

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, Department of Finance,
Securities Bureau,

Complainant,

vs.

James Brainard, Coventry LLC, Copper Creek LLC,

Respondents.

Docket No. 2010-7-17

AGREEMENT AND ORDER

The Director of the Department of Finance has instituted an investigation into the business activities of James Brainard, Coventry LLC, Copper Creek LLC, their agents and representatives. Pursuant to said investigation, it appears to the Director that violations of the Idaho Uniform Securities Act (Act), Idaho Code §30-14-101 et seq., have occurred.

Prior Action

On August 19, 2011, The Department and the respondents entered into an Agreement and Order wherein certain violations of the Idaho Uniform Securities Act were identified and the following remedies were proposed:

1. *The respondents neither admit nor deny the findings of violations as alleged herein.*
2. *The respondents agree to offer rescission to all investors who have invested in securities issued by Coventry, LLC, Copper Creek, LLC or James Brainard.*
3. *The respondents agree that the attached list represents all the investors and the amounts each has invested with Coventry, LLC, Copper Creek, LLC or James Brainard.*
4. *The Department agrees to defer enforcement of the rescission order until September 1, 2012 at which time the respondents will provide copies of current income tax filings and a complete and current asset list. Upon receipt of these financial documents the Department will*

determine the terms of rescission.

5. The respondents agree to not solicit any further investments in or from Idaho unless and until the offerings and the sales agents are in compliance with of the Idaho Uniform Securities Act.

6. The respondents agree to not claim the availability of, use, or offer or sell securities under any exemptions under the Idaho Uniform Securities Act without giving written notice to the Director. Said written notice shall be provided at least ten (10) days in advance of the proposed activities in Idaho.

7. Respondent Brainard is ordered to pay a civil penalty in the amount of \$10,000.00 to the Idaho Department of Finance. Penalty may be deferred or rescinded upon payment of full restitution to all investors.

8. The respondents agree to abide by the Idaho Uniform Securities Act in the future. In the event that they commit future violations of the Idaho Uniform Securities Act or fail to adhere to the terms of this Order, the respondents acknowledge that Complainant can incorporate the allegations giving rise to this Order in any future proceeding.

The respondents agreed to these terms and the agreement and order was signed by both parties.

In paragraph 2 of the remedies outlined in the Agreement and Order the respondents agreed to offer rescission to all investors (see above). The Department has determined that the losses incurred by investors totaled \$2,351,600.00. The respondents also agreed to pay a civil penalty of \$10,000.00.

On November 15, 2012 the respondents provided the documents required pursuant to paragraph 4 of the remedies outlined in the Agreement and Order (see above).

Financial Determination

In reviewing the respondent's current and expected financial condition the Department has determined that the respondents will be unable to fulfill the required financial remedies.

In lieu of the original financial remedies as agreed to in the Agreement and Order dated August 19, 2011 the Department proposes the following modifications in full settlement of this matter:

Amended remedies

The previous Agreement and Order dated August 19, 2011 is incorporated as part of this Agreement and Order except as follows:

James Brainard shall bear no obligation to pay any portion of the amount of the restitution or penalty exceeding \$30,000.00 unless he defaults upon and/or breaches the following terms.

James Brainard agrees to pay to the Department the amount of \$30,000 constituting restitution as outlined in the agreement and order dated August 19, 2011. In satisfaction of this amount and subject to the terms below the Department will waive any further amounts owing under the aforementioned agreement and order.

The Department also agrees to the following payment schedule. Mr. Brainard will make monthly payments to the Department in the amount of \$250.00 beginning on June 1, 2013, and continuing every month for one hundred twenty (120) months.

Mr. Brainard may prepay any payment, but will continue paying until he has paid the total sum of \$30,000 after which his payments will cease.

If Mr. Brainard fails to make any payment on time he shall be immediately liable for the full amount of the restitution and penalties totaling \$2,351,600.00. Time is of the essence for such payments, and the parties agree that failure to make a payment on time is a material breach

of this agreement.

If Mr. Brainard fails to make a payment on time, the Department may immediately commence enforcement of the full restitution amount plus penalties. The Department is not required to give notice of breach to Mr. Brainard. The Department will not waive or extend the payment dates for any reason, unless it chooses to do so in its sole discretion, in which case it will do so only in a writing signed by all parties.


This Agreement and Order is in lieu of civil litigation or other proceedings.

DONE AND DATED at Boise, Idaho, this 26 day of February 2013.

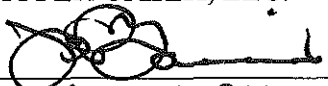
JAMES BRAINARD



COVENTRY, LLC.

BY: JAMES BRAINARD 
NAME: JAMES BRAINARD
TITLE: MANAGER

COPPER CREEK, LLC.

BY: 
NAME: JAMES BRAINARD
TITLE: MANAGER

IT IS SO ORDERED this 10 day of ~~February~~ ^{April} 2013.


GAVIN M. GEE
Director, Idaho Department of Finance

