

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**

<p>IN THE MATTER OF:</p> <p>DEE ALLEN RANDALL, CRD# 1651035 D.B.A. INDEPENDENT FINANCIAL & INVESTMENT HORIZON AUTO FUNDING, LLC HORIZON FINANCIAL & INSURANCE GROUP, INC. HORIZON FINANCIAL CENTER I, LLC INDEPENDENT COMMERCIAL LENDING, LLC INDEPENDENT PROPERTY MANAGEMENT</p> <p>Respondents.</p>	<p>ORDER TO SHOW CAUSE</p> <p>Docket No. SD-12-0079 Docket No. SD-12-0081</p> <p>Docket No. SD-12-0082 Docket No. SD-12-0083</p> <p>Docket No. SD-12-0084 Docket No. SD-12-0085</p>
--	--

It appears to the Director of the Utah Division of Securities (Director) that Dee Allen Randall et. al. (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 § 61-1-7 (unregistered security) of the Act while engaged in the offer and sale of securities in or from Utah.

STATEMENT OF FACTS

THE RESPONDENTS

2. Dee Allen Randall (Respondent) was, at all relevant times, a resident of the state of Utah. Between 1987 and 1988, Respondent successfully completed the Series 6, 22 and 63 exams. Respondent was licensed with the Division as a broker-dealer agent from 1987 until 1997. Respondent has not been associated with a firm or licensed in the securities industry since December 4, 1997.
3. Horizon Auto Funding, LLC (Horizon Auto) is a Utah limited liability company, registered on July 11, 2007, Horizon Auto's current status is expired as of October 29, 2012. Randall is the manager and registered agent of Horizon Auto. Horizon Auto filed a 506 offering with the Division on August 1, 2007 and September 8, 2009.
4. Horizon Financial & Insurance Group, Inc. (HFI) is a Utah corporation, registered on May 7, 1996. HFI's current status is expired as of September 7, 2010. Randall is the president, director and registered agent of HFI. HFI has never registered with the Division.
5. Horizon Financial Center I, LLC (HFC) is a Utah limited liability company, registered on June 1, 2009. HFC's current status is expired as of March 27, 2012. Horizon Financial

Management, LLC is the manager and Matthew Randall is the registered agent of HFC. HFC filed a 506 offering with the Division on June 15, 2009.

6. Independent Commercial Lending, LLC (ICL) is a Utah limited liability company, registered on June 19, 2008. ICL's current status is expired as of September 17, 2012. HFI is the manager and Dee Randall is the registered agent of ICL. ICL filed a 506 offering with the Division on August 5, 2008.
7. Independent Property Management, LLC (IPM) is a Utah limited liability company, registered on August 15, 2002. IPM's current status is delinquent as of September 18, 2012. Horizon Mortgage and Investment, Inc. is the manager and Dee Randall is the registered agent of IPM. IPM has never registered with the Division.
8. Various individuals sold private placement securities investments in "Horizon Notes" which as used herein collectively refers to promissory notes issued by various companies owned and controlled by Randall. Those companies include, but are not limited to those listed as respondents (collectively referred to at times as "the Horizon entities").
9. During the period relevant to this action, one of Randall's companies, Horizon Financial and Insurance Group, Inc.¹ ("insurance agency") was a general insurance agent for Union Central Life Insurance Company. Most of the individuals who sold Horizon Notes were insurance agents who conducted insurance business through Randall's insurance agency, HFI.
10. In addition to selling insurance, Randall, through the Horizon entities and Horizon Notes,

¹ This entity was also known as or affiliated with other entities controlled by Randall, Horizon Financial & Insurance Agency, LLC, and Utah Horizon Financial & Insurance

purported to offer private placement securities investments² in commercial and residential property development, as well as an automobile loan business for individuals with poor credit.

11. The Horizon entities operated as a Ponzi scheme run by Randall in which investor monies were routinely and freely commingled and transferred among the various Horizon entities. New investor monies were used to pay interest to prior investors, or for personal use, including the payment of sales compensation to agents.
12. Randall declared a personal Chapter 11 bankruptcy on December 20, 2010³. However, he continued to raise capital for Horizon after that date through agents and failed to disclose the bankruptcy to potential investors.
13. According to the Trustee appointed in the bankruptcy proceeding, Randall raised more than \$72 million from approximately 700 investors.

GENERAL ALLEGATIONS

14. Between March 2006 and April 2011, Respondents offered and sold securities to at least twelve investors, in or from Utah, and collected a total of \$1,745,201.50.⁴
15. Respondents made material misstatements and omissions in connection with the offer and

Agency, LLC.

² The Horizon Notes were purportedly sold in reliance on Rule 506 of Regulation D of the 1933 Securities Act.

³ Following a September 2011 hearing in which Randall admitted commingling monies among the Horizon entities, a Trustee was appointed. The Trustee subsequently filed a Chapter 11 bankruptcy for each of the Horizon entities, all of which were consolidated with the Randall bankruptcy proceeding to be administered by the Trustee as a single bankruptcy estate.

⁴ Respondent raised these funds through various entities that he owned, controlled and/or operated. In total, Respondent raised in excess of \$72,000,000 from approximately 700 investors. The investors identified herein include those who participated in the Division's investigation; however, they are not the only Utah investors involved in, or experiencing a loss from, Respondent's securities offerings.

sale of securities to the investors identified below.

16. Respondents engaged in an act, practice, or course of business, which operated as a fraud or deceit upon the investors identified below.

INVESTOR R.F.

First Investment

17. R.F. initially learned about Randall through his financial advisor, Austin Christensen (Christensen).
18. R.F. was interested in finding an investment for his retirement funds.
19. In or around October 2010, R.F. met with Christensen, who told R.F. about an investment opportunity managed by Randall that would provide a 14% annual return if R.F. could commit at least \$100,000.
20. The investment would be in Horizon Auto, a company controlled by Randall that financed car loans for individuals with poor credit.
21. R.F.'s funds would be pooled with other investment funds and used for purposes of making loans on the cars.
22. Additionally, R.F.'s investment would be secured by the car titles, and the cars could be repossessed in the event the borrowers defaulted.
23. Based on these representations, R.F. decided to invest with Randall.
24. On or about February 4, 2011, R.F. completed a subscription agreement,⁵ committing

⁵ Note that the subscription agreement references R.F.'s receipt of a private placement memorandum that describes the offering in greater detail; however, R.F. never received any

\$60,000 in exchange for Series D Notes from Horizon Auto.

25. Horizon Auto accepted the agreement on February 16, 2011.
26. On or about February 17, 2011, R.F. then wired \$60,000 of his retirement funds from his account at American Pension Services to Horizon Auto's account at First National Bank.
27. In exchange, R.F. received a promissory note dated February 17, 2011 and signed by Sarah Bradshaw (Bradshaw)⁶ on behalf of Horizon Auto.
28. The promissory note contains the following provisions:
 - a. Horizon Auto promises to repay American Pension Services, administrator of R.F.'s individual retirement account, \$60,000 in principal within three years of the commencement date included therein, subject to automatic extension terms for one year periods; and
 - b. Horizon Auto will pay interest at 14% per annum on a monthly basis until the principal amount is repaid.
29. For three months following R.F.'s initial investment, R.F. received interest payments totaling \$5,599.98. Since that time, R.F. has not received any additional payments from Horizon Auto.
30. Based on a first in, first out analysis, bank records indicate that Randall used R.F.'s funds to make the following types of payments:

such documentation.

⁶ Bradshaw, Respondent's daughter, worked for Respondent from 1998 until July 2011. Bradshaw primarily worked for the insurance side of Respondent's business; however, she had signatory authority over all of Respondent's investment entity accounts, and, for several years toward the end of her time working for Respondent, she served as attorney in

- a. Payments to other entities owned and/or controlled by Randall;
- b. Principal and/or interest payments to other investors participating in Randall's various offerings;
- c. Payments to individuals associated with Randall and/or his businesses;
- d. Cash withdrawals; and
- e. Payments to legal counsel.

Second Investment

31. To bring the total investment amount up to the \$100,000 minimum, on or about April 7, 2011, R.F. executed a second subscription agreement, accepted by Horizon Auto, and wired \$100,000 from his individual retirement account at American Pension Services to Horizon Auto's account at First National Bank.
32. In exchange for this investment, R.F. received a promissory note dated April 7, 2011 and signed by Bradshaw on behalf of Horizon Auto.
33. The promissory note contains the following provisions:
 - a. Horizon Auto promises to repay American Pension Services, administrator of R.F.'s individual retirement account, \$100,000 in principal within three years of the commencement date included therein, subject to automatic extension terms for one year periods; and
 - b. Horizon Auto will pay interest at 14% per annum on a monthly basis until the

principal amount is repaid.

34. R.F. did not receive principal or interest payments under this note.
35. Based on a first in, first out analysis, bank records indicate that Randall used R.F.'s funds to make the following types of payments:
 - a. Payments to other entities owned and/or controlled by Randall;
 - b. Principal and/or interest payments to other investors participating in Randall's various offerings;
 - c. Payments to individuals associated with Randall and/or his businesses;
 - d. Cash withdrawals; and
 - e. Payments on various loans.

INVESTORS R.C. AND C.C. (HUSBAND AND WIFE)

First Investment

36. R.C. and C.C. first learned about an investment opportunity in Randall's companies through Michael Isom (Isom), a financial planner, and Kevin Wooley (Wooley), Isom's apprentice.
37. During a meeting in April 2010, Isom and Wooley presented investment opportunities in Randall's companies and encouraged R.C. and C.C. to roll their retirement funds into American Pension Services so that money could be dispersed to the various entities from a single account.⁷

⁷ R.C. and C.C. had funds in an IRA and 401K account.

38. R.C. and C.C. then met with Randall on several occasions prior to investing, during which meetings Randall made the following statements about a potential investment:
- a. R.C. and C.C.'s investment would be secured by real estate;
 - b. The investment would also be secured by Randall's personal life insurance policy;
 - c. Randall had enough real estate and other assets to cover all investors;
 - d. R.C. and C.C. would not lose their money;
 - e. There was no risk involved in the investment;
 - f. None of the prior investors in his companies had ever lost the principal amount invested;
 - g. Randall had been in business for approximately twenty years;
 - h. By investing in more than one of Randall's companies, R.C. and C.C. could be secured by their diversified investments, in the event that one of the companies failed;
 - i. Money invested in Horizon Auto would be used for the purpose of funding car loans;
 - j. Money invested in Fruit Heights Construction and Management, LLC (Fruit Heights) would be used to fund the construction of a new apartment building; and
 - k. The investment would generate monthly interest returns of 15%.
39. Based on Randall's statements, R.C. and C.C. decided to invest in Randall's companies.
40. On October 6, 2010, American Pension Services disbursed \$105,009.86 of R.C. and

C.C.'s retirement funds for investments in Randall's entities.

- a. Specifically, \$5,009.86 of the total amount was intended for Fruit Heights, and \$100,000 of the funds were earmarked for Horizon Auto.
- b. On October 6, 2010, the total \$105,009.86 (minus a \$10 deposit fee) went into the Horizon Auto account at First National Bank.

41. Based on a first in, first out analysis, bank records indicate that Randall used R.C. and C.C.'s funds to make the following types of payments:

- a. Payments to other entities owned and/or controlled by Randall; and
- b. Principal and/or interest payments to other investors participating in Randall's various offerings.

Second Investment

42. On October 19, 2010, American Pension Services disbursed an additional \$75,700.77 in retirement funds for an investment in Fruit Heights.

43. On that same date, those funds were deposited into the Horizon Auto account at First National Bank, minus a \$10 deposit fee.

44. R.C. and C.C. had authorized these funds for the purpose of real estate development through Fruit Heights.

45. Based on a first in, first out analysis, bank records indicate that Randall used R.C. and C.C.'s funds to make the following types of payments:

- a. Payments to other entities owned and/or controlled by Randall; and

- b. Principal and/or interest payments to other investors participating in Randall's various offerings.

Third Investment

- 46. On October 29, 2010, American Pension Services disbursed an additional \$42,050.89 in retirement funds to Randall's various entities.
- 47. Specifically, \$19,289.37 of the total was intended for Fruit Heights and \$22,761.52 of the total was intended for Independent Financial & Investment.
- 48. Those funds (minus a \$10 deposit fee) were deposited into the Horizon Auto account at First National Bank on October 29, 2010.
- 49. Based on a first in, first out analysis, bank records indicate that Randall used R.C. and C.C.'s funds to make the following types of payments:
 - a. Payments to other entities owned and/or controlled by Randall; and
 - b. Principal and/or interest payments to other investors participating in Randall's various offerings.

Fourth Investment

- 50. On February 14, 2011, R.C. and C.C. directed \$2,238.48 of accrued interest into an additional investment with Independent Financial & Investment.
- 51. In exchange for these four investments, R.C. and C.C. received the following promissory notes:
 - a. Horizon Auto note in the amount of \$100,000, dated October 6, 2010 and signed

by Bradshaw for Horizon Auto on December 16, 2010. The note promised interest at a rate of 14% per annum;

b. Fruit Heights note in the amount of \$100,000, dated October 29, 2010 and signed by Randall on December 16, 2010. The note promised interest at a rate of 15% per annum; and

c. Independent Financial & Investment note in the amount of \$25,000, dated November 15, 2010 and signed by Randall. The note promised interest at a rate of 10.5% per annum.

52. With respect to payments from these investments, the various entities were directed to send interest payments to American Pension Services, which would then issue monthly checks to R.C. and C.C.

53. However, immediately following the October 6, 2010 disbursement, American Pension Services became delinquent in sending interest checks to R.C. and C.C.

54. R.C. and C.C. eventually received a total of \$10,730.76 in interest payments before Randall's companies stopped making payments in July 2011.

INVESTOR L.G.

First Investment

55. L.G. initially met Randall through his financial advisor, Bart Taylor (Taylor).

56. Specifically, in or around December 2010, L.G. inquired about possible investment opportunities. In response, Taylor set up a meeting with Randall and L.G. at Taylor's

office in Idaho Falls, Idaho.

57. At that meeting, Randall presented L.G. with an investment opportunity in Horizon Auto.

With respect thereto, Randall made the following statements:

- a. The investment funds would be pooled with other investor funds to help finance car loans to individuals with poor credit;
- b. The investment would provide a 14% annual return if L.G. could invest a minimum of \$100,000 with Horizon Auto;
- c. L.G. would receive monthly interest checks;
- d. There were enough vehicles out on loan that even if a borrower defaulted, the car could be repossessed and sold again;
- e. Randall had never declared bankruptcy; and
- f. Randall and never defaulted on a loan.

58. In response to these statements, L.G. informed Randall that he did not have \$100,000 immediately available.

59. Randall agreed to take \$75,000 up front, and L.G. would use his retirement funds to cover the additional \$25,000 later on.

60. Based on Randall's statements, including the high rate of interest, L.G. decided to invest in Horizon Auto.

61. On or about December 17, 2010, L.G. wired \$75,000 to First National Bank for an investment in Horizon Auto.

62. In exchange, L.G. received a promissory note for \$75,000 from Horizon Auto, issued December 17, 2010 and signed by Sarah Bradshaw on behalf of Horizon Auto.
63. The note reflects the \$75,000 principal amount and the 14% annual interest to be paid monthly.
64. On that same date, L.G. also completed a subscription agreement,⁸ committing \$75,000 in exchange for Series D Notes from Horizon Auto.
65. Horizon Auto did not sign to accept the subscription agreement.
66. Based on a first in, first out analysis, bank records indicate that Randall used L.G.'s funds to make the following types of payments:
 - a. Payments to other entities owned and/or controlled by Randall; and
 - b. Principal and/or interest payments to other investors participating in Randall's various offerings.

Second Investment

67. On or around February 11, 2011, L.G. authorized American Pension Services to wire an additional \$30,698.75 of his retirement funds to Horizon Auto.
68. In exchange, L.G. received a promissory note reflecting the \$30,698.75 principal amount and a monthly interest payment of 14% per annum.
69. The note has an issuance date of February 11, 2011 and is signed by Sarah Bradshaw on behalf of Horizon Auto.

⁸ Note that the subscription agreement references L.G.'s receipt of a private placement memorandum that further describes the offering; however, L.G. never received any such

70. Attached to the note is a subscription agreement,⁹ committing \$30,698.75 in exchange for Series D Notes from Horizon Auto.
71. The subscription agreement is not dated or executed by either party.
72. With respect to payment under the notes, L.G. received \$6,574 between December 2010 and August 2011. He has not received any additional payments since that date.

INVESTOR D.M.

First Investment

73. D.M. was initially introduced to Randall through her financial advisor, Dean Hamilton (Hamilton).
74. D.M. was looking for a way to earn extra income in February 2009 when Hamilton mentioned a possible investment with Randall, a local businessman with whom Hamilton had worked in the past.
75. Hamilton mentioned that he had previously referred other clients to Randall, and all of the resulting investments had been “secure” and “legit.”
76. As a result of these discussions, Hamilton set up a meeting with Randall in June 2009. Randall, Hamilton, and D.M. were all present at that meeting.
77. Randall then presented various investment opportunities to D.M.
78. D.M. was most interested in the Horizon Auto investment. Randall made the following

documentation.

⁹ Note that the subscription agreement references L.G.’s receipt of a private placement memorandum that further describes the offering; however, L.G. never received any such documentation.

representations about an investment in that entity and his business experience:

- a. D.M. would place money into a pool that would be used to fund car loans for individuals with bad credit;
 - b. The investment was safe because even in a bad economy everyone needs cars;
 - c. The investment would only fail “if the whole country went down.” Even in that scenario, the car loan business would be the last to falter;
 - d. D.M. would be paid 14% annual interest;
 - e. D.M. would receive monthly interest payments;
 - f. Randall had been doing investments for fifty years;
 - g. Promissory notes were “as secure as anything out there;” and
 - h. If Randall ever had any difficulty paying off investments, he could sell some of the buildings he owned to generate funds.
79. Based on Hamilton’s endorsement and Randall’s statements, D.M. invested with Horizon Auto using funds from her retirement account.
80. Specifically, on August 21, 2009, D.M. set up an account with American Pension Services and arranged to transfer her 401k funds to Horizon Auto.
81. D.M. invested \$14,001.23, and American Pension Services wired that amount to Horizon Auto’s account.
82. Following her investment, D.M. received a subscription agreement¹⁰ and a promissory

¹⁰ D.M. signed the subscription agreement on July 8, 2010. Horizon Auto did not countersign the document. The agreement notes that D.M. received a copy of the private

note dated December 8, 2009 and signed by Randall.

83. The promissory note reflects the \$14,001.23 principal amount, as well as the 14% annual interest rate, to be paid monthly.

Second Investment

84. On December 8, 2009, D.M. decided to invest additional funds with Randall, based on American Pension Services statements showing interest accruing at the anticipated rate.
85. Using money from her IRA, D.M. invested \$48,038 with Horizon Auto.
86. In return, D.M. received a promissory note dated December 8, 2009 with Bradshaw's signature.
87. The promissory note reflects the \$48,038 principal amount, as well as the 14% annual interest rate, to be paid monthly.
88. D.M. also received a subscription agreement¹¹ that she signed on July 8, 2010.

Third Investment

89. On February 4, 2011, D.M. rolled over \$2,750.81 of accrued interest into an investment in Horizon Auto.
90. In return, D.M. received a promissory note dated February 4, 2011 and signed by Bradshaw.
91. The note reflects the \$2,750.81 principal amount, as well as the 14% annual interest rate, to be paid monthly.

placement memorandum related thereto; however, D.M. never received any such documentation.

92. D.M. also received a subscription agreement¹² that she signed on February 4, 2011.
93. To date, D.M. has received \$192.13 in interest payments from her investments in Horizon Auto.

INVESTOR G.H.

First Investment

94. G.H. initially heard about an investment in Randall's entities through her financial advisor, Hamilton.
95. In early 2010, G.H. was looking to supplement her retirement funds and make a higher rate of return than what she could make through traditional sources.
96. After several meetings with Hamilton, G.H. invested in Horizon Auto on the basis that the money would be used to finance car loans and the investment would generate monthly interest returns of 14%.
97. In January 2010, G.H. invested \$65,325 with Horizon Auto. The money came from her retirement funds.
98. In exchange, G.H. received a subscription agreement¹³ and a promissory note.
99. The promissory note is signed by Bradshaw and dated January 22, 2010. It reflects the \$65,325 principal amount plus a commitment to pay 12% annual interest on a monthly basis.

¹¹ The subscription agreement mentions that D.M. received a copy of the private placement memorandum related thereto; however, D.M. never received any such documentation.

¹² The subscription agreement mentions that D.M. received a copy of the private placement memorandum related thereto; however, D.M. never received any such documentation.

¹³ The subscription agreement mentions that G.H. received a copy of the private placement memorandum related thereto; however, G.H. never received any such documentation.

Second Investment

100. In January 2011, G.H. decided to make a second investment in Horizon Auto and invested \$252,980 from her retirement account.
101. In exchange, she received a subscription agreement¹⁴ and a promissory note.
102. The promissory note is signed by Bradshaw and dated January 21, 2011. It reflects the \$252,980 principal amount plus a commitment to pay 14% interest per annum on a monthly basis.
103. To date, G.H. has received a total of \$12,258.32 in interest payments from her investments with Horizon Auto.

INVESTORS C.B. AND S.B. (HUSBAND AND WIFE)

104. In or around December 2010, S.B.'s brother, C.O., introduced C.B. and S.B. to Randall.
 105. C.O. had previously worked with Randall in a sales capacity.
 106. As a result of the introduction, Randall came to C.B. and S.B.'s house in December 2010 and discussed various investments in or through his companies.
 107. With respect to an investment in Horizon Auto, Randall made the following statements:
 - a. Funds invested in Horizon Auto would be used to finance car loans;
 - b. The investment would generate monthly returns of 9% that they could "count on;"
 - c. C.B. and S.B. must invest \$100,000 to participate in the investment; and
 - d. While there are always risks with an investment, the investment in Horizon Auto
-

would be secure because if an individual failed to make a car payment, the car could be repossessed and sold again.

108. As a result of these statements and the referral by S.B.'s brother, C.B. and S.B. decided to invest in Horizon Auto.
109. On January 5, 2011, C.B. and S.B. wired \$17,000 from their account at American First Credit Union to Horizon Auto's account at First National Bank in Bountiful, Utah.
110. In return for their investment, C.B. and S.B. received a promissory note in the amount of \$17,000 dated January 5, 2011 and signed by Randall.
111. The note reflects the \$17,000 principal amount and the 9% per annum interest rate to be paid monthly.
112. In connection with the sale, C.B. and S.B. also received a subscription agreement; however, it is not signed by either party.
113. To date, C.B. and S.B. have received \$510 in interest payments. No other payments have been made by Randall or his entities.

INVESTOR R.C.

114. R.C. initially met Randall in the late 1990s through Wayne Gledhill, an insurance provider and acquaintance of Randall.
115. Gledhill told R.C. about an investment opportunity in Independent Financial & Investment, a company owned by Randall.

¹⁴ The subscription agreement mentions that G.H. received a copy of the private placement memorandum related thereto; however, G.H. never received any such documentation.

116. R.C. then discussed the investment with Randall, who stated that the interest rate would be 11% or 12%, and the money invested would fund auto loans.
117. Based on these conversations, R.C. invested \$120,000 in Independent Financial & Investment and received regular interest payments until he eventually recouped his entire investment.
118. Later, in 2010, R.C. wanted to supplement his income. Remembering his prior successful investment with Randall, R.C. contacted Randall to request a meeting.
119. On November 16, 2010, R.C. met with Randall at an undeveloped property in Fruit Heights, Utah.
120. Randall represented that the land would be developed into Maple Heights apartments, and he showed R.C. floor plans, as well as other documentation related to the planned development. He also explained that the development would become part of a limited liability company, Fruit Heights.
121. Additionally, with respect to an investment in Fruit Heights, Randall made the following statements:
 - a. The investment would be unsecured;
 - b. The money would be used to build the apartment complex; and
 - c. The investment would generate a return of 11.5%.
122. Randall then provided R.C. with a flyer explaining five different investment opportunities through various entities, all with different minimum investment amounts and rates of

return.

123. He also stated that each of his businesses operated independently.
124. R.C. chose to invest in Fruit Heights using his retirement funds.
125. On December 14, 2010, American Pension Services disbursed \$101,000 of R.C.'s funds to Randall. Those funds, minus a \$10 deposit fee, were credited to an account at First National Bank in the name of Fruit Heights on that same day.
126. In exchange, R.C. received a promissory note from Fruit Heights, signed by Randall. Randall's signature was notarized on December 13, 2010. R.C. also received a subscription agreement in the mail sometime after the investment took place.
127. Based on a first in, first out analysis, bank records indicate that Randall used R.C.'s funds to make the following types of payments:
 - a. Payments to other entities owned and/or controlled by Randall;
 - b. Cash withdrawals;
 - c. Principal and/or interest payments to other investors participating in Randall's various offerings; and
 - d. Payments for services rendered.
128. To date, R.C. has received \$5,323.56 in interest payments. No other payments have been made by Randall or Fruit Heights.

INVESTOR C.W.

129. C.W. first learned of Randall through her financial advisor, Hamilton, in 2010.

130. Specifically, Hamilton mentioned an investment opportunity in Horizon Auto.
131. Hamilton represented that Horizon Auto is a solid company and that if C.W. could invest in that company for three years, she would receive a 12% return on her investment.
132. In response to the offer, C.W. refinanced two homes to come up with \$55,000 in home equity. The majority of that equity came from her primary residence.
133. C.W. also cashed in a \$15,000 certificate of deposit to bring the total investment amount up to \$70,000.
134. On October 4, 2010, C.W. withdrew a check for \$70,000 from Box Elder Credit Union and gave it to Hamilton.
135. In exchange, C.W. received a \$70,000 promissory note for a three-year term issued by Horizon Auto and signed by Bradshaw. The note is dated October 4, 2010 and reflects a 12% interest rate, payable monthly.
136. C.W. also received a subscription agreement¹⁵ in the mail after making the investment. That agreement is dated October 21, 2010.
137. To date, C.W. has not received any payments under the note and is still owed \$70,000 in principal alone.

INVESTOR D.A.

138. D.A. met Randall through his financial advisor, Kyle Christensen (Kyle).
139. In January 2010, D.A. wanted to take money out of the stock market and find an

¹⁵ The subscription agreement mentions that C.W. received a copy of the private placement memorandum related to the offering; however, C.W. never received any such

investment with a higher rate of return.

140. Kyle recommended investing with Randall, who had an office in the same building as Kyle.
141. Kyle represented that he had worked with Randall in the past and that Randall was an upstanding, successful businessman with several current ventures that would provide good investment opportunities.
142. In April 2010, D.A. met with Randall at Randall's office in Kaysville, Utah.
143. Randall presented materials highlighting various investments. He particularly focused on an opportunity to become a partial owner in HFC, an office building located in Sandy, Utah.
144. With respect to that investment, Randall made the following statements:
 - a. D.A.'s investment of \$100,000 would generate a 15% annual return, paid quarterly;
 - b. The investment would be completely secure because the building would serve as collateral if anything went wrong;
 - c. Randall did not operate a Ponzi scheme; and
 - d. Randall's businesses were very successful in spite of the struggling economy.
145. Based on these statements, D.A. decided to invest \$100,000 in HFC. D.A. used funds from his retirement account to do so.

146. Specifically, in June 2010, D.A. invested \$100,000 via wire.
147. In exchange, D.A. received a subscription agreement and a certificate of limited liability company membership interests for HFC, signed by Randall and Bradshaw, who are listed as managers.
148. The certificate provides one Class B 15% variable non-voting unit of HFC.
149. To date, D.A. has received a total of \$583.33 in interest payments from his investment.

INVESTORS B.H. AND S.H. (HUSBAND AND WIFE)

150. B.H. and S.H. first met Randall on August 14, 2008 at S.H.'s mother's house in Hyrum, Utah.
151. During that meeting, Randall pitched investment opportunities, including investments in a car dealership and condominium development.
152. At that time, B.H. and S.H. decided not to investment with Randall; however, S.H.'s mother did make an investment shortly after that meeting.
153. In the summer of 2009, S.H.'s mother expressed to S.H. her frustration that Randall had been late on interest payments.
154. In April 2010, B.H. and S.H. met with their financial advisor, Kyle, who told them about a rare investment opportunity with Randall.
155. B.H. stated that he was concerned about investing with Randall, as S.H.'s mother was already having difficulty receiving interest payments through her investment.
156. Kyle assured B.H. that the investment opportunity he was pitching was completely

separate from the one S.H.'s mother was involved in.

157. The following week, B.H. and S.H. met with Randall at Randall's office in Logan, Utah.

During that meeting, Randall made the following statements:

- a. The investment would be in HFC;
- b. HFC was a newly-built office building located in Draper, Utah;
- c. B.H. and S.H. would be non-voting owners in HFC;
- d. The building itself was fully leased and the lessees were stable;
- e. HFC was completely independent from Randall's other entities;
- f. If anything went wrong financially, the building could be used as collateral;
- g. If B.H. and S.H. ever wanted to sell their share in HFC, Randall knew plenty of investors waiting to buy shares in the building;
- h. The investment would generate monthly interest returns of 15%; and
- i. B.H. and S.H. would receive regular interest payments.

158. On or around April 21, 2010, B.H. and S.H. invested \$50,000 from their retirement account into HFC.

159. The funds were transferred via wire from B.H. and S.H.'s custodian, Equity Trust Company, to HFC.

160. In exchange, B.H. and S.H. received a certificate granting limited liability company membership interests in HFC.

161. The certificate is signed by Randall and Bradshaw, as managers, on or about April 26,

2010. Additionally, it conveys one half of a Class B 15% variable non-voting unit of HFC.

162. B.H. and S.H. also received and signed a subscription agreement, dated April 28, 2010, accepted by HFC on April 27, 2010.

163. Additionally, B.H. and S.H. received a private placement memorandum describing the investment in HFC; however, that document was delivered several months after the investment.

164. To date, B.H. and S.H. have received \$3,145.83 in interest payments. No other payments have been made by Randall or HFC.

INVESTOR L.C.

First Investment

165. In 2006, L.C. met with her financial advisor, Kyle, who told her about an investment in one of Randall's entities.

166. The investment would be for an initial three year period, with an interest rate between 12% and 14%. Additionally, the investment could be renewed automatically at the end of the term.

167. As a result of Kyle's pitch, on March 30, 2006, L.C. transferred \$6,418.53 of her retirement funds to American Pension Services via wire transfer to be invested with Randall's company, Independent Financial & Investment.

168. On April 6, 2006, L.C.'s husband then transferred \$190,782.61 of his retirement funds to

American Pension Services for an additional investment in Independent Financial & Investment.

169. In exchange for these investments, L.C. and her husband received promissory notes and subscription agreements detailing the investments.
170. Specifically, both notes provide a 12% rate of return payable monthly. The notes have an issue date of April 2006 and are signed by Randall.
171. The subscription agreements are dated April 26, 2006, signed by L.C. and her husband, respectively, and accepted by Randall on April 27, 2006.

Second Investment

172. On or around August 14, 2008, Randall came to L.C.'s home to present another investment opportunity.
173. During that meeting, Randall made the following statements:
 - a. The investment would be in ICL;
 - b. The funds would go toward a car dealership;
 - c. There was no risk associated with the investment because "everyone needs cars;"
and
 - d. The investment would be "no fail," and there was plenty of "insurance to cover loss."
174. Based on these statements, L.C. and her husband invested \$100,000 with Randall.¹⁶

¹⁶ At the time, L.C.'s husband was terminally ill, and the couple saw the investment as a good opportunity to provide L.C. with funds after her husband's death.

175. In exchange, L.C. and her husband received a promissory note in the amount of \$100,000, with a promised rate of return of 14% per annum.
176. According to the note, signed by Randall and dated August 20, 2008, interest would be paid monthly.
177. L.C. and her husband also received a subscription agreement reflecting the transaction; however, that document is not signed by either party.

Third Investment

178. On April 20, 2010, Randall presented L.C. with another investment opportunity for half a unit membership interest in HFC.
179. Randall represented that the investment would be secured by an ownership interest in the building.
180. As a result, L.C. invested \$50,000 on April 20, 2010.
181. In exchange, she received a limited liability company membership interest certificate for HFC that reflects her one half unit ownership interest.
182. The certificate reflects one half Class B 15% variable non-voting units, signed by Randall and Bradshaw, as managers, and dated April 23, 2010.
183. The subscription agreement that L.C. received also reflects the \$50,000 investment and is signed by Randall and dated April 24, 2010. L.C. did not sign the agreement.

INVESTOR J.S.

184. J.S. first met Randall through his financial advisor, Kyle.

185. J.S. purchased life insurance through Kyle in February 2010, and Kyle explained that an investment through Randall would provide a good source of income to pay for the life insurance premiums.
186. In March 2010, J.S. met with Randall at Randall's office in Kaysville, Utah. During the meeting, Randall made the following statements:
 - a. The investment opportunity would be in HFC, a newly-built office building located in Draper, Utah;
 - b. The building was fully leased;
 - c. J.S. would be a part-owner of HFC;
 - d. J.S.'s investment would be completely secure because the building could serve as collateral in the event something went wrong;
 - e. The investment would generate a 15% annual return; and
 - f. Interest payments would be paid quarterly over a fifteen year period.
187. Based on these statements, on or around March 25, 2010, J.S. invested \$150,000 from his retirement account in HFC. Specifically, Equity Trust Company, J.S.'s custodian, wired the funds to HFC.
188. In return, J.S. received a promissory note issued by Horizon Auto, dated April 5, 2010 and signed by Bradshaw.
189. The note provides for a 12% annual return on the investment, with interest paid monthly.
190. J.S. also received a certificate from HFC for one and a half units of membership interest

in the limited liability company. The certificate is signed by Randall and Bradshaw, as managers, and dated March 25, 2010.

191. Additionally, J.S. received a subscription agreement from HFC reflecting the total \$150,000 principal amount. The agreement is not signed by either party.

192. To date, J.S. has only received \$25,000 in interest payments.

INVESTOR S.L.

First Investment

193. S.L. initially learned about Randall through his financial advisor, Kyle.

194. In the spring of 2006, Kyle and S.L. met to discuss an investment for his retirement funds.

195. Kyle told S.L. about an investment opportunity managed by Randall that would provide a 12% monthly return.

196. Kyle told S.L. he should invest with Randall because he would get a higher return than other investments. He said that Randall always had \$1 million in the bank as a slush fund which showed he was successful and credible.

197. The investment would be in Independent Financial & Investment, a D.B.A. controlled by Randall that financed car loans for individuals with poor credit.

198. Kyle gave S.L. Randall's contact information and S.L. set up a meeting with Randall.

199. During a meeting in Randall's office in Kaysville, Utah, Randall told S.L. that some of his potential investment funds would be invested in the car dealership and some would be used in real estate investments.

200. Randall promised 12% monthly interest for three years.
201. Based on these representations, S.L. decided to invest with Randall.
202. On or about April 1, 2006, S.L. wired \$150,000 of his retirement funds from his account at American Pension Services to Independent Financial & Investment.
203. Kyle and Randall instructed S.L. on how to transfer the IRA funds so they he would not be taxed.

Second Investment

204. In the fall of 2009, Kyle and S.L. met again to discuss an investment for his retirement funds.
205. Kyle told S.L. about an investment opportunity managed by Randall that would provide another 12% monthly return.
206. S.L. again contacted Randall and met to discuss the potential investment.
207. Randall presented materials on an opportunity to become a partial owner in HFC, an office building located in Sandy, Utah.
208. With respect to that investment, Randall made the following statements:
 - a. S.L.'s investment of \$100,000 would generate a 12% monthly return;
 - b. The investment would be completely secure because the building would serve as collateral if anything went wrong;
 - c. The funds would be used to make a balloon payment on the loan of the building;
 - d. He had six tenants ready to move in after the balloon payment and then it would be "cash-flow heaven."

209. Based on these statements, S.L. decided to invest \$100,000 in HFC. S.L. used funds from his retirement account to do so.
210. Specifically, in October 2010, S.L. invested \$100,000 via wire.
211. To date, S.L. has received a total of \$88,000 in interest payments from his two investments.

INVESTOR R.R.

212. In the spring of 2010, R.R. told a bank teller at Box Elder Credit Union that he had \$20,000 in cash that he wanted to invest. The teller referred R.R. to Hamilton, who worked at Box Elder Credit Union as a representative of Galileo Financial.
213. On April 22, 2010, R.R. met Hamilton at Box Elder Credit Union to discuss a potential investment opportunity for this \$20,000 in cash.
214. Hamilton told R.R. about an investment opportunity managed by Randall and Horizon.
215. Hamilton made the following statements about a potential \$20,000 investment with Randall:
- a. R.R. would earn 12% per annum;
 - b. The investment was guaranteed;
 - c. The investment was risk free; and
 - d. The investment would be secured by a mortgage on a four plex.
216. In reviewing R.R.'s financial records, Hamilton discovered that R.R. had over \$180,000 in an IRA with Fidelity. Hamilton encouraged R.R. to invest the retirement accounts instead of the \$20,000 in cash.

217. In or about May 2010, R.R. met with Hamilton and Randall at Box Elder Credit Union. During the meeting, Randall repeated the previous statements made by Hamilton and made the following additional statements about an investment with Randall:
- a. Horizon Mortgage and Investment was stable¹⁷;
 - b. There was no risk involved;
 - c. R.R. could receive his investment funds back at any time.
218. Based on these representations, R.R. decided to invest his \$180,000 in IRA funds with Randall.
219. In or about August 2010, R.R. gave Hamilton a check for \$180,000 to invest with Randall and gave it to Hamilton while in Box Elder Credit Union.
220. To date, R.R. has received a total of about \$7,500 in interest payments from his investment.

CAUSES OF ACTION

First Cause of Action **Securities Fraud under § 61-1-1(2) of the Act** **(Investor R.F.)**

221. The Division incorporates and re-alleges paragraphs 1 through 220.
222. The investment opportunities sold by Randall are securities under § 61-1-13 of the Act.
223. In connection with the sale of securities to investor R.F., Randall, directly or indirectly, made false statements, including, but not limited to, the following:

¹⁷ Randall and his entities were already involved in a bankruptcy proceeding at this point.

- a. Horizon Auto would pay interest at 14% per annum, when in fact, Randall had no reasonable basis for making this statement in the promissory notes provided to R.F.; and
 - b. Horizon Auto would provide monthly interest payments to R.F.; when in fact, Randall had been delinquent and was currently delinquent on interest payments to numerous investors.
224. In connection with the sale of securities to investor R.F., Randall, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make statements made in the promissory notes not misleading:
- a. By December 13, 2007, Randall began using a portion of incoming investor funds to compensate agents who made sales or referrals to Randall for investments in his numerous entities;
 - b. On November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;¹⁸
 - c. On August 19, 2010, Randall had a \$78,600.59 judgment entered against him in a debt collection action;¹⁹
 - d. On November 8, 2010, Randall entered into a \$258,592.70 judgment by confession;²⁰
 - e. Randall filed for Chapter 11 bankruptcy on December 20, 2010;²¹
 - f. With respect to the second investment only, on March 18, 2011, Randall entered into

¹⁸ *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

¹⁹ *Washington Federal Savings v. Dee Randall*, No. 100911994, Third Judicial District of Utah (2010).

²⁰ *Gina Hamlin v. Dee A. Randall*, No. 100503643, Fifth Judicial District of Utah (2010).

a \$2,715,731.95 judgment by confession;²² and

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

- i. Financial statements;
- ii. Risk factors;
- iii. Total number of investors;
- iv. Suitability factors for the investment; and
- v. Whether Randall was licensed to sell securities.

**Securities Fraud under § 61-1-1(2) of the Act
(Investors R.C. and C.C.)**

225. The Division incorporates and re-alleges paragraphs 1 through 220.
226. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
227. In connection with the offer and sale of securities to investors R.C. and C.C., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
- a. The investment would be collateralized by real estate and Randall's personal life insurance policy, when in fact, Randall knew this to be untrue;
 - b. Randall had enough real estate and other assets to cover all of his investors, when in fact, Randall knew this to be untrue;
 - c. R.C. and C.C. would not lose their money; when in fact, Randall had no reasonable basis for making such a statement;

²¹ *In re Randall*, No. 10-37546 (Bank. Dist. Utah 2010).

²² *The Kristina McGuire Living Trust v. Dee A. Randall*, No. 110904793, Third Judicial District of Utah (2011).

- d. There is no risk involved in the investment, when in fact, Randall had no reasonable basis for making such a statement;
- e. None of the prior investors in his companies had ever lost the principal amount invested; when in fact, Randall knew this to be untrue;
- f. The money invested in Horizon Auto would be used for the purpose of funding car loans, when in fact, the money was used to make interest payments to prior investors and distributed to other corporate entities;
- g. The money invested in Fruit Heights would be used to fund the construction of a new apartment building, when in fact, the money was used to make interest payments to prior investors and distributed to other corporate entities;
- h. Pursuant to their conversation, the investment would generate monthly interest returns of 15%, when in fact, Randall had no reasonable basis for making this statement; and
- i. Pursuant to the notes, the investment in Horizon Auto would generate 14% annual interest, the Fruit Heights investment would generate 15% annual interest, the Independent Financial & Investment funds would generate 10.5% annual interest, and the entities would provide monthly interest payments in accordance with these rates, when in fact, Randall was delinquent on interest payments to numerous investors.

228. In connection with the offer and sale of securities to investor R.C. and C.C., 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. By December 13, 2007, Randall began using a portion of incoming investor funds to compensate agents who made sales or referrals to Randall for investments in his numerous entities;
- b. On November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;²³
- c. On August 19, 2010, Randall had a \$78,600.59 judgment entered against him in a debt collection action;²⁴
- d. For the fourth investment only, on November 8, 2010, Randall entered into a \$258,592.70 judgment by confession;²⁵
- e. For the fourth investment only, Randall filed for Chapter 11 bankruptcy on December 20, 2010;²⁶ and
- f. Some or all of the information typically provided in an offering circular or prospectus regarding Randall or an investment in Horizon Auto, Fruit Heights, and/or Independent Financial & Investment, such as:
 - i. Financial statements;
 - ii. Risk factors;
 - iii. Total number of investors;
 - iv. Suitability factors for the investment;

²³ *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

²⁴ *Washington Federal Savings v. Dee Randall*, No. 100911994, Third Judicial District of Utah (2010).

²⁵ *Gina Hamlin v. Dee A. Randall*, No. 100503643, Fifth Judicial District of Utah (2010).

- v. Whether the investment was a registered security or exempt from registration;
and
- vi. Whether Randall was licensed to sell securities.

**Securities Fraud under § 61-1-1(2) of the Act
(Investor L.G.)**

- 229. The Division incorporates and re-alleges paragraphs 1 through 220.
- 230. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
- 231. In connection with the offer and sale of securities to investor L.G., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
 - a. The investment funds would be pooled with other investor funds to help finance car loans to individuals with poor credit, when in fact, the money was used to make interest payments to prior investors and distributed to other corporate entities;
 - b. According to the notes, the investments would provide a 14% annual return; when in fact, Randall had no reasonable basis for this statement;
 - c. L.G. would receive monthly interest checks, when in fact, Randall was already delinquent on interest payments to other investors;
 - d. Randall had never declared bankruptcy, when in fact Randall voluntarily filed for bankruptcy on December 20, 2010; and
 - e. Randall had never defaulted on a loan, when in fact, Randall knew this statement to be untrue.

232. In connection with the offer and sale of securities to investor L.G., 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. By December 13, 2007, Randall began using a portion of incoming investor funds to compensate agents who made sales or referrals to Randall for investments in his numerous entities;
- b. On November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;²⁷
- c. On August 19, 2010, Randall had a \$78,600.59 judgment entered against him in a debt collection action;²⁸
- d. On November 8, 2010, Randall entered into a \$258,592.70 judgment by confession;²⁹
- e. For the second investment only, Randall filed for Chapter 11 bankruptcy on December 20, 2010;³⁰ and
- f. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents, such as:
 - i. Financial statements;
 - ii. Risk factors;
 - iii. Total number of investors;

²⁷ *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

²⁸ *Washington Federal Savings v. Dee Randall*, No. 100911994, Third Judicial District of Utah (2010).

²⁹ *Gina Hamlin v. Dee A. Randall*, No. 100503643, Fifth Judicial District of Utah (2010).

- iv. Suitability factors for the investment;
- v. Whether the investment was a registered security or exempt from registration;
and
- vi. Whether Randall was licensed to sell securities.

**Securities Fraud under § 61-1-1(2) of the Act
(Investor D.M.)**

- 233. The Division incorporates and re-alleges paragraphs 1 through 220.
- 234. The investment opportunities sold by Randall are securities under § 61-1-13 of the Act.
- 235. In connection with the offer and sale of securities to investor D.M., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
 - a. The only risk to the investment was if the entire economy collapsed, when in fact, there is risk in any investment, even in a good economy;
 - b. The investments would provide a 14% annual return; when in fact, Randall had no reasonable basis for this statement;
 - c. L.G. would receive monthly interest checks, when in fact, Randall was already delinquent on interest payments to other investors; and
 - d. Promissory notes were “as secure as anything out there,” when in fact, Randall had no reasonable basis for making this statement.
- 236. In connection with the offer and sale of securities to investor D.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. By December 13, 2007, Randall began using a portion of incoming investor funds to compensate agents who made sales or referrals to Randall for investments in his numerous entities;
- b. For the second and third investment only, on November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;³¹
- c. For the third investment only, on August 19, 2010, Randall had a \$78,600.59 judgment entered against him in a debt collection action;³²
- d. For the third investment only, on November 8, 2010, Randall entered into a \$258,592.70 judgment by confession;³³
- e. For the third investment only, Randall filed for Chapter 11 bankruptcy on December 20, 2010;³⁴ and
- f. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents, such as:
 - i. Financial statements;
 - ii. Risk factors;
 - iii. Total number of investors;
 - iv. Suitability factors for the investment;
 - v. Whether the investment was a registered security or exempt from registration;

³¹ *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

³² *Washington Federal Savings v. Dee Randall*, No. 100911994, Third Judicial District of Utah (2010).

³³ *Gina Hamlin v. Dee A. Randall*, No. 100503643, Fifth Judicial District of Utah (2010).

³⁴ *In re Randall*, No. 10-37546 (Bank. Dist. Utah 2010).

and

- vi. Whether Randall was licensed to sell securities.

**Securities Fraud under § 61-1-1(2) of the Act
(Investor G.H.)**

- 237. The Division incorporates and re-alleges paragraphs 1 through 220.
- 238. The investment opportunities sold by Randall are securities under § 61-1-13 of the Act.
- 239. In connection with the sale of securities to investor G.H., Randall, directly or indirectly, made false statements, including, but not limited to, the following:
 - a. Horizon Auto would pay interest at 12% per annum on the January 22, 2010 note and 14% per annum on the January 21, 2011 note, when in fact, Randall had no reasonable basis for making these statements in the promissory notes provided to G.H.; and
 - b. Horizon Auto would provide monthly interest payments to G.H.; when in fact, Randall had been delinquent and was currently delinquent on interest payments to numerous investors.
- 240. In connection with the sale of securities to investor G.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 in the promissory notes not misleading:
 - a. By December 13, 2007, Randall began using a portion of incoming investor funds to compensate agents who made sales or referrals to Randall for investments in his numerous entities;

- b. On November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;³⁵
- c. With respect to the second investment only, on August 19, 2010, Randall had a \$78,600.59 judgment entered against him in a debt collection action;³⁶
- d. With respect to the second investment only, on November 8, 2010, Randall entered into a \$258,592.70 judgment by confession;³⁷
- e. With respect to the second investment only, Randall filed for Chapter 11 bankruptcy on December 20, 2010;³⁸ and
- f. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents, such as:
 - i. Financial statements;
 - ii. Risk factors;
 - iii. Total number of investors;
 - iv. Suitability factors for the investment; and
 - v. Whether Randall was licensed to sell securities.

**Securities Fraud under § 61-1-1(2) of the Act
(Investors C.B. and S.B.)**

241. The Division incorporates and re-alleges paragraphs 1 through 220.

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

³⁵ *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

³⁶ *Washington Federal Savings v. Dee Randall*, No. 100911994, Third Judicial District of Utah (2010).

³⁷ *Gina Hamlin v. Dee A. Randall*, No. 100503643, Fifth Judicial District of Utah (2010).

³⁸ *In re Randall*, No. 10-37546 (Bank. Dist. Utah 2010).

243. In connection with the offer and sale of securities to investors C.B. and S.B., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
- a. The investment would provide a 9% annual return; when in fact, Randall had no reasonable basis for this statement; and
 - b. S.B. and C.B. would receive monthly interest checks that they could “count on,” when in fact, Randall was already delinquent on interest payments to other investors.
244. In connection with the offer and sale of securities to investors C.B. and S.B., Randall, 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. By December 13, 2007, Randall began using a portion of incoming investor funds to compensate agents who made sales or referrals to Randall for investments in his numerous entities;
 - b. On November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;³⁹
 - c. On August 19, 2010, Randall had a \$78,600.59 judgment entered against him in a debt collection action;⁴⁰
 - d. On November 8, 2010, Randall entered into a \$258,592.70 judgment by confession;⁴¹

³⁹ *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

⁴⁰ *Washington Federal Savings v. Dee Randall*, No. 100911994, Third Judicial District of Utah (2010).

⁴¹ *Gina Hamlin v. Dee A. Randall*, No. 100503643, Fifth Judicial District of Utah (2010).

- e. Randall filed for Chapter 11 bankruptcy on December 20, 2010;⁴² and
- f. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents, such as:
 - i. Financial statements;
 - ii. Risk factors;
 - iii. Total number of investors;
 - iv. Suitability factors for the investment;
 - v. Whether the investment was a registered security or exempt from registration; and
 - vi. Whether Randall was licensed to sell securities.

**Securities Fraud under § 61-1-1(2) of the Act
(Investor R.C.)**

- 245. The Division incorporates and re-alleges paragraphs 1 through 220.
- 246. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
- 247. In connection with the offer and sale of securities to investor R.C., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
 - a. The money would be used to build the Maple Heights apartment complex, when in fact, the funds were used to make interest payments to other investors, were distributed to other entities owned by Randall, and were used for cash withdrawals, among other things;

⁴² *In re* Randall, No. 10-37546 (Bank. Dist. Utah 2010).

- b. The investment would generate a return of 11.5%, when in fact, Randall had no reasonable basis for this statement; and
- c. Each of Randall's businesses operated independently, when in fact, Randall was commingling finances and operations for the various entities.

248. In connection with the offer and sale of securities to investor R.C., 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. By December 13, 2007, Randall began using a portion of incoming investor funds to compensate agents who made sales or referrals to Randall for investments in his numerous entities;
- b. On November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;⁴³
- c. On August 19, 2010, Randall had a \$78,600.59 judgment entered against him in a debt collection action;⁴⁴
- d. On November 8, 2010, Randall entered into a \$258,592.70 judgment by confession;⁴⁵ and
- e. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents, such as:
 - i. Financial statements;

⁴³ *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

⁴⁴ *Washington Federal Savings v. Dee Randall*, No. 100911994, Third Judicial District of Utah (2010).

⁴⁵ *Gina Hamlin v. Dee A. Randall*, No. 100503643, Fifth Judicial District of Utah (2010).

- ii. Risk factors;
- iii. Total number of investors;
- iv. Suitability factors for the investment;
- v. Whether the investment was a registered security or exempt from registration;
and
- vi. Whether Randall was licensed to sell securities.

**Securities Fraud under § 61-1-1(2) of the Act
(Investor C.W.)**

249. The Division incorporates and re-alleges paragraphs 1 through 220.
250. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
251. In connection with the sale of securities to investor C.W., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
- a. Horizon Auto would pay interest at 12% per annum, when in fact, Randall had no reasonable basis for making this statement in the promissory notes provided to C.W.;
and
 - b. Horizon Auto would provide monthly interest payments to C.W.; when in fact, Randall had been delinquent and was currently delinquent on interest payments to numerous investors.
252. In connection with the sale of securities to investor C.W., 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 in the promissory notes not misleading:

- a. By December 13, 2007, Randall began using a portion of incoming investor funds to compensate agents who made sales or referrals to Randall for investments in his numerous entities;
- b. On November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;⁴⁶
- c. On August 19, 2010, Randall had a \$78,600.59 judgment entered against him in a debt collection action;⁴⁷ and
- d. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents, such as:
 - i. Financial statements;
 - ii. Risk factors;
 - iii. Total number of investors;
 - iv. Suitability factors for the investment; and
 - v. Whether Randall was licensed to sell securities.

**Securities Fraud under § 61-1-1(2) of the Act
(Investor D.A.)**

253. The Division incorporates and re-alleges paragraphs 1 through 220.
254. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
255. In connection with the offer and sale of securities to investor D.A., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:

⁴⁶ *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

⁴⁷ *Washington Federal Savings v. Dee Randall*, No. 100911994, Third Judicial District of Utah (2010).

- a. D.A.'s investment would generate a 15% annual return, when in fact, Randall had no reasonable basis for making this statement to C.W;
- b. Interest would be paid quarterly, when in fact, Randall had been delinquent and was currently delinquent on interest payments to numerous investors;
- c. The investment would be completely secure because the building would serve as collateral if anything went wrong, when in fact, Randall had no reasonable basis for making this statement;
- d. Randall did not operate a Ponzi scheme; and
- e. Randall's businesses were very successful in spite of the struggling economy; when in fact, Randall knew this statement to be untrue.

256. In connection with the offer and sale of securities to investor D.A., 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. By December 13, 2007, Randall began using a portion of incoming investor funds to compensate agents who made sales or referrals to Randall for investments in his numerous entities;
- b. On November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;⁴⁸ and
- c. Some or all of the information typically provided in an offering circular or prospectus

⁴⁸ *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

regarding Respondents, such as:

- i. Financial statements;
- ii. Risk factors;
- iii. Total number of investors;
- iv. Suitability factors for the investment; and
- v. Whether Randall was licensed to sell securities.

**Securities Fraud under § 61-1-1(2) of the Act
(Investors B.H. and S.H.)**

257. The Division incorporates and re-alleges paragraphs 1 through 220.
258. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
259. In connection with the offer and sale of securities to investors B.H. and S.H., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
 - a. HFC was completely independent from Randall's other entities, when in fact, all of Randall's entities, including HFC, had commingled finances and business operations;
 - b. If anything went wrong financially, the building could be used as collateral, when in fact, Randall had no reasonable basis for making this statement;
 - c. If B.H. and S.H. ever wanted to sell their share in HFC, Randall knew plenty of investors waiting to buy shares in the building, when in fact, Randall had no reasonable basis for making this statement;
 - d. The investment would generate monthly interest returns of 15%, when Randall

had no reasonable basis for making this statement; and

- e. B.H. and S.H. would receive regular interest payments, when in fact, Randall had been delinquent and was currently delinquent on interest payments to numerous investors.

260. In connection with the offer and sale of securities to investors B.H. and S.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. By December 13, 2007, Randall began using a portion of incoming investor funds to compensate agents who made sales or referrals to Randall for investments in his numerous entities;
- b. On November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;⁴⁹ and
- c. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents, such as:
 - i. Financial statements;
 - ii. Risk factors;
 - iii. Total number of investors;
 - iv. Suitability factors for the investment; and
 - v. Whether Randall was licensed to sell securities.

⁴⁹ *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

**Securities Fraud under § 61-1-1(2) of the Act
(Investor L.C.)**

261. The Division incorporates and re-alleges paragraphs 1 through 220.
262. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
263. In connection with the offer and sale of securities to investor L.C., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
- a. Independent Financial & Investment would pay 12% interest per annum on the investments from L.C. and her husband, when in fact, Randall had no reasonable basis for making this statement in the promissory notes provided to L.C. and her husband.;
 - b. ICL would pay 14% interest per annum on the investment from L.C., when in fact, Randall had no reasonable basis for making this statement in the promissory note provided to L.C. and her husband;
 - c. Independent Financial & Investment and ICL would provide monthly interest payments to L.C. and her husband; when in fact, Randall had been delinquent and was currently delinquent on interest payments to numerous investors;
 - d. L.C. and her husband's investment in ICL provided no risk, as "everyone needs cars," when in fact, all investments have risks;
 - e. ICL's insurance would cover all loss, and the investment was "no fail," when in fact, Randall had no reasonable basis for making this statement; and
 - f. L.C.'s investment in HFC was secured by an ownership interest in the building; when

in fact, Randall knew this statement to be untrue.

264. In connection with the offer and sale of securities to investor L.C., 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. By December 13, 2007, Randall began using a portion of incoming investor funds to compensate agents who made sales or referrals to Randall for investments in his numerous entities;
- b. With respect to the investment in HFC only, on November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;⁵⁰ and
- c. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents, such as:
 - i. Financial statements;
 - ii. Risk factors;
 - iii. Total number of investors;
 - iv. Suitability factors for the investment; and
 - v. Whether Randall was licensed to sell securities.

**Securities Fraud under § 61-1-1(2) of the Act
(Investor J.S.)**

265. The Division incorporates and re-alleges paragraphs 1 through 220.

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

⁵⁰ *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

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

- a. In accordance with the note, J.S. would receive 12% interest per annum on the investment, when in fact, Randall had no reasonable basis for making this statement;
- b. During their meeting, Randall represented that J.S. would receive a 15% return on his investment, when in fact, Randall had no reasonable basis for making this statement;
- c. In accordance with the note, J.S. would receive monthly interest payments; when in fact, Randall had been delinquent and was currently delinquent on interest payments to numerous investors;
- d. During their meeting, Randall represented that J.S. would receive quarterly interest payments over the fifteen-year payout period, when in fact, Randall had been delinquent and was currently delinquent on interest payments to numerous investors; and
- e. J.S.'s investment would be completely secure because the building could serve as collateral in the event something went wrong, when in fact, Randall had no reasonable basis for making this statement.

268. In connection with the offer and sale of securities to investor J.S., 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. By December 13, 2007, Randall began using a portion of incoming investor funds to

compensate agents who made sales or referrals to Randall for investments in his numerous entities;

- b. On November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;⁵¹ and
- c. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents, such as:
 - i. Financial statements;
 - ii. Risk factors;
 - iii. Total number of investors;
 - iv. Suitability factors for the investment; and
 - v. Whether Randall was licensed to sell securities.

**Securities Fraud under § 61-1-1(2) of the Act
(Investor S.L.)**

- 269. The Division incorporates and re-alleges paragraphs 1 through 220.
- 270. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
- 271. In connection with the offer and sale of securities to investor S.L., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
 - a. In accordance with the note, S.L. would receive 12% interest monthly on the investment, when in fact, Randall had no reasonable basis for making this statement;
 - b. In accordance with the note, S.L. would receive monthly interest payments; when in

⁵¹ *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

fact, Randall had been delinquent and was currently delinquent on interest payments to numerous investors;

- c. S.L.'s investment would be completely secure because the building could serve as collateral in the event something went wrong, when in fact, Randall had no reasonable basis for making this statement.

272. In connection with the offer and sale of securities to investor S.L., 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. By December 13, 2007, Randall began using a portion of incoming investor funds to compensate agents who made sales or referrals to Randall for investments in his numerous entities;
- b. On November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;⁵² and
- c. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents, such as:
 - i. Financial statements;
 - ii. Risk factors;
 - iii. Total number of investors;
 - iv. Suitability factors for the investment; and

⁵² *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

- v. Whether Randall was licensed to sell securities.

**Securities Fraud under § 61-1-1(2) of the Act
(Investor R.R.)**

- 273. The Division incorporates and re-alleges paragraphs 1 through 220.
- 274. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
- 275. In connection with the offer and sale of securities to investor R.R., Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
 - a. In accordance with the note, S.L. would receive 12% interest per annum on the investment, when in fact, Randall had no reasonable basis for making this statement;
 - b. In accordance with the note, S.L. would receive annual interest payments; when in fact, Randall had been delinquent and was currently delinquent on interest payments to numerous investors;
 - c. S.L.'s investment would be completely secure because the building could serve as collateral in the event something went wrong, when in fact, Randall had no reasonable basis for making this statement; and
 - d. Horizon Mortgage and Investment was stable, when in fact, Randall and his entities were already involved in a bankruptcy proceeding.
- 276. In connection with the offer and sale of securities to investor R.R., 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. By December 13, 2007, Randall began using a portion of incoming investor funds to

compensate agents who made sales or referrals to Randall for investments in his numerous entities;

- b. On November 9, 2009, Randall had a \$26,764.68 judgment on a tax lien entered against him;⁵³ and
- c. Some or all of the information typically provided in an offering circular or prospectus regarding Respondents, such as:
 - i. Financial statements;
 - ii. Risk factors;
 - iii. Total number of investors;
 - iv. Suitability factors for the investment; and
 - v. Whether Randall was licensed to sell securities.

Second Cause of Action
Securities Fraud under § 61-1-1(3) of the Act
(Investor R.F.)

- 277. The Division incorporates and re-alleges paragraphs 1 through 220.
- 278. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
- 279. Respondents engaged in an act, practice, or course of business, which operated as a fraud or deceit upon R.F., in violation of §61-1-1(3) of the Act by:
 - a. Promising to repay principal plus a stated percentage annual interest, when in fact, Respondent was delinquent on interest payments to prior investors;

⁵³ *Utah State Tax Commission v. Dee Allen Randall*, No. 096707088, Third Judicial District of Utah (2009).

- b. Promising to pay monthly interest returns, when in fact, Respondent was delinquent on interest payments to prior investors; and
- c. Converting investor funds for use in the following manner:
 - d. Interest payments to other investors;
 - e. Loans to Randall's other entities;
 - f. Payments to individuals associated with Randall's businesses; and
 - g. Other personal expenses.

**Securities Fraud under § 61-1-1(3) of the Act
(Investors R.C. and C.C., L.G.)**

- 280. The Division incorporates and re-alleges paragraphs 1 through 220.
- 281. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
- 282. Respondents engaged in an act, practice, or course of business, which operated as a fraud or deceit upon R.C. and C.C., and L.G., in violation of §61-1-1(3) of the Act by:
 - a. Promising to repay principal plus a stated percentage annual interest, when in fact, Randall was delinquent on interest payments to prior investors;
 - b. Promising to pay monthly interest returns, when in fact, Randall was delinquent on interest payments to prior investors; and
 - c. Converting investor funds for use in the following manner:
 - d. Interest payments to other investors; and
 - e. Loans to Randall's other entities.

Securities Fraud under § 61-1-1(3) of the Act

(Investors D.M., G.H., C.B. and S.B., C.W., L.C., and J.S.)

283. The Division incorporates and re-alleges paragraphs 1 through 220.
284. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
285. Respondents engaged in an act, practice, or course of business, which operated as a fraud or deceit upon D.M., G.H., C.B. and S.B., C.W., L.C., and J.S., in violation of §61-1-1(3) of the Act by:
- a. Promising to repay principal plus a stated percentage annual interest, when in fact, Randall was delinquent on interest payments to prior investors; and
 - b. Promising to pay monthly interest returns, when in fact, Randall was delinquent on interest payments to prior investors.

**Securities Fraud under § 61-1-1(3) of the Act
(Investor R.C.)**

286. The Division incorporates and re-alleges paragraphs 1 through 220.
287. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
288. Respondents engaged in an act, practice, or course of business, which operated as a fraud or deceit upon R.C., in violation of §61-1-1(3) of the Act by:
- a. Promising to repay principal plus a stated percentage annual interest, when in fact, Randall was delinquent on interest payments to prior investors; and
 - b. Leading R.C. to believe that each of Randall's businesses operated independently, when in fact, Randall was commingling finances and operations for the various entities.

- c. Converting investor funds for use in the following manner:
 - i. Interest payments to other investors;
 - ii. Loans to Randall's other entities; and
 - iii. Cash withdrawals.

**Securities Fraud under § 61-1-1(3) of the Act
(Investor D.A.)**

- 289. The Division incorporates and re-alleges paragraphs 1 through 220.
- 290. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
- 291. Respondents engaged in an act, practice, or course of business, which operated as a fraud or deceit upon D.A., in violation of §61-1-1(3) of the Act by:
 - a. Promising to repay principal plus a stated percentage annual interest, when in fact, Randall was delinquent on interest payments to prior investors; and
 - b. Promising to pay quarterly interest returns, when in fact, Randall was delinquent on interest payments to prior investors.

**Securities Fraud under § 61-1-1(3) of the Act
(Investors B.H. and S.H.)**

- 292. The Division incorporates and re-alleges paragraphs 1 through 220.
- 293. The investment opportunities sold by Respondents are securities under § 61-1-13 of the Act.
- 294. Respondents engaged in an act, practice, or course of business, which operated as a fraud or deceit upon B.H. and S.H., in violation of §61-1-1(3) of the Act by:
 - a. Promising to repay principal plus a stated percentage annual interest, when in fact,

Randall was delinquent on interest payments to prior investors;

- b. Promising to pay monthly interest returns, when in fact, Randall was delinquent on interest payments to prior investors; and
- c. Leading B.H. and S.H. to believe that each of Randall's businesses operated independently, when in fact, Randall was commingling finances and operations for the various entities.

Third Cause of Action

Sale of Unregistered Securities under § 61-1-1(7) of the Act

295. As set forth above, Respondents sold unregistered securities to investors in violation of § 61-1-7 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 **Wednesday, February 6, 2013, 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:

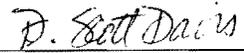
- a. Why Respondents should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;
- b. Why Respondents should not be ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. §§ 61-1-1 and 61-1-3, or any other section 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 18th day of December, 20 .


KEITH WOODWELL
Director, Utah Division of Securities



Approved:


D. SCOTT DAVIS
Assistant Attorney General
D.W.

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:

**DEE ALLEN RANDALL, CRD# 1651035
D.B.A. INDEPENDENT FINANCIAL &
INVESTMENT
HORIZON AUTO FUNDING, LLC
HORIZON FINANCIAL & INSURANCE
GROUP, INC.
HORIZON FINANCIAL CENTER I, LLC
INDEPENDENT COMMERCIAL
LENDING, LLC
INDEPENDENT PROPERTY
MANAGEMENT,**

Respondents.

NOTICE OF AGENCY ACTION

Docket No. ~~SD-12-0079~~
Docket No. ~~SD-12-0081~~
Docket No. ~~SD-12-1082~~
Docket No. ~~SD-12-0083~~
Docket No. ~~SD-12-0084~~
Docket No. ~~SD-12-0085~~

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENT(S):

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:

A copy 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

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 **February 6, 2013** 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) 530-6035. 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 18th day of December, 2012


Keith M. Woodwell
Director, Division of Securities

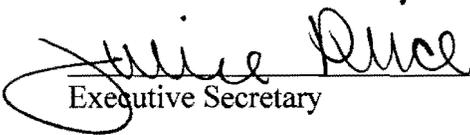


Certificate of Mailing

I certify that on the 19th day of December, 2012, I mailed, by certified mail and regular mail, a true and correct copy of the Notice of Agency Action and Order to Show Cause to:

Horizon Auto Funding et. al.
Dee Allen Randall
1376 Golden Circle Drive
Fruit Heights, UT 84037

Certified Mailing # 7007 0220 0001 0004 82107


Executive Secretary