals' experience with buying and selling real estate;

iii. Financial statements for the Companies;

iv. The market for the Companies' service(s);

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

vi. Each Company's current capitalization;

vii. The track record of the Companies to investors;

viii. The number of other investors;

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

x. The disposition of any investments received if the minimum capitalization were not achieved;

xi. Discussion of pertinent suitability factors for the investment;

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

xiii. Agent commissions or compensation for selling the investment;

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

xv. Whether the person selling the investment is licensed.

THE DIVISION'S CONCLUSIONS

19. Based on the Division's investigative findings, the Division concludes that:

a. The promissory note offered and sold by JAMAR Property, LLC and Karl Markham is a security under § 61-1-13 of the Act;

b. JAMAR Property, LLC and Karl Markham violated § 61-1-1 of the Act by making misrepresentations of material fact and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

20. JAMAR Property, LLC and Karl Markham neither admit nor deny the substance of the Division's investigative conclusions but consent to the Division entering an Order:

a. Requiring JAMAR and Markham to cease and desist from engaging in any further conduct in violation of the Utah Securities Act.

b. Requiring JAMAR and Markham 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. JAMAR and Markham violate no provisions of the Act for a period of three years; and

ii. Markham provides continuing truthful testimony and cooperation (including production of documents) with any State or Federal investigation involving Race, LLC and/or Randy Bradley.

If JAMAR or Markham 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.

21. JAMAR and Markham acknowledge that this Consent Order, upon approval by the Division Director, shall be the final compromise and settlement of this matter. JAMAR and Markham 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.

22. JAMAR and Markham acknowledge that the Consent Order does not affect any civil or arbitration causes of action that third parties may have against JAMAR and Markham

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.

23. 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.

24. JAMAR and Markham 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, JAMAR and Markham acknowledge that this Consent Order will be deemed null and void and without any force or effect whatsoever.

25. Violation of this Consent Order is a third degree felony pursuant to § 61-1-21(1) of the Act.

26. JAMAR and Markham have read this Consent Order, understand its contents, and enter into this Consent Order voluntarily.

Utah Division of Securities

Date: 11/18/8

By: _____
Michael Hines
Director of Enforcement

Respondent JAMAR

Date: 11 / 18 / 2008

By: _____

Its: _____

Approved:

_____
Scott Davis
Assistant Attorney General

Respondent Markham

Date: 11 / 18 / 2008

By: _____
Karl Markham

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. JAMAR Property, LLC and Karl Markham CEASE and DESIST from engaging in any further conduct in violation of the Utah Securities Act.

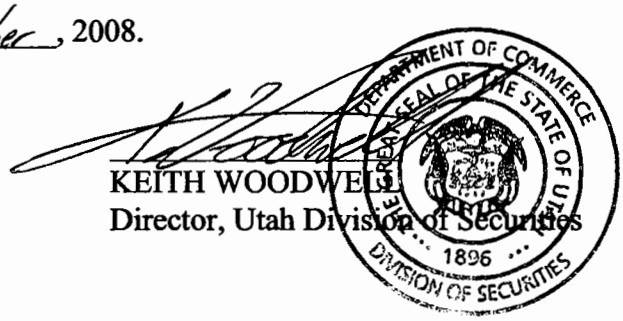
b. JAMAR Property, LLC and Karl Markham pay a fine of ten thousand dollars ($10,000) to the Division of Securities, payment of which will be waived so long as:

   i. JAMAR and Markham violate no provisions of the Act for a term of three years; and

   ii. JAMAR Property, LLC and Karl Markham provides continuing truthful testimony and cooperation (including production of documents) with any State or Federal investigation involving Race, LLC or Randy and Anna Bradley.

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

DATED this 20th day of November, 2008.



KEITH WOODWELL
Director, Utah Division of Securities

Certificate of Mailing

I certify that on the 20TH day of NOVEMBER, 2008, I mailed, by certified mail, a true and correct copy of the Stipulation and Consent Order to:

Karl Markham / JAMAR Property, LLC
345 E. 1300 N.
Mapleton, UT 84664

Certified Mail # 7004 1160 0003 0196 2086

PAM RADEINSKI
Executive Secretary