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
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BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

IN THE MATTER OF:	**ORDER TO SHOW CAUSE**
NOVUS TECHNOLOGIES, LLC **RALPH W. THOMPSON JR.** **DUANE C. JOHNSON** **Respondents.**	**Docket No.** SD-07-0089 **Docket No.** SD-07-0090 **Docket No.** SD-07-0091

It appears to the Director of the Utah Division of Securities (Director) that Novus Technologies, LLC, Ralph W. Thompson Jr., and Duane C. Johnson (Respondents) may 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 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 the Respondents and the subject matter is appropriate because the

Division alleges that Respondents violated §§ 61-1-1 (securities fraud), 61-1-7 (sale of unregistered securities), and 61-1-3 (sale by unlicensed agents) of the Act while engaged in the offer and sale of securities in Utah.

STATEMENT OF FACTS

THE RESPONDENTS

2. Novus Technologies, LLC (Novus), registered as a Utah limited liability company on February 9, 2000, and its current entity status is "active." Ralph W. Thompson Jr. is the sole manager of Novus.

3. Ralph W. Thompson Jr. (Thompson) resides in Davis County, Utah.

4. Duane C. Johnson (Johnson) resides in Davis County, Utah. At all times relevant to the matters asserted herein, Thompson conducted weekly investor meetings and personally participated in the solicitation of investors on behalf of Novus.

GENERAL ALLEGATIONS

5. From September 2006 to March 2007, Novus, Thompson, and Johnson collected more than eleven million dollars from as many as 61 investors from Utah, Idaho, Colorado, Arizona, California, Texas, Illinois, West Virginia, and Florida. The investments made by four of those 61 investors are described below in more detail.

6. Respondents told investors they would receive a Novus promissory note or a joint venture agreement in return for their investment, that they would receive anywhere from 2.5 to 6% interest per month (depending on the amount invested), and that their principal

was guaranteed against loss by Novus' assets.

7. Respondents told investors that the majority of their investment would be placed in low-risk investments such as land, and that approximately 20% of investor funds would be placed in high-risk investments like the S&P 500 index fund, the futures market, and foreign currency markets.

8. Respondents referred investors who lacked the funds to invest to a representative at JP Morgan Chase Bank. The representative arranged for the investors to obtain a small business loan and then transferred the funds to Novus' account.

9. Instead of placing investor funds in low-risk investments, Novus transferred the majority of investor funds to high-risk futures trading accounts where the money was eventually lost.

10. Novus was able to make payments to investors, not with profits from futures trading, but with investments received from new investors, i.e. a Ponzi scheme.

11. On April 11, 2007, the Securities and Exchange Commission (SEC) filed a civil complaint in the U.S. District Court, District of Utah (Central), against Novus, Thompson, Johnson, and several other individuals and entities, alleging violations of federal securities laws including, but not limited to: fraud in the offer and sale of a security; employment of a device, scheme, or artifice to defraud; and the offer and sale of unregistered securities.

12. On April 11, 2007, the SEC also successfully moved to freeze all of Novus' assets.

Investor OC

13. In September 2006, investor OC and his wife met with Thompson at his office in Davis County, Utah.

14. Thompson told OC and his wife the following regarding the investment in Novus:

    a. Novus' promissory notes are structured in the same way banks use the Federal Reserve and insurance;

    b. OC's money would be placed in a fund used to purchase interest producing assets, and 20% of the interest produced would be invested in high-risk stocks and the foreign currency market;

    c. OC would earn 2.5% per month on an investment in Novus;

    d. The minimum investment amount was $100,000, and Novus would accept additional money in increments of $25,000 after that;

    e. Money invested in Novus had to come from a business, and OC could arrange to get a business loan at Chase Bank;

    f. The investment was not a security and Thompson therefore did not need to be licensed to sell securities;

    g. If Novus failed, the company would "eat it" and return all of OC's principal;

    h. OC could get his money back with 30 days notice;

    i. Novus is capitalized through its assets, and it owns apartments and a radio station in Chicago;

j. Thompson went on an LDS mission to China and stayed for 15 years to work in manufacturing;

k. Thompson owns another company called Equidigm[1]; and

l. Thompson is not one of those guys that is here today and gone tomorrow.

15. Thompson did not tell OC, among other things, that the majority of investor funds were placed in high-risk investments, that interest payments to current investors came from money invested by later investors, and that Thompson, Johnson, and others used some of the money invested to pay personal expenses.

16. In September 2006, after the meeting with Thompson, OC met with representatives at Chase Bank to arrange a $100,000 line of credit. When the line of credit was approved, the $100,000 was transferred to a Novus account at Chase Bank.

17. In return for his investment, OC received a $100,000 six-month promissory note from Novus Technologies, dated September 22, 2006, which appears to have been signed by Thompson. The note includes an interest rate of 5% per month.

18. On October 6th or 7th, 2006, OC deposited a $5,000 interest check from Novus into his account at Chase Bank. The following day OC checked on-line to see if his funds had been credited to his account, and when OC couldn't find the record, he called Chase

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[1] Equidigm Financial Group, Inc. was registered as a Utah corporation on January 14, 2006, and its corporate status is currently "active." Thompson is the president of Equidigm, which, according to Novus' Internet webpage (www.novus-tech.com), is a financial services marketing company that generates leads for the financial services industry.

Bank.

19. A representative from the bank told OC that all of OC's accounts had been closed on October 4, 2006, and for more information OC should contact Chase Bank's fraud department.

20. When OC contacted the fraud department, OC was told that 700 accounts had been closed due to suspected fraud.

21. OC attempted to contact the Chase Bank representatives who assisted him with the line-of-credit, and discovered that they no longer worked for Chase.

22. OC believed that the problem involved Chase Bank, not Novus, and went on to make two more investments.

23. On December 4, 2006, OC invested $10,000 in Novus by check made payable to Novus.

24. On December 29, 2006, OC invested an additional $30,000 in Novus via wire transfer.

25. OC did not receive a promissory note for his December 2006 investments.

26. In January 2007, when OC discovered that Novus was under investigation by the State of Utah and the Securities and Exchange Commission, he requested and received his money back from Thompson.

Investor CH

27. In October 2006, investor CH met with Thompson and Johnson at CH's business in Davis County, Utah.

28. At the meeting, Thompson and Johnson told CH the following regarding the investment

opportunity in Novus:

a. Novus, through a division of the company called "Money Tech" was offering promissory notes;

b. The notes were not an investment but rather a business-to-business loan;

c. To participate, CH had to purchase a note from Novus through CH's business;

d. The notes paid 60% annual interest;

e. Thompson's brother-in-law was participating using money from his 401k, and had been receiving $20,000 per month in interest;

f. The notes are unsecured, but Novus had sufficient assets to cover a note holder's principal and interest for the six-month term;

g. Novus had never made a late payment to a note holder;

h. There is no risk to note holders because their money is pooled with other note holders' money in a large interest-bearing account;

i. The minimum investment was $100,000, and CH could get his money out with 30 days notice; and

j. The note program is not a Ponzi scheme.

29. Thompson did not tell CH, among other things, that the majority of investor funds were placed in high-risk investments, that interest payments to current investors came from money invested by later investors, and that Thompson, Johnson, and others used some of the money invested to pay personal expenses.

30. Thompson and Johnson gave CH a list of other note holders, and CH contacted three of them to discuss their investments. CH received positive feedback from all three.

31. When CH decided to invest in Novus, Thompson and Johnson referred him to a Chase Bank representative to obtain a business line of credit.

32. On November 6, 2006, after obtaining the business loan from Chase Bank for $100,000, CH sent the money to Novus' bank account at Barnes Bank, via wire transfer.

33. On November 7, 2006, CH received a promissory note from Novus in the amount of $100,000, which appears to have been signed by Thompson, included monthly interest of 5% per month, and matured in six months.

34. On January 16, 2007, CH invested another $200,000 with Novus, via wire transfer.

35. CH picked up his $200,000 promissory note in person from Novus' office, which contained terms similar to the first note.

36. On March 6, 2007, CH requested and received $100,000 of his investment from Novus.

37. Respondents still owe CH $200,000 in principal alone.

Investor JA

38. In December 2006, in Salt Lake County, Utah, investor JA was first introduced to the investment opportunity in Novus Technologies while attending a presentation held by Thompson and Johnson.

39. Thompson and Johnson gave the presentation on the Novus investment opportunity to a group of 20-30 people at the Cottonwood Mall in Salt Lake County, Utah.

40. During the presentation, Thompson and Johnson made the following statements:

a. Novus' principals had been in the business before and were associated with Equidigm;

b. Novus was offering six-month promissory notes with 4% interest per month;

c. The minimum investment in Novus was $100,000 and additional investments could be made in increments of $25,000;

d. Investor money is pooled and 80% placed in low-risk investments such as land, while 20% is placed in high-risk investments like the S&P 500 index fund and the foreign currency exchange;

e. Principal was guaranteed 100% against loss by Novus' assets;

f. Novus maintained funds to "cover" six months of principal and interest;

g. Investors could withdraw their principal at any time by giving Novus 30 days notice;

h. Novus made money the same way insurance companies made money; and

i. Novus' principals are also Novus investors.

41. Sometime in December 2006, after Novus' presentation, JA met with Johnson at Novus' office in Davis County, Utah to discuss the investment opportunity.

42. During the meeting, Johnson told JA the same things Johnson said at the presentation.

43. Johnson offered JA a reference list of Novus investors, but JA did not take the list.

44. Thompson did not tell JA, among other things, that the majority of investor funds were

placed in high-risk investments, that interest payments to current investors came from money invested by later investors, and that Thompson, Johnson, and others used some of the money invested to pay personal expenses.

45. In January 2007, JA invested $200,000 in Novus' investment opportunity by hand-delivering a cashier's check to one of Novus' employees at Novus' office. The same employee had JA sign a promissory note and then gave JA a copy of the note. The employee told JA he would mail a copy of the executed note to JA after it was executed by Thompson.

46. JA never received an executed copy of the note.

47. On February 6, 2007, JA went to Novus' office to pick up his partial January interest payment.

48. On March 7, 2007, JA received his February interest check of $8,000 from Novus by US Mail.

49. JA received no additional payments of interest or principal and the Respondents still owe JA $200,000 in principal alone.

Investor SC

50. In late January 2007, investor SC met with Thompson in Davis County, Utah to discuss the investment opportunity in Novus.

51. Thompson told SC the following regarding the investment opportunity:

a. Novus uses investor money to purchase real estate and invest in the S&P 500;

b. Twenty-five percent of investor funds is used for high-risk investing, and the remainder is used to purchase real estate;

c. Novus is a "pretty safe" investment;

d. Thompson and Johnson are principals of Novus.

52. Thompson did not tell SC, among other things, that the majority of investor funds were placed in high-risk investments, that interest payments to current investors came from money invested by later investors, and that Thompson, Johnson, and others used some of the money invested to pay personal expenses.

53. On January 19, 2007, a Novus employee sent SC a list of current investors that she could contact. SC chose not to call anyone on the list.

54. On March 14, 2007, SC invested in Novus by sending $100,000, via wire transfer, to Novus' account at Barnes Bank.

55. In return for her investment, SC received a Novus Technologies Joint Venture Agreement, dated March 15, 2007, which appears to have been signed by Thompson.

56. The Joint Venture Agreement provided that SC would receive monthly interest of 4% payable in one lump sum at the end of seven months.

57. SC had no managerial role in the Novus investment opportunity other than supplying capital.

58. On March 17, 2007, SC spoke to a Novus employee and requested the return of her investment in 30 days. The Novus employee told SC that there might be a problem

getting SC her money within that time frame.

59. SC received no interest or principal payments from Novus, and the Respondents still owe her $100,000 in principal alone.

Offeree NM

60. On March 15, 2007, NM was introduced to the investment opportunity with Novus while attending a presentation at the Cottonwood Mall in Salt Lake County, Utah.

61. At the presentation, Thompson introduced the 20 to 30 people in attendance to several different investment opportunities, one of which was with Novus.

62. Thompson told those in attendance they could withdraw equity from their home to free it up for investment and earn a positive return. Thompson also inferred that individuals could invest with Novus.

63. After the presentation, NM spoke to Thompson and set up an appointment to meet at Novus' office on March 26, 2007.

64. At the March 26th meeting in Davis County, Utah, Thompson told NM the following regarding the investment with Novus:

a. Investors enter into a six-month joint venture agreement with Novus;

b. The investment is in "everything Novus does" which includes a television station, joint ventures with the Chinese government, banking, insurance, reinsurance, investment in precious metals, manufacturing and real estate;

c. Novus has a large enough cash and liquid asset reserve to fully secure all

investors who have outstanding six-month contracts of up to $100,000;

d. The investment is not a Ponzi scheme because Novus has enough liquidity for six months;

e. Investors can get their money back within 30 days of a request;

f. The joint venture agreement can be customized to suit the needs of the individual investor;

g. The Novus investment opportunity is available to both accredited and non-accredited investors;

h. Novus pays a minimum of 3% per month for a six-month term. The 3% monthly return is the conservative model and is a starting point;

i. Twenty-five percent of an investor's funds is pooled with other investors' funds and invested in various Novus projects. The remaining 75% is kept in a "secure" account;

j. Once someone becomes a Novus client they can participate in Novus' "real investment pool" which invests in such things as real estate and purchase orders;

k. Investor money is secured by Novus' assets, which include 37 registered gold claims worth at least $200 million;

l. The Novus program is less risky than an investment in a 401k or a common fixed rate mortgage; and

m. Novus has spent $1 million on SEC compliance and Novus was 100% in

compliance with all securities laws.

65. Thompson also told NM that Novus could refer an investor to a contact at a bank who would assist them with obtaining the funds to invest with Novus.

66. Thompson did not tell NM, among other things, that the majority of investor funds were placed in high-risk investments, that interest payments to current investors came from money invested by later investors, and that Thompson, Johnson, and others used some of the money invested to pay personal expenses.

67. At the meeting, Thompson gave NM three documents: (1) a draft Joint Venture Agreement with Novus, (2) Novus' balance sheet and list of assets, and (3) Iseman Consulting's Report on Novus' mining claims.

68. The Joint Venture Agreement states that its purpose is to "increase business, cash flow and gross/net income, through the provision of additional working capital under a joint venture financial agreement" and that "[Novus] has the capability and business revenue to pay a return on investment to a joint venture financial partner." The Agreement also includes a section whereby Novus agrees to "pay to [investor] a stated return on investment of _____ (_____%) Per Cent, per month."

69. Amongst the assets listed on Novus' balance sheet are Southern Utah gold mining claims valued at $37 billion, $7 million in marketable securities, $600,000 in cash, and real estate containing equity of $6.8 million.

70. The Iseman Consulting Report, a spurious report given to investors regarding the metal

content of the core samples, states the results of testing performed on seven ore samples from Novus' mines in Southern Utah. According to the report, testing done on just one sample from a Novus mining claim contained 38,720,000 tons of metal such as gold, silver, and platinum, with a gross value of $67,742,188,800. Results from the other six samples are equally as impressive.

71. On April 3, 2007, after reviewing the joint venture agreement, NM asked Thompson, via e-mail, to clarify what role, if any, NM would play in the proposed venture.

72. Thompson responded to NM's e-mail the same day and explained that NM would have no personal role whatsoever, and that all profits earned pursuant to the Joint Venture Agreement would be made through the efforts of Novus and the development and expansion of Novus' business.

73. NM chose not to enter into the joint venture with Novus.

CAUSES OF ACTION

COUNT I
Securities Fraud under § 61-1-1(2) of the Act
(Novus Technologies, LLC, Ralph W. Thompson Jr., Duane C. Johnson)

74. The Division incorporates and re-alleges paragraphs 1 through 73.

75. The promissory notes offered and sold to investors by the Respondents are securities under § 61-1-13 of the Act. The joint venture agreements are investment contracts, and are therefore also securities under § 61-1-13 of the Act. An investment contract includes,

> any investment in a common enterprise with the expectation of

> profit to be derived through the essential managerial efforts of someone other than the investor; or . . . any investment by which . . . an offeree furnishes initial value to an offerer; . . . a portion of this initial value is subjected to the risks of the enterprise; . . . the furnishing of the initial value is induced by the offerer's promises or representations which give rise to a reasonable understanding that a valuable benefit of some kind over and above the initial value will accrue to the offeree as a result of the operation of the enterprise; and . . . the offeree does not receive the right to exercise practical or actual control over the managerial decisions of the enterprise.

UTAH ADMIN. CODE R164-13-1(B)(1)(a) and 1(b).

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

a. The majority of the investor funds would be invested in low-risk, interest producing assets, when in fact, almost all of the money invested was placed in high-risk futures trading;

b. Thompson told investor OC that the investment opportunity in Novus was not a security, when, in fact, the investment opportunity is a security under the Act;

c. Thompson told offeree NM that Novus secured invested funds with its assets which included gold mining claims valued at approximately $200 million, when in fact, this is a grossly exaggerated value of the mining claims.

d. Thompson and Johnson told investor CH and JA that Novus had sufficient assets to cover a note-holder's principal and interest for the term of six-months, when, in fact, they had no reasonable basis on which to make this representation;

e. Thompson and Johnson told investor CH that there was no risk involved in the investment, when, in fact, they had no reasonable basis on which to make this representation; and

f. Thompson and Johnson told investor CH that the investment opportunity in Novus was not a Ponzi scheme, when, in fact, it was.

77. In connection with the offer and sale of securities to investors, the Respondents, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make representations made not misleading:

a. That almost 100% of investor funds were invested in high-risk futures trading, and that significant losses were incurred in those investments;

b. That the interest payments investors received from Novus represented investments from new Novus investors rather than profits on investment activity;

c. That some of investors funds would be used by Thompson and Johnson for personal expenses;

d. That Gregory J. Iseman, of Iseman Consulting, was not a registered assayer with the Arizona State Board of Technical Registration, and the results of his tests on the ore samples from Novus' supposed mining claims could not reasonably relied upon and were grossly exaggerated;

e. Some or all of the information typically provided in an offering circular or prospectus regarding Novus Technologies, LLC, such as:

i. The business and operating history for Novus Technologies, LLC;

ii. Identities of the principals for Novus, along with their experience with investing in real estate, the S&P 500, and futures trading;

iii. Financial statements for Novus;

iv. The market for Novus' service(s);

v. The nature of the competition for the service(s);

vi. The current capitalization for Novus;

vii. A description of how the investment would be used by Novus;

viii. The track record of Novus to its investors;

ix. Risk factors for investors;

x. The number of other investors;

xi. The minimum capitalization needed to participate in the investment;

xii. The disposition of any investments received if the minimum capitalization were not achieved;

xiii. The liquidity of the investment;

xiv. Discussion of pertinent suitability factors for the investment;

xv. The proposed use of the investment proceeds;

xvi. Any conflicts of interest the issuer, the principals, or the agents may have with regard to the investment;

xvii. Agent commissions or compensation for selling the investment;

xviii. Whether the investment is a registered security or exempt from registration; and

xix. Whether the person selling the investment is licensed.

78. Based upon the foregoing, Novus Technologies, LLC, Ralph W. Thompson, and Duane C. Johnson violated § 61-1-1 of the Act.

COUNT II
Sale of Unregistered Securities under § 61-1-7 of the Act
(Novus Technologies, LLC, Ralph W. Thompson Jr., Duane C. Johnson)

79. The Division incorporates and re-alleges paragraphs 1 through 73.

80. Novus, Thompson, and Johnson offered and sold securities in or from this state.

81. The securities offered and sold by the Respondents were not registered under the Act, and Respondents did not file any claim of exemption relating to the securities.

82. Based on the above information, Novus Technologies, LLC, Ralph W. Thompson, and Duane C. Johnson violated § 61-1-7 of the Act.

COUNT III
Sale by Unlicensed Agents under § 61-1-3 of the Act
(Ralph W. Thompson Jr. and Duane C. Johnson)

83. The Division incorporates and re-alleges paragraphs 1 through 73.

84. Thompson and Johnson offered or sold securities in or from Utah.

85. When offering and selling these securities on behalf of Novus, Thompson and Johnson were acting as agents of an issuer.

86. Neither Thompson nor Johnson have ever been licensed to sell securities in Utah as an

agent of this issuer, or any other issuer.

87. Based on the above information, Ralph W. Thompson Jr. and Duane C. Johnson violated § 61-1-3 of the Act.

COUNT IV
Fraudulent Practices under § 61-1-1 of the Act
(Ralph W. Thompson Jr. and Duane C. Johnson)

88. The Division incorporates and re-alleges paragraphs 1 through 73.

89. Ralph W. Thompson Jr. and Duane C. Johnson engaged in acts, practices, or courses of business that operate or would operate as a fraud or deceit on investors, including, but not limited to, the following:

a. Telling investors that money invested with Novus had to come from a business and could be no less than $100,000, in order to encourage investors to apply for a small business loan with the Respondents contacts at a local bank, and to facilitate investors' ability to invest larger sums of money;

b. Establishing a relationship with certain representative of a local bank, in order to facilitate investor loans which were immediately transferred into Novus' bank accounts; and

c. Purchasing and then providing to investors, a written report of the value of Novus' mining claims containing grossly exaggerated values, prepared by an individual who was not a registered assayer with the appropriate state board, in order to convince investors that their investments would be secured by substantial

assets.

ORDER

The Director, pursuant to § 61-1-20 of the Act, hereby orders the Respondents to appear at a formal hearing to be conducted in accordance with Utah Code Ann. §§ 63-46b-4 and 63-46b-6 through -10, and held before the Utah Division of Securities. The hearing will occur on Monday, January, 28th, 2008, at 10:00 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 the 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. § 63-46b-11. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, the Respondents may show cause, if any they have:

a. Why Novus Technologies, LLC, Ralph W. Thompson Jr., and Duane C. Johnson should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;

b. Why Novus Technologies, LLC, Ralph W. Thompson Jr., and Duane C. Johnson should not be ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1-1, or any other section of the Act;

c. Why Novus Technologies, LLC, Ralph W. Thompson Jr., and Duane C. Johnson should not be ordered to pay a fine, jointly and severally, of twelve million dollars ($12,000,000) to the Division of Securities, which may be reduced by restitution

paid to the victims.

DATED this 18TH day of December, 2007.

WAYNE KLEIN
Director, Utah Division of Securities

Approved:

JEFF BUCKNER
Assistant Attorney General

D. P.

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Utah Department of Commerce
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BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

IN THE MATTER OF:	**NOTICE OF AGENCY ACTION**
NOVUS TECHNOLOGIES, LLC **RALPH W. THOMPSON JR.** **DUANE C. JOHNSON** **Respondents.**	**Docket No.** SD-07-0089 **Docket No.** SD-07-0090 **Docket No.** SD-07-0091

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

The purpose of this Notice of Agency Action is to inform you that the Division hereby commences a formal adjudicative proceeding against you as of the date of the mailing of the Order to Show Cause. The authority and procedure by which this proceeding is commenced are provided by Utah Code Ann. §§ 63-46b-3 and 63-46b-6 through 11. The facts on which this action is based are set forth in the foregoing Order to Show Cause.

Within thirty (30) days of the mailing date of this notice, you are required to file an Answer with the Division. The Answer must include the information required by Utah Code §

63-46b-6 (1). In addition, you are required by § 63-46b-6 (3) to state: a) by paragraph, whether you admit or deny each allegation contained in the Order to Show Cause, including a detailed explanation for any response other than an unqualified admission; b) any additional facts or documents which you assert are relevant in light of the allegations made; and c) any affirmative defenses (including exemptions or exceptions contained within the Utah Uniform Securities Act) which you assert are applicable. To the extent that factual allegations or allegations of violations contained in the Order to Show Cause are not disputed in your Answer, they will be deemed admitted.

Your Answer, 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 Pam Radzinski Division of Securities 160 E. 300 S., Second Floor Box 146760 Salt Lake City, UT 84114-6760 (801) 530-6600	Jeff Buckner Assistant Attorney General 160 E. 300 S., Fifth Floor Box 140872 Salt Lake City, UT 84114-0872 (801) 366-0310

A hearing date has been set for Monday, January 28th, 2008, at 10:00 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.

If you fail to file an Answer, as set forth herein, or fail to appear at the hearing, the Division of Securities may hold you in default, and a fine and other sanctions may be imposed against you in accordance with Utah Code Ann. § 63-46b-11, without the necessity of providing you with any further notice. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, you may appear and be heard and present evidence on your behalf. You may be represented by counsel during these proceedings.

The presiding officer in this case is Wayne Klein, Director, Division of Securities. Questions regarding the Order to Show Cause and Notice of Agency Action should be directed to the Division's attorney, Jeff Buckner, at (801) 366-0310.

DATED this 18th day of December, 2007.

Wayne Klein

WAYNE KLEIN
Director, Division of Securities
Utah Department of Commerce

Certificate of Mailing

I certify that on the 18TH day of December, 2007, I mailed, by certified mail, a true and correct copy of the Order to Show Cause and Notice of Agency Action to:

Novus Technologies, LLC
1568 S. 500 W., Suite 102
Woods Cross, UT 84087

Certified Mail #70070710000302081419

Ralph W. Thompson, Jr.
128 N. Wood Hill Lane
North Salt Lake, UT 84054

Certified Mail #70070710000302081426

Duane C. Johnson
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North Salt Lake, UT 84054

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Pam Radzinski
Executive Secretary