

FILED

AUG 14 2008

4TH DISTRICT
STATE OF UTAH
UTAH COUNTY

E. NEAL GUNNARSON, Bar No. 1273
Assistant Attorney General
MARK L. SHURTLEFF, Bar No. 4666
Utah Attorney General
5272 South College Drive, #200
Murray, Utah 84123
Telephone: (801)281-1221
Facsimile: (801)281-1224

IN THE FOURTH JUDICIAL DISTRICT COURT IN AND FOR
UTAH COUNTY, STATE OF UTAH

THE STATE OF UTAH, :
 :
 Plaintiff, : **AFFIDAVIT OF PROBABLE CAUSE**
 :
 vs. :
 :
 ANNA LEE BRADLEY : Case No: 081402368
 DOB: September 15, 1965 :
 : Judge: McKay / Div 1
 :
 Defendant :

STATE OF UTAH)
 :SS
COUNTY OF UTAH)

I, JONATHAN STEWART, being first duly sworn upon oath, depose and state as follows:

1. I am currently employed as a Securities Compliance Investigator for the Utah Department of Commerce, Division of Securities. Prior to my employment with the Division of Securities, I was employed by the Utah Division of Consumer Protection as

an investigator. I hold a Bachelor of Science degree from the University of Utah in Sociology with a Certificate in Criminology. I am currently investigating possible violations of securities fraud statutes and related criminal code violations by ANNA LEE BRADLEY.

2. The facts set forth in this affidavit are based upon the results of an investigation during which I have interviewed and/or collected and reviewed records from witness and other sources. I have received information from Ron and Wendy Hendry.

PARTIES

3. Anna Lee BRADLEY, at all pertinent times, resided in Mapleton, Utah County, Utah.
4. A search on the Utah's Department of Commerce web site reveals that Race, LLC ("Race"), filed with the Utah Division of Corporations on May 24, 2005. Corporate documents show that BRADLEY was listed as a Member.

BACKGROUND

5. The Hendrys were told their investment would be backed by real estate.
6. The Hendrys were told they would get 3% per month on their investment.
7. The Hendrys were told that the Bradleys would personally guarantee their investment.
8. BRADLEY misrepresented or omitted material facts to the Hendrys.

SECURITIES FRAUD

9. On May 11, 2007 BRADLEY accepted \$30,000 from the Hendrys. The transaction involved a promissory note which is a security as defined by Utah Code Ann. §61-1-13 (1953, as amended).

10. BRADLEY misrepresented material facts to the above named investor in connection with the offer or sale of a security, including but not limited to:
 - a. BRADLEY told the Hendrys their investment would be backed by real estate;
 - b. BRADLEY told the Hendrys they would get 3% per month on their investment;
11. BRADLEY directly or indirectly omitted material facts in discussions with one or more investors in connection with the offer or sale of a security, including but not limited to:
 - a. BRADLEY did not tell the Hendrys the issuer's business and operating history;
 - b. BRADLEY did not tell the Hendrys the identities of the principals in Race, LLC along with their experience in this type of business;
 - c. BRADLEY did not give the Hendrys financial statements for Race;
 - d. BRADLEY did not tell the Hendrys about the market for the product of the company;
 - e. BRADLEY did not tell the Hendrys about the nature of competition for the product;
 - f. BRADLEY did not tell the Hendrys about the current capitalization of the issuer;
 - g. BRADLEY did not give the Hendrys a description of how the investment makes money;
 - h. BRADLEY did not tell the Hendrys about the number of other investors;
 - i. BRADLEY did not tell the Hendrys the minimum capitalization needed to participate in the investment;
 - j. BRADLEY did not discuss pertinent suitability factors with the Hendrys;

- k. BRADLEY did not tell the Hendrys about any conflict of interest the issuer, the principals, or the agent may have with regard to the investment;
- l. BRADLEY did not tell the Hendrys about agent commissions or compensation for selling the investment;
- m. BRADLEY did not tell the Hendrys whether the investment was a registered security or exempt from registration;
- n. BRADLEY did not tell the Hendrys whether the person selling the investment was licensed to sell securities;
- o. BRADLEY did not tell the Hendrys that the Bradleys had filed for bankruptcy in 2000;

COUNT 1
SECURITIES FRAUD, a second degree felony
(Ron & Wendy Hendry)

- 12. In March or April 2007, in Utah County, Wendy was first introduced to the investment opportunity in Race, LLC, by BRADLEY.
- 13. BRADLEY told Wendy that Race was a company owned and operated by her and Randy Bradley. BRADLEY told Wendy that she and her husband could borrow money on their home to invest with Race, and that they would receive a monthly return of 3%.
- 14. BRADLEY also told Wendy that Wendy could collect money from other investors, offer them a return of 2% monthly on their investment, while Wendy and her husband still earned 3% monthly by investing the money with Race. Wendy could then keep the remaining 1% received from Race.

15. Wendy told BRADLEY she had sold her mother's home in California, and from the sale she had approximately \$30,000 remaining to invest.
16. BRADLEY told Wendy that Race would give her a promissory note as evidence of her investment.
17. In April or May, 2007, Ron and Wendy went to dinner with BRADLEY and Randy in Utah County; the investment opportunity with Race was discussed. Ron and Wendy were told by BRADLEY and Randy that they would receive a monthly return of 3% from an investment with Race.
18. Wendy asked Randy about the risk involved, and BRADLEY and Randy both said the promissory note would be backed by real estate and that BRADLEY and Randy would personally guarantee the investment.
19. BRADLEY and Randy told Ron that they had been paying their investors interest for two years and that everything would be fine.
20. Randy assured Ron and Wendy that their money would go to Founders Capital, LLC, where Randy was employed, and their investment would be secured by real estate.
21. On May 11, 2007, Ron and Wendy invested \$30,000 with Race, by hand-delivering a check to Randy from Ron and Wendy's business, made payable to Race, LLC.
22. Ron and Wendy received a \$30,000 promissory note from Race, dated June 1, 2007, with a stated interest rate of 3% per month, the note contained the signature of Randy as the managing member.

FILED

AUG 14 2008

4TH DISTRICT
STATE OF UTAH
UTAH COUNTY

E. NEAL GUNNARSON, Bar No. 1273
Assistant Attorney General
MARK L. SHURTLEFF, Bar No. 4666
Utah Attorney General
5272 South College Drive, #200
Murray, UT 84123
Telephone: (801) 281-1221
Facsimile: (801) 281-1224

IN THE FOURTH JUDICIAL DISTRICT COURT IN AND FOR
UTAH COUNTY, STATE OF UTAH

THE STATE OF UTAH, : Bail \$ _____
 :
 Plaintiff, :
 : **CRIMINAL INFORMATION**
 vs. :
 :
 ANNA LEE BRADLEY, : Case No: 08/402368
 DOB: September 15, 1965 :
 : Judge McKay/Div 1
 Defendant. :

The undersigned, JONATHAN STEWART, upon oath, states on information and belief that the defendant has committed the following crimes:

SECURITIES FRAUD
a second degree felony (1 count)

COUNT 1
SECURITIES FRAUD
a second degree felony

Commencing on or about March 2007, in the State of Utah, Utah County, the defendant, in connection with the offer or sale of a security, directly or indirectly, to **RON AND WENDY**

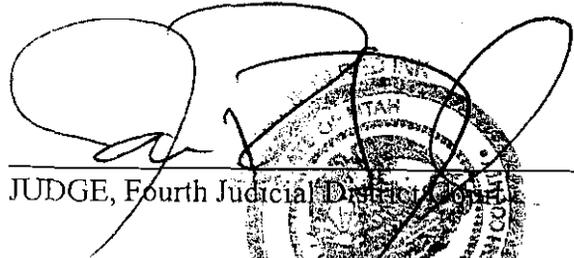
HENDRY, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a second degree felony under Utah Law.

DATED this 14 day of August, 2008.



JONATHAN STEWART, Affiant

SUBSCRIBED AND SWORN to before me on this
14 day of Aug., 2008.



JUDGE, Fourth Judicial District Court



I CERTIFY THAT THIS IS A TRUE COPY OF AN ORIGINAL DOCUMENT ON FILE IN THE FOURTH JUDICIAL DISTRICT COURT, UTAH

DATE: 08-14-2008

DEPUTY CLERK



This CRIMINAL INFORMATION is based upon evidence from the following witnesses:

1. Ron Hendry
2. Wendy Hendry
3. And Others.

AUTHORIZED for presentment and filing this 13th day of August,
2008.

MARK L. SHURTLEFF
Utah Attorney General

By: Chadene Below
Sec E. NEAL GUNNARSON
Assistant Attorney General

CLERK OF COURT
JUL 10 10 48

E. NEAL GUNNARSON, Bar No. 1273
Assistant Attorney General
MARK L. SHURTLEFF, Bar No. 4666
Utah Attorney General
5272 South College Drive, #200
Murray, Utah 84123
Telephone: (801) 281-1221
Facsimile: (801) 281-1224

IN THE FOURTH JUDICIAL DISTRICT COURT IN AND FOR
UTAH COUNTY, STATE OF UTAH

THE STATE OF UTAH, : Bail \$ 10,000.00 c/b
 :
 Plaintiff, :
 : **WARRANT OF ARREST**
 vs. :
 :
 ANNA LEE BRADLEY, : Case No: 081402368
 DOB: September 15, 1965 :
 : Judge: McVey Div 1
 Defendant. :

THE STATE OF UTAH TO ANY PEACE OFFICER IN THE STATE OF UTAH,
GREETINGS:

An Information, upon oath, having been this day made before me by Investigator Jonathan Stewart, and it appearing from the Information, or affidavit filed with the Information, that there is probable cause to believe that the public offense(s) of: **Securities Fraud, a second degree felony, 1 count**, has been committed, and that the defendant, ANNA LEE BRADLEY, has committed these offenses,

YOU ARE THEREFORE COMMANDED to arrest the above named defendant forthwith and bring the defendant before this court, or before the nearest or most accessible magistrate for setting bail. If the defendant has fled justice, you shall pursue the defendant into any other county of this state and there arrest the defendant. The offenses listed above are felonies.

Bail is set in the amount of \$ 10,000 cash or bond

DATED this 14 day of Aug., 2008.



HONORABLE
JUDGE, FOURTH DISTRICT COURT

I CERTIFY THAT THIS IS A TRUE COPY OF
AN ORIGINAL DOCUMENT ON FILE IN THE
FOURTH JUDICIAL DISTRICT COURT, UTAH

Defendant's Last Known Address:

423 East 1700 North
Mapleton, UT 84664

DATE: 08-14-2008

DEPUTY COURT CLERK

