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: **JAKE DANIEL MCKITTRICK** **JOHN TERRY TIMMERMAN** **Respondents.**	**ORDER TO SHOW CAUSE** **Docket No.** SD-12-1049 **Docket No.** SD-12-1050

It appears to the Director of the Utah Division of Securities (Director) that Jake Daniel McKittrick and John Terry Timmerman (collectively, Respondents) 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 and practices 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 Respondents and the subject matter is appropriate because the Division alleges that they violated § 61-1-1 (securities fraud) and § 61-1-3 (unlicensed activity) of the Act while engaged in the offer and sale of securities in or from Utah.

STATEMENT OF FACTS

THE RESPONDENTS

2. Jake Daniel McKittrick (McKittrick) was, at all relevant times, a resident of the state of Nevada. In 1999, McKittrick successfully completed the Series 6 and Series 63 exams. McKittrick was licensed with the state of Utah as a broker-dealer agent from 1999 to 2003. McKittrick has not been associated with a firm and/or licensed in the securities industry since July 16, 2003.

3. John Terry Timmerman (Timmerman) was, at all relevant times, a resident of the state of Nevada. Timmerman has never been licensed in the securities industry in any capacity.

GENERAL ALLEGATIONS

4. From May 2008 to October 2008, Respondents offered and sold securities to investors, in or from Utah, and collected a total of at least $175,000.

5. Respondents made material misstatements and omissions in connection with the offer and sale of securities to the investors identified below.

6. Investors lost $165,000 in principal alone.

INVESTOR C.M.

7. In or around June 2008, C.M. took out a home equity line of credit, which he planned to use in financing a real estate project in Park City, Utah.

8. McKittrick, who is related to C.M. through marriage, learned that C.M. had taken out a line of credit and told him about an investment opportunity in Timmerman's company,

Diversified Business Specialists, Inc. (DBS).[1]

9. McKittrick then set up a three-way telephone call between C.M., Timmerman, and McKittrick, during which Timmerman and McKittrick discussed DBS in greater detail.

10. During this conversation, Timmerman made the following statements:

    a. He had been raising money to set up a utility company, and he needed an additional $105,000 to meet a bank's lending requirements;

    b. C.M.'s money would go toward the closing costs of the loan;

    c. C.M. would be repaid within six weeks;

    d. If the bank funded the loan to DBS, C.M. would receive a return of his principal plus 300% interest; and

    e. If the loan was not funded, C.M. would receive a return of his principal plus 12% interest.

11. McKittrick also reassured C.M. that there was no way he would lose his money from this investment.

12. In response to these statements, C.M. stated that he could not provide $105,000. He could only offer $75,000. In addition, he had already committed this $75,000 to a real estate project in Park City, Utah and would need to have access to it within a few weeks.

13. Timmerman reassured C.M. that the time restriction would not be an issue.

14. On June 6, 2008, Timmerman sent C.M. an email restating the terms established in the prior

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1 Diversified Business Specialists, Inc. was a Nevada corporation that registered with the Nevada Secretary of State's Office on July 28, 1992. As of August 1, 2004, its status changedfrom active to revoked. Currently, its status is listed as permanently revoked. During its existence, Timmerman served as President of the corporation.

phone conversation. Specifically, Timmerman stated:

a. In exchange for the investment, Timmerman would repay C.M. $75,000 in principal plus $225,000 in interest within forty-five days of executing a promissory note and providing the funds;

b. He had "Fed Approval for this special Economic Enhancement Program;"

c. Bear Stearns "know[s] our cash flow requirements and we have been assured that is not a problem;"

d. If the loan was not funded, an "exit strategy" would be implemented; and

e. The promissory note reflecting this transaction would come from DBS and be personally guaranteed by Timmerman.

15. Based on the representations described above, C.M. invested $75,000 in DBS.

16. On June 9, 2008, C.M. wired $75,000 from his checking account at Mountain America Credit Union in Utah to the DBS account at Nevada State Bank.

17. In exchange for the funds, C.M. received a DBS "corporate note" signed electronically by Timmerman and dated June 8, 2008.

18. Per the arrangement, the note states that DBS and Timmerman agree to pay C.M. $300,000 by July 24, 2008. In the alternative, and in the event the project funding falls through, C.M. will be repaid his principal plus 12%, for a total of $84,000.

19. Following his investment, C.M. contacted Timmerman and McKittrick on several occasions requesting repayment.

20. To date, C.M. has received a return of $10,000, leaving $65,000 in principal alone currently

outstanding.

21. Based on a first in, first out analysis, bank records indicate that Timmerman used C.M.'s funds in the following manner:

a. $30,615 transferred to an account for Anthony Mack;[2]

b. $5,680 in cash withdrawals;

c. $33,700 paid to Saitta Trudeau;

d. $5,000 in an unknown withdrawal;[3] and

e. $5.00 paid as income exchange fee.

INVESTOR K.B.

FIRST INVESTMENT

22. K.B. is related to McKittrick through marriage.

23. In or about spring 2008, McKittrick called K.B. to discuss an investment opportunity in Timmerman's company, DBS.

24. K.B. had some money set aside to pay his taxes and was interested in the investment if he could get his money back by the time his taxes were due.

25. McKittrick assured him that the investment would be short term, the money would be used to help DBS get the last of the funding it needed, and there was no way K.B. would lose his investment.

26. Because of the existing relationship, the statement that the investment would be short term,

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2 The total amount transferred to Anthony Mack's account equals $37,500; however, for purposes of first in, first out analysis, only $30,615 of that amount is reflected in the accounting.

3 Bank records indicate a $63,000 withdrawal ticket. Paired with transactions to Saitta Trudeau, Anthony Mack, and cash withdrawals, $5,000 is unaccounted for.

and K.B.'s knowledge that McKittrick had prior investing experience, he agreed to participate in a three-way telephone call between himself, McKittrick, and Timmerman to learn more about the investment.

27. During that conversation, Respondents made the following statements:

a. The investment would be short term;

b. K.B. would have no difficulty getting his money back prior to the time his taxes were due;

c. DBS would use K.B.'s investment to help procure the funding DBS needed to complete a project; and

d. In return for investing, K.B. would receive a return of his funds, plus 100% interest.

28. Based on the Respondents' representations, K.B. invested $5,000 in DBS.

29. Specifically, on May 16, 2008, K.B. wired $5,000 from his account at Moroni Feed Credit Union in Moroni, Utah to the DBS account at Nevada State Bank.

30. In exchange for the funds, K.B. received a DBS "corporate note" signed electronically by Timmerman and dated May 15, 2008.

31. Pursuant to their agreement, the note states that DBS agrees to pay K.B. $10,000 by August 15, 2008.

32. Currently, K.B. has not received a return of any of his $5,000 investment from Respondents.

33. A first in, first out analysis of Timmerman's bank records reflects that the entire $5,000 balance was withdrawn as cash from the account on May 16, 2008.

SECOND INVESTMENT

34. Following the initial investment, Respondents approached K.B. asking for additional funds to cover closing costs on the loan to DBS.

35. K.B. decided to invest an additional $75,000, based on assurances that K.B. would receive his principal plus interest within forty-five days of executing a promissory note and providing the funds.

36. On or about June 9, 2008, K.B. wired $75,000 from his account at Gunnison Valley Bank, in Gunnison, Utah, to the DBS account at Nevada State Bank.

37. In exchange for the funds, K.B. received a DBS "corporate note" signed electronically by Timmerman and dated June 8, 2008.

38. The note cancels all prior notes executed by DBS and K.B. and states the principal amount as $85,000.[4]

39. The note also states that DBS and Timmerman agree to pay K.B. $340,000 by July 24, 2008, unless the "exit strategy" is implemented, in which case, K.B. will receive a return of his principal plus 12%, for a total of $95,200.

40. Furthermore, the purpose of the funds, as described in the note, is to pay closing costs on the "Project Funding needed by DBS that has been committed by Bear Stearns International Division to fund."

41. Currently, K.B. has not received a return of any of his $75,000 principal for this second investment.

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4 K.B. previously invested $5,000 on May 16, 2008. That amount, combined with the $75,000 invested on June 9, 2008, totals $80,000. The $85,000 principal included in the June 8, 2008 note appears to be an error on Timmerman's behalf.

42. A first in, first out analysis of Timmerman's bank records reflects that the funds were used in the following manner:

a. $6,885 transferred to an account for Anthony Mack;

b. $47,115 paid to Country Roads;

c. $20 paid in incoming wire fees; and

d. $20,980 in cash withdrawals.[5]

THIRD INVESTMENT

43. Following this second investment, Respondents again approached K.B. for additional funding.

44. As a result, K.B. decided to invest an additional $10,000, based on the representations that he would receive his money plus interest within thirty-eight days of executing a note and providing the funds.

45. On December 24, 2008, K.B. wired $10,000 out of his account at Gunnison Valley Bank, in Gunnison, Utah, to the DBS account at the Nevada State Bank.

46. In exchange for the $10,000, K.B. received a DBS "promissory note" signed electronically by Timmerman and dated December 24, 2008.

47. The note states that DBS and Timmerman agree to pay K.B.[6] $60,000 by January 30, 2009. However, if the "back up plan" is implemented, K.B. will receive his principal plus 20%, for a total of $12,000.

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5 The total amount of cash withdrawals equals $22,400; however, for purposes of first in, first out analysis, only $20,980 of that amount is reflected in the accounting.

6The note actually states that DBS and Timmerman agree to pay T.H.; however, it appears that Timmerman made a mistake and did not change the name from a previous investor.

48. Despite their arrangement, K.B. has not received any payments for his three investments, which total $90,000.

49. A first in, first out analysis of Timmerman's bank records reflect that the third investment for $10,000 was used in the following manner:

a. $9,972.83 in cash withdrawals;

b. $10 in wire fees;

c. $5 in maintenance fees;

d. $4 in excessive transaction fees; and

e. $8.17 transferred to an account for Anthony Mack.[7]

INVESTOR T.H.

50. In or around October 2008, T.H. and McKittrick had a pre-existing relationship, as McKittrick had been managing T.H.'s retirement account.

51. At that time, McKittrick contacted T.H. to discuss an investment opportunity in DBS.

52. In connection with this discussion, McKittrick represented the following:

a. The investment in DBS was safe and there was no way for T.H. to lose his money.

b. If he decided to participate, T.H.'s funds would go toward "interim operating capital prior to senior funding commencing later [that] month on billion dollar project."

c. McKittrick "knows the principals," he "trusts them," he is "heavily involved," and he has "every reason to believe [T.H.'s] money will be protected should [he] decide to invest."

7 The total amount of the transfer to Anthony Mack's account was $25,000; however, for purposes of first in, first

d. Additionally, there were others interested in investing, so if T.H. would like to participate, he would need to act quickly.

53. Based on the representations made by McKittrick, T.H. invested $10,000 in DBS. Specifically, on October 7, 2008, T.H. wired $10,000 from his account at State Bank of Southern Utah, in Utah, to the DBS account at the Nevada State Bank.

54. In exchange for the funds, T.H. received a DBS "capital note" signed electronically by Timmerman and dated October 6, 2008.

55. The note states that DBS and Timmerman agree to pay T.H. either $20,000 by November 10, 2008 or $30,000 by December 10, 2008.

56. The note also states that if for some reason "senior funding does not occur through an undisclosed Trading Company," DBS and Timmerman will repay T.H. $12,000 by January 10, 2009.

57. T.H. has not received a return of any of his $10,000 investment.

58. Using a first in, first out analysis of Timmerman's bank account, the funds appear to have been used in the following manner:

a. $2,441.83 transferred to an account for Anthony Mack;[8]

b. $4,500 in cash withdrawals; and

c. $3,058.17 wired to the account of a previous investor, C.M.[9]

CAUSES OF ACTION

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out analysis, only $8.17 of that amount is reflected in the accounting.

8 The total amount of this transaction was $15,000, but the first $12,558.17 was applied to the balance of $9,078.17 in the account prior to T.H.'s investment.

9 The total amount of the wire to C.M.'s account was $10,000; however, for purposes of first in, first out analysis,

Securities Fraud under § 61-1-1 of the Act
(Investor C.M.)

59. The Division incorporates and re-alleges paragraphs 1 through 58.

60. The investment opportunities offered and sold by Respondents are securities under § 61-1-13 of the Act.

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

    a. Timmerman would use C.M.'s funds to pay closing costs on the loan for DBS, when in fact, Timmerman used the funds for personal expenses; and

    b. There was no way C.M. could lose his investment, when in fact, Respondents has no reasonable basis for making such a statement.

62. In connection with the offer and sale of a security to investor C.M., Respondents, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make statements made not misleading:

    a. Details surrounding the economic enhancement program, federal approval of this program, and Bear Stearns' commitment in funding DBS;

    b. Details surrounding Bear Stearns' collapse in March 2008, its subsequent acquisition by JPMorgan Chase, and how these changes would impact DBS;

    c. That McKittrick expected to receive an equity stake in the company for his role in soliciting investors;

    d. That DBS's registration with the Nevada Secretary of State's Office was revoked as

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only $3,058.17 of that amount is reflected in the accounting.

of 2004.

e. In 2001, Timmerman was ordered to pay restitution of $47,547.34 for unpaid child support;[10] and

f. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents or an investment in DBS, such as:

i. Financial statements;

ii. Risk factors;

iii. Suitability factors for the investment;

iv. Whether the investment was a registered security or exempt from registration; and

v. Whether Respondents were licensed to sell securities.

Securities Fraud under § 61-1-1 of the Act
(Investor K.B.)

63. The Division incorporates and re-alleges paragraphs 1 through 58.

64. The investment opportunities offered and sold by Respondents are securities under § 61-1-13 of the Act.

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

a. Timmerman would use K.B.'s initial investment of $5,000 to help DBS get the funding it needed, when in fact, Timmerman used the funds for personal expenses;

10 *United States v. John T. Timmerman*, Case No. CR-S-01-0088, United States District Court, Eastern District of California (2001).

b. Timmerman would use K.B.'s second investment of $75,000 to pay closing costs on the loan for DBS, when in fact, Timmerman used the funds for personal expenses;

c. There was no way K.B. could lose his investment, when in fact, Respondents has no reasonable basis for making such a statement; and

d. K.B. would have no problem getting his money back prior to the time his taxes were due, when in fact, Respondents had no reasonable basis for making such a statement.

66. In connection with the offer and sale of a security to investor K.B., Respondents, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make statements made not misleading:

a. How DBS would make a 100% interest payment in three months on K.B.'s first investment;

b. With respect to the second investment, details surrounding Bear Stearns' commitment and the project funding process generally;

c. Details surrounding Bear Stearns' collapse in March 2008, its subsequent acquisition by JPMorgan Chase, and how these changes would impact DBS;

d. What K.B.'s third investment of $10,000 would be used for;

e. That McKittrick expected to receive an equity stake in the company for his role in soliciting investors;

f. That DBS's registration with the Nevada Secretary of State's Office was revoked as of 2004.

g. In 2001, Timmerman was ordered to pay restitution of $47,547.34 for unpaid child

support;[11] and

h. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents or an investment in DBS, such as:

i. Financial statements;

ii. Risk factors;

iii. Suitability factors for the investment;

iv. Whether the investment was a registered security or exempt from registration; and

v. Whether Respondents were licensed to sell securities.

Securities Fraud under § 61-1-1 of the Act
(Investor T.H.)

67. The Division incorporates and re-alleges paragraphs 1 through 58.

68. The investment opportunities offered and sold by Respondents are securities under § 61-1-13 of the Act.

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

a. The investment in DBS was safe and there was no way T.H. would lose his money, when in fact, Respondents had no reasonable basis for making such a statement; and

b. The funds would be used for "interim operating capital prior to senior funding commencing later [that] month on billion dollar project," when in fact, Timmerman

11 *United States v. John T. Timmerman*, Case No. CR-S-01-0088, United States District Court, Eastern District of California (2001).

used the funds for personal expenses and to repay a prior investor.

70. In connection with the offer and sale of a security to investor T.H., Respondents, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make statements made not misleading:

a. How Timmerman and DBS would make a 20% interest payment in the event the "senior funding" does not occur through an "undisclosed Trading Company;"

b. Why the senior funding would not occur, and why the "Trading Company" was undisclosed;

c. That McKittrick expected to receive an equity stake in the company for his role in soliciting investors;

d. That DBS's registration with the Nevada Secretary of State's Office was revoked as of 2004.

e. In 2001, Timmerman was ordered to pay restitution of $47,547.34 for unpaid child support;[12] and

f. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents or an investment in DBS, such as:

i. Financial statements;

ii. Risk factors;

iii. Suitability factors for the investment;

iv. Whether the investment was a registered security or exempt from registration;

12 *United States v. John T. Timmerman*, Case No. CR-S-01-0088, United States District Court, Eastern District of California (2001).

and

v. Whether Respondents were licensed to sell securities.

Unlicensed Activity under § 61-1-3(1) of the Act (McKittrick)

71. The Division incorporates and re-alleges paragraphs 1 through 58.

72. McKittrick was not licensed in the securities industry as a broker-dealer or issuer agent at the time of his involvement in this offering.

73. McKittrick had not been licensed in the securities industry in any capacity since 2003.

74. McKittrick acted as an agent in the offer and/or sale of securities in Utah.

75. It is unlawful for a person to transact business in this state as an agent unless the person is appropriately licensed in accordance with the Act.

76. Accordingly, each offer or sale of securities by McKittrick violated § 61-1-3(1) of the Act.

77. Based on the above information, McKittrick violated § 61-1-3(1) of the Act.

Unlicensed Activity under § 61-1-3(2) of the Act (Timmerman)

78. The Division incorporates and re-alleges paragraphs 1 through 58.

79. Timmerman, on behalf of DBS, offered McKittrick an equity stake in the company as compensation for his role in soliciting investors in the offering.

80. McKittrick was not licensed in the securities industry as a broker-dealer or issuer agent at the time of his involvement in this offering.

81. It is unlawful for an issuer to employ or engage an agent unless the agent is licensed in this state.

82. Based on the above information, Timmerman, acting on behalf of DBS, violated § 61-1-3(2) of the Act.

ORDER

The Director, pursuant to § 61-1-20 of the Act, hereby orders Respondents to appear at a formal hearing to be conducted in accordance with Utah Code Ann. §§ 63G-4-202, -204 through -208, and held before the Utah Division of Securities. The hearing will occur on **Thursday, October 4, 2012**, 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 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. § 63G-4-209. In lieu of default, the Division may decide to proceed with the hearing under § 63G-4-208. At the hearing, Respondents may show cause, if any they have:

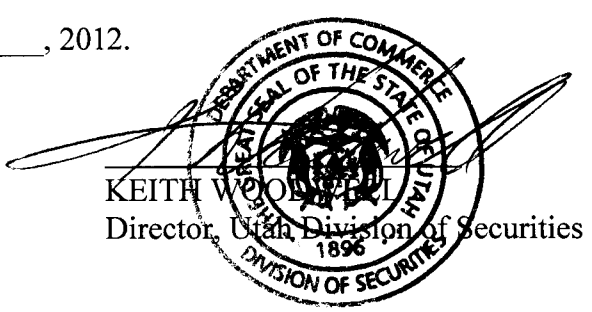
a. Why Respondents should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;

b. Why Respondents should not be ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. §§ 61-1-1 and 61-1-3, or any other section of the Act; and

c. Why Respondents should not be ordered to pay to the Division a fine amount to be determined by the Utah Securities Commission after a hearing in accordance with the

provisions of Utah Admin. Rule R164-31-1, which may be reduced by restitution paid to the investor.

DATED this 13th day of August, 2012.



KEITH WOODWALL
Director, Utah Division of Securities

Approved:

D. Scott Davis

D. SCOTT DAVIS
Assistant Attorney General
N.M.

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: **JAKE DANIEL MCKITTRICK** **JOHN TERRY TIMMERMAN** **Respondents.**	**NOTICE OF AGENCY ACTION** **Docket No.** SD-12-0049 **Docket No.** SD-12-0050

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

You are hereby notified that agency action in the form of an adjudicative proceeding has been commenced against you by the Utah Division of Securities (Division). The adjudicative proceeding is to be formal and will be conducted according to statute and rule. See Utah Code Ann. § 63G-4-201 and 63G-4-204 through -209; see also Utah Admin. Code R151-4-101, *et seq.* The facts on which this action is based are set forth in the accompanying Order to Show Cause. The legal authority under which this formal adjudicative proceeding is to be maintained is Utah Code Ann. § 61-1-20. You may be represented by counsel or you may represent yourself in this proceeding. Utah Admin. Code R151-4-110.

You must file a written response with the Division within thirty (30) days of the mailing date of this Notice. Your response must be in writing and signed by you or your representative. Your

response must include the file number and name of the adjudicative proceeding, your version of the facts, a statement of what relief you seek, and a statement summarizing why the relief you seek should be granted. Utah Code Ann. § 63G-4-204(1). In addition, pursuant to Utah Code Ann. § 63G-4-204(3), the presiding officer requires that your response:

(a) admit or deny the allegations in each numbered paragraph of the Order to Show Cause, including a detailed explanation for any response other than an unqualified admission. Allegations in the Order to Show Cause not specifically denied are deemed admitted;

(b) identify any additional facts or documents which you assert are relevant in light of the allegations made; and

(c) state in short and plain terms your defenses to each allegation in the Order to Show Cause, including affirmative defenses, that were applicable at the time of the conduct (including exemptions or exceptions contained within the Utah Uniform Securities Act).

Your response, 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:

Administrative Court Clerk
c/o Julie Price
Utah Division of Securities
160 E. 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
(801) 530-6600

A copy to:

D. Scott Davis
Assistant Attorney General
Utah Division of Securities
160 East 300 South, 5th Floor
Salt Lake City, UT 84114-0872
(801) 366-0358

An initial hearing in this matter is set for **Thursday, October 4, 2012** at the Division of

Securities, 2nd Floor, 160 E. 300 S., Salt Lake City, Utah, at **9:00 A.M.** The purpose of the initial hearing is to enter a scheduling order addressing discovery, disclosure, and other deadlines, including pre-hearing motions, and to set a hearing date to adjudicate the matter alleged in the Order to Show Cause.

If you fail to file a response, as described above, or fail to appear at any hearing that is set, the presiding officer may enter a default order against you without any further notice. Utah Code Ann. § 63G-4-209; Utah Admin. Code R151-4-710(2). After issuing the default order, the presiding officer may grant the relief sought against you in the Order to Show Cause, and will conduct any further proceedings necessary to complete the adjudicative proceeding without your participation and will determine all issues in the proceeding. Utah Code Ann. § 63G-4-209(4). In the alternative, the Division may proceed with a hearing under § 63G-4-208.

The Administrative Law Judge will be Jennie Jonsson, Utah Department of Commerce, 160 East 300 South, P.O. Box 146701, Salt Lake City, UT 84114-6701, telephone (801) 530-6706. This adjudicative proceeding will be heard by Ms. Jonsson and the Utah Securities Commission. You may appear and be heard and present evidence on your behalf at any such hearings.

You may attempt to negotiate a settlement of the matter without filing a response or proceeding to hearing. To do so, please contact the Utah Attorney General's Office. Questions regarding the Order to Show Cause should be directed to D. Scott Davis, Assistant Attorney General, 160 E. 300 South, 5th Floor, Box 140872, Salt Lake City, UT 84114-0872, Tel. No. (801) 366-0358.

Dated this 13th day of August, 2012

Keith M. Woodwell
Director, Division of Securities

DEPARTMENT OF COMMERCE
GREAT SEAL OF THE STATE OF UTAH
1896
DIVISION OF SECURITIES

Certificate of Mailing

I certify that on the 14th day of August, 2012, I mailed, by regular and certified mail, a true and correct copy of the Notice of Agency Action and Order to Show Cause to:

JAKE MCKITTRICK
2634 EAST 1400 SOUTH CIRCLE
ST. GEORGE, UT 84790

Certified Mail # 7007 0220 0001 0047 7765

JOHN TIMMERMAN
3050 CORTINA STREET
PAHRUMP, NV 89048

Certified Mail # 7007 0220 0001 0047 7758

Julie Rose
Executive Secretary