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: **COCAPITAL, LLC** **COBY TIPPETTS** **RESPONDENTS.**	**ORDER TO SHOW CAUSE** **Docket No.** SD-08-0107 **Docket No.** SD-08-0108

It appears to the Director of the Utah Division of Securities (Director) that CoCapital, LLC and Coby Tippetts 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 they 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. CoCapital, LLC (CoCapital) is a Nevada limited liability company. CoCapital was registered as a foreign Utah limited liability company on October 26, 2006, and its current entity status is "delinquent." Coby Tippetts is a member of CoCapital.

3. Coby Tippetts is a resident of Utah County, Utah.

GENERAL ALLEGATIONS

4. In September 2006, investor CT telephoned Tippetts about an investment opportunity in CoCapital. CT had been referred to Tippetts by a friend who was also an investor in CoCapital.

5. During their telephone conversation, CT asked Tippetts two questions about the investment: how liquid was the investment, and what was the worst case scenario?

6. With respect to liquidity, Tippetts told CT that her money would always be liquid with 60 days advance written notice.

7. With respect to the worst case scenario, Tippetts told CT that at some point he may no longer need CT's funds, and would have to return CT's money and, therefore, would also stop paying her monthly dividends.

8. During their telephone conversation, Tippetts also told CT that the investment was secured with equity in real property.

9. CT asked to see a copy of a CoCapital promissory note before investing. Tippetts mailed

CT a note.

10. In late October 2006, CT and her husband GT had additional conversations with Tippetts, via telephone and e-mail, regarding the investment opportunity in CoCapital.

11. During these conversations, Tippetts told CT and GT that, if CoCapital were to become insolvent or bankrupt, CT and GT would at least receive a return of their principal investment.

12. On November 1, 2006, CT and GT invested $30,000 in CoCapital, via electronic fund transfer to CoCapital's Chase Bank account.

13. CT and GT received a CoCapital promissory note (Note 1) for $30,000, dated November 1, 2006, bearing Tippetts' signature.

14. Note 1 promises monthly interest payments from CoCapital at a rate of 2%, or $600, starting on December 15, 2006. The note did not include a maturity date.

15. CT and GT received interest payments on Note 1 from CoCapital from December 2006 through October 2007, for a total of $6,600.

16. In June 2007, CT told Tippetts that CT and GT were thinking about investing more money in CoCapital.

17. CT asked Tippetts about the liquidity of a new investment. Tippetts again told CT that the investment was fully liquid with 60 days advanced written notice.

18. Tippetts also told CT that Tippetts was thinking about giving investors a 1% profit sharing payment in addition to the monthly 2% interest payment. Tippetts said the profit

sharing would not start until the end of the year.

19. Tippetts also told CT that CoCapital owned a lot of property in several states.

20. On June 27, 2007, CT and GT invested $57,000 in CoCapital, via electronic fund transfer to CoCapital's Chase Bank account.

21. CT and GT received a CoCapital promissory note (Note 2) for $57,000, dated July 1, 2007, bearing Tippetts' signature.

22. Note 2 promises monthly interest payments from CoCapital at a rate of 2% or $1,140.00, starting on August 15, 2007. The note did not include a maturity date.

23. CT and GT received interest payments on Note 2 from CoCapital from August through October 2007, for a total of $3,420.

24. When the interest payments on Notes 1 and 2 stopped, CT contacted Tippetts.

25. Tippetts told CT that everything was fine, but CoCapital was having trouble selling properties.

26. In February 2008, via e-mail, CT requested the return of CT and GT's funds from Tippetts.

27. In March 2008, CT contacted Tippetts via telephone to inquire about payment.

28. Tippetts told CT that he did not have the money.

29. Despite written requests for the return of their investments, CT and GT have received no additional payments of interest or principal from Tippetts or CoCapital.

30. Tippetts and CoCapital still owe CT and GT a total of $87,000 in principal alone.

CAUSES OF ACTION

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

31. The Division incorporates and re-alleges paragraphs 1 through 30.

32. The promissory notes offered and sold by the Respondents are securities under § 61-1-13 of the Act.

33. In connection with the offer and sale of securities to investors, the Respondents, directly or indirectly, made false statements, including, but not limited to, the following:

    a. The investment would always be liquid with 60 days written notice;

    b. The investment was secured by real property;

    c. The investment would provide a return of 2% per month;

    d. The worst case scenario was that Tippetts may no longer need investor funds, and would have to return funds and therefore stop paying monthly dividends.

34. In connection with the offer and sale of securities to investors, the Respondents, 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 CoCapital, such as:

        i. The identity of CoCapital's principals along with their experience with buying and selling real estate;

ii. CoCapital's financial statements;

iii. The market for CoCapital's service(s);

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

v. The track record of CoCapital to other investors;

vi. The number of other investors;

vii. The risk factors for CoCapital investors;

viii. Discussion of pertinent suitability factors for the investment;

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

x. Agent commissions or compensation for selling the investment;

xi. Any involvement of CoCapital or its principals in certain legal proceedings, including bankruptcy or prior violations of state or federal securities laws;

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

xiii. Whether the person selling the investment is licensed.

35. Based upon the foregoing, Tippetts and CoCapital 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 Wednesday, February 4, 2009, 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:

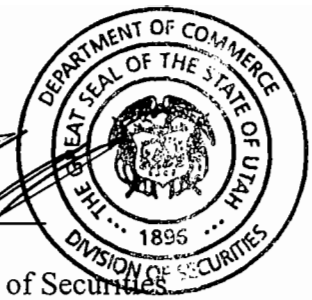
a. Why CoCapital, LLC and Coby Tippetts should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;

b. Why CoCapital, LLC and Coby Tippetts 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 CoCapital, LLC should not be ordered to pay a fine of one hundred thousand dollars ($100,000) to the Division of Securities, which may be reduced by restitution paid to the investors; and

d. Why Coby Tippetts should not be ordered to pay a fine of one hundred thousand dollars ($100,000) to the Division of Securities, which may be reduced by restitution paid to the investors.

DATED this 30th day of December, 2008.



KEITH WOODWELL
Director, Utah Division of Securities

Approved:

JEFF BUCKNER
Assistant Attorney General

J. S.

Division of Securities
Utah Department of Commerce
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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
COCAPITAL, LLC COBY TIPPETTS Respondents.	Docket No. SD-08-0107 Docket No. SD-08-0108

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

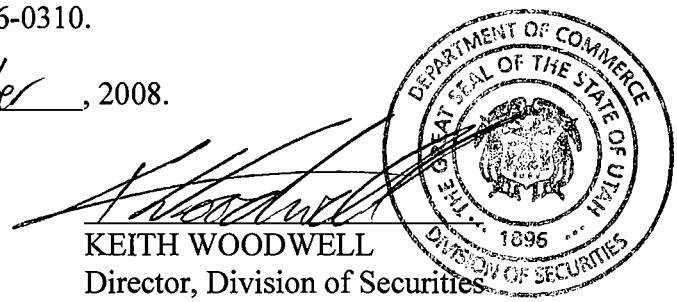
A hearing date has been set for Wednesday, February 4, 2009, at 9:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd Floor, Salt Lake City, Utah.

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, Jeff Buckner, at (801) 366-0310.

DATED this 30th day of December, 2008.



KEITH WOODWELL
Director, Division of Securities

Certificate of Mailing/Service

I certify that on the 31ST day of DECEMBER, 2008, I mailed, via certified and regular mail, a true and correct copy of the Order to Show Cause and Notice of Agency Action to:

CoCapital, LLC
6440 Birchcrest Court
Las Vegas, NV 89108

Certified Mailing # 70041160 00030196 3830

CoCapital, LLC
Attn: Aaron Dommer, Registered Agent
51 W. Center Street, Suite 503
Orem, UT 84057

Certified Mailing # 70041160 00030196 3847

Coby Tippetts
459 N. Wilderness Dr.
Alpine, UT 84004

Certified Mailing # 70041160 00030196 3854

PAM RADZINSKI
Executive Secretary