RETURN OF SERVICE
PERSON SERVED
LOCATION
DATE/TIME SERVED

BEFORE THE

DEPARTMENT OF BUSINESS REGULATION

SECURITIES DIVISION

OF THE

STATE OF UTAH

In the Matter of	)	FINDINGS OF FACT,
	)	CONCLUSIONS OF LAW AND
KayLene Redhair	)	CEASE AND DESIST ORDER
	)	
Respondent	)	Case No. 86-08-24-01

Appearances:

Robert B. Hicks for the Division of Securities

No appearance by or on behalf of Respondent

By the Director:

The instant proceeding was initiated via an Order to Show Cause, dated October 19, 1987. Pursuant to notice duly served by certified mail, this matter came on regularly for hearing on November 2, 1987 before John C. Baldwin, Director of the Utah Securities Division, a division of the Department of Business Regulation. Notice of the hearing was sent to Respondent's last known address, as provided to the Division. However, Respondent failed to appear, either personally or by authorized representative.

Rule 8(A)(3) of the Rules of Procedure for Hearings before the department provides that failure of a party to appear for a hearing may allow for the entry of a decision against the interest

of the defaulting party. Based thereon, counsel for the division made a proffer of evidence relative to the entry of a default order.

The Director, being fully advised of the premises, now enters the following Findings of Fact, Conclusions of Law and Cease and Desist Order.

FINDINGS OF FACT

1. Respondent is a resident of Utah, and at all times material hereto was acting as a representative of Marvelene Industries.

2. On June 30, 1986, Respondent solicited money from David K. Price for investment in an artificial limb and organ manufacturer.

3. David K. Price was at all times material hereto a resident of Utah.

4. On July 1, 1986, David K. Price deposited with Respondent a check for $2,500.00 which Respondent cashed.

5. On or about September 22, 1986, David K. Price, after repeated attempts to ascertain the status of his investment, received a letter from Marvelene Industries which disclosed that he had invested in "Q.C.10," and "SX 80." The letter also disclosed that the nature of the investments Q.C.10 and SX 80 were respectively for "Medical Science -Artificial Limbs", and "Government Bond", and further disclosed that the investments were "up" by 3.0 and 2.5 points, respectively.

6. Neither Q.C.10 or SX 80 are registered in the State of Utah, nor are they subject to exemption pursuant to a filing therefor.

7. Likewise, respondent is not registered as an agent, broker-dealer, or investment adviser with the Division.

CONCLUSIONS OF LAW

Section 61-1-20(1) of the Utah Uniform Securities Act ("the Act"), Utah Code Ann. Section 61-1-1 et. seq. (1953, as amended) provides that the Division "[w]henever it appears . . . that any person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of [the Act] . . . may . . . issue an order to cease and desist from engaging in any act or practice constituting a violation of . . ." the Act.

Section 61-1-7 of the Act provides that it is unlawful to "offer or sell any security in this state unless it is registered . . . or . . . is exempted . . . .."

Section 61-1-3 provides that it is unlawful to transact business within the state as an agent, broker-dealer, or investment adviser without being registered.

The investments made by Mr. Price were investments in securities as defined in Section 61-1-14 of the Act.

Respondent offered to sell and sold to Mr. Price within the State two securities in violation of Section 61-1-7 of the Act.

Respondent at the time of the offer and sale to Mr. Price was not registered to sell such securities in the state and has therefore violated Section 61-1-3 of the Act.

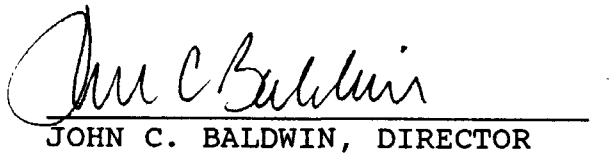
ORDER

Wherefore, It is ORDERED that Respondent cease and desist from offering to sell or selling securities in violation of Section 61-1-7 and/or from transacting business within the state as an agent, broker-dealer or investment adviser in violation of Section 61-1-3, and from violating any other of the provisions of the Act.

Notice is hereby given that, pursuant to Section 61-1-21 and 61-1-20 of the Act, violation of this Order may be actionable through civil or criminal proceedings.

DATED this 4th day of November, 1987.

UTAH SECURITIES DIVISION



JOHN C. BALDWIN, DIRECTOR