

BEFORE THE SECURITIES DIVISION  
OF THE DEPARTMENT OF BUSINESS REGULATION  
OF THE STATE OF UTAH

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IN THE MATTER OF THE	:	FINDINGS OF FACT,
APPLICATION OF	:	CONCLUSIONS OF LAW AND
KEMGAS AUSTRALIA, LTD.	:	DEFAULT ORDER
FILE NUMBER ST-1586	:	CASE NUMBER SD-88-050

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By the Presiding Officer:

The instant proceeding was initiated via a Petition dated August 9, 1988. A Notice of Agency Action was sent, certified mail, return receipt requested, to Respondent at its last known address as provided to the Division on August 11, 1988. Respondent has failed to request a hearing within twenty (20) days of the date of the Notice of Agency Action.

Section 63-46b-11 of the Utah Administrative Procedures Act provides that failure of a party to participate in an adjudicative proceeding may result in an order of default against such party.

The Presiding Officer, being fully advised in the premises, now enters the following Findings of Fact, Conclusions of Law and Default Order:

FINDINGS OF FACT

1. Respondent filed an application for exemption from registration pursuant to §61-1-14(2)(m) of the Utah Uniform Securities Act ("the Act") and Rule 177-14.2m of the Division on May 18, 1988.

2. The Division notified Respondent of the deficiencies in its application on June 1, 1988.

3. As of the date of the Petition, a response has not been received from Respondent the application for exemption from registration found in §61-1-14(2)(m) of the Act and Rule 177-14.2m of the Division has not been completed and is materially incomplete.

4. It is in the public interest to deny the use of an exemption from registration where the application for exemption from registration is materially incomplete and Respondent has been dilatory in completing the application for a substantial period of time.

CONCLUSIONS OF LAW

Section 61-1-14(3) of the Act provides that the Executive Director of the Department of Business Regulation, upon approval of a majority of the Securities Advisory Board, may by order deny or revoke any exemption set forth in §61-1-14 of the Act with respect to a specific security, transaction or series of transactions, or as to any issuer. Rule 14.2m of the Division sets forth the procedures and requirements to be satisfied relative to

the application for exemption from registration pursuant to §61-1-14(2)(m) of the Act and Rule 177-14.2m of the Division filed by Respondent in the instant proceeding.

Respondent has failed to satisfy the filing requirements mandated by Rule 177-14.2m of the Division. Given said failure, it is in the public interest that action be taken to deny the use of the exemption found in §61-1-14(2)(m) of the Act and Rule 177-14.2m of the Division until such time as a proper filing is made by Respondent in accordance with the above-referenced rule.

DEFAULT ORDER

WHEREFORE, IT IS HEREBY ORDERED that the application for exemption from registration pursuant to §61-1-14(2)(m) of the Act and Rule 177-14.2m of the Division of Kemgas Australia, Ltd., be, and hereby is, denied, and

IT IS FURTHER ORDERED that such denial is to be effective immediately upon execution of this Default Order by the Executive Director of the Department of Business Regulation.

AGENCY REVIEW

A defaulted party may seek to set aside the Default Order by filing a request for agency review within ten (10) days after the issuance of the order in accordance with the procedure set forth in Rule 151-46b-12 of the Utah Administrative Procedures Act rules.

DATED this 27th day of September, 1988.

John C. Baldwin  
John C. Baldwin  
Presiding Officer

**BY THE EXECUTIVE DIRECTOR:**

The foregoing Findings of Fact, Conclusions of Law and Default Order are hereby accepted, confirmed and approved by the Executive Director of the Department of Business Regulation.

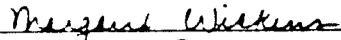
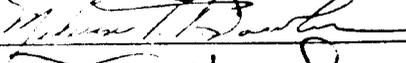
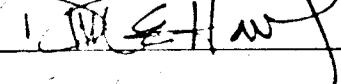
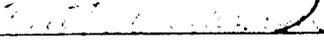
DATED this 25TH day of OCTOBER, 1988.

  
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William E. Dunn  
Executive Director

**BY THE SECURITIES ADVISORY BOARD:**

The foregoing Default Order is hereby accepted, confirmed and approved by the Utah Securities Advisory Board.

DATED this 25TH day of OCTOBER, 1988.

  
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**CERTIFICATE OF MAILING**

I hereby certify that on the 28<sup>th</sup> day of  
April, 1988, I mailed, regular mail, postage prepaid,  
a copy of the foregoing Findings of Fact, Conclusions of Law and  
Default Order to Mr. John Galanis, President, Kemgas Australia,  
Ltd. 275 East South Temple, Suite 310, Salt Lake City, Utah 84111.

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