DIVISION OF SECURITIES
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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 **DYMUND CAPITAL, LLC** **JOSHUA EDWARD DYCHES,** RESPONDENTS	**RECOMMENDED ORDER ON DEFAULT** **CASE NO.** SD-12-0069 **CASE NO.** SD-12-0070

BY THE PRESIDING OFFICER:

This adjudicative proceeding was initiated pursuant to a December 6, 2012 notice of agency action. Thereafter, the parties negotiated toward settlement, but were unable to come to an agreement that met with the approval of the Utah Securities Commission. Therefore, on February 6, 2013, the presiding officer conducted an initial hearing, during which the parties indicated that they wished to continue settlement discussions before engaging in disclosure and discovery. Thereafter, negotiations between the Division and the Respondents regarding a stipulated agreement broke down, and the Division filed a motion for a deadline by which Respondents would be required to file an answer.

On April 19, 2013, having given Respondents proper opportunity to respond to the Division's motion, the presiding officer issued an order on setting May 3, 2013 as the deadline for answer. The order specified the following:

> If Respondents fail to comply with this deadline, the presiding officer will issue an order recommending default without any further notice to Respondents, and the hearing on May 30, 2013 will be conducted for the sole purpose of reviewing the recommendation for default.

Respondents failed to file an answer by the May 3, 2013 deadline as required. In these circumstances, the presiding officer finds that, pursuant to Utah Code § 63G-4-209(1)(c), proper factual and legal bases exist for entering a default order against Respondents.

RECOMMENDED ORDER

Based on the foregoing, the presiding officer recommends that the Utah Securities Commission accept the allegations outlined in the Division's order to show cause as being true, to wit:

1. That the investment opportunities offered and sold by Respondents are securities under Utah Code Ann. § 61-1-13(1)(ee)(i);
2. That, in connection with the offer and sale of securities, and in violation of Utah Code Ann. § 61-1-1(2), Respondent(s) directly or indirectly made false statements to investors;
3. That, in connection with the offer and sale of securities, and in violation of Utah Code Ann. § 61-1-1(2), Respondents directly or indirectly failed to disclose material information that was necessary in order to make representations made not misleading; and

4. That Respondents' actions, which constitute one or more violations of Utah Code Ann. § 61-1 et seq, are grounds for sanction under the Act.

The presiding officer further recommends that the Utah Securities Commission enter a default order against Respondents, requiring them:

1. To cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1 et seq; and
2. To pay a fine of $161,639 to the Utah Division of Securities, with any restitution paid to investors serving to offset the administrative fine on a dollar-to-dollar basis.

Finally, the presiding officer recommends that, upon entering the default order, the Utah Securities Commission dismiss any further proceedings in this case.

This recommended order shall be effective on the signature date below.

DATED this 6th day of May, 2013.

UTAH DEPARTMENT OF COMMERCE

Jennie T. Jonsson
Presiding Officer

CERTIFICATE OF DELIVERY

I hereby certify that on the 6th day of May, 2013, the undersigned hand delivered a true and correct copy of the foregoing RECOMMENDED ORDER ON MOTION FOR DEFAULT to the following:

Utah Securities Commission
c/o Keith Woodwell, Director, Utah Division of Securities
Heber M. Wells Building, 2nd Floor
Salt Lake City, UT