

David A. Reeve (2717)
Attorney for Respondent
720 East Three Fountains Drive, #77
Murray, Utah 84107
Telephone: (801) 554-2638
Fax: (801) 270-0808

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

IN THE MATTER OF:
CHRISTOPHER C. HARRIS
Respondent.

**RESPONSE TO
ORDER TO SHOW CAUSE**
Docket No. SD-08-0054

COMES NOW David A. Reeve, Attorney At Law, and enters his **Appearance of Counsel** for the above named Respondent, Christopher C. Harris, and hereby **Responds** to the Allegations set forth in the Order to Show Cause as follows:

FIRST DEFENSE

The allegations of the Order to Show Cause fail to state any valid claim or cause of action against the above Respondent, and should be dismissed.

SECOND DEFENSE

Responding to the specific numbered allegations of the Order to Show Cause, the Respondent states as follows;

1. Respondent denies the allegations of paragraph 1.
2. Respondent admits the allegations of paragraph 2.
3. Responding to the allegations of paragraph 3, Respondent admits that on or about December 3, 2005, JC and JC's son came up to Park City and met with Respondent at the hotel where he and his wife were spending the weekend, but denies each and every other allegation therein contained.
4. Responding to the allegations of paragraph 4, and a through e, Respondent denies the same.
5. Responding to the allegations of paragraph 5, Respondent admits that JC's son gave him a check for \$10,000.00 written by JC, but denies each and every other allegation therein contained.
6. Responding to the allegations of paragraph 6, Respondent admits the same.
7. Responding to the allegations of paragraphs 7, 8, 9, 10, 11, 12, 13 and 14, Respondent asserts that in late 2007 that he called JC and informed him that he had repaid JC's son \$8,400.00 of the money he had given to him, and offered to give him another \$1,600 so as to repay the entire \$10,000.00 JC's son had given to him, but denies each and every other allegation contained therein..
8. Responding to the allegations of paragraph 15, Respondent incorporates and reasserts the responses given to paragraphs 1 through 14 of the OTSC.
9. Responding to the allegations of paragraphs 16 and 17, Respondent denies the same.
10. Responding to the allegations of paragraph 18, Respondent denies the same, and as to the other allegations in sub-paragraphs a through d, states as follows:

- a. Respondent has never been discharged in a bankruptcy proceeding.
 - b. At the time in question, Respondent had no knowledge of any civil judgment against himself, and when one was discovered, it was paid in full.
 - c. Respondent did not sell or attempt to sell a security.
 - d. Respondent did not sell or attempt to sell a security, therefore no registration or exemption from registration was needed.
11. Responding to the allegations of paragraph 19, Respondent denies the same.

THIRD DEFENSE

As a separate and affirmative defense to the allegations claimed herein, Respondent asserts that in the fall of 2005, JC's son wanted to learn from and participate with Respondent and his other business partners. JC's son was not an employee of Respondent and had no salary or hourly pay agreement. JC's son was to be paid on a commission basis as an independent contractor if and or when he was able to close any projects that he worked on. JC's son wanted to participate and be involved with Respondent in the return from the project that Respondent was anticipating from an opportunity that was pending. It was agreed by Respondent and JC's son that they would work together on the project, and JC's son would participate in the project, and for such participation would receive a percentage of the proceeds if the project was successful. When the project failed, Respondent, was not obligated too but still, repaid to JC's son \$8,400 of the \$10,000.00 that he had given him. Further, Respondent has attempted on several occasions to give the remaining \$1,600.00 back to him, or to JC himself, with no success. The money paid by the Respondent to JC's son was not deducted by Respondent as an expense or wages on his tax return, no form 1099 was issues to JC's son, and it is herein asserted that JC's son did not claim such amounts as income of any kind on his personal tax filings. The payment of funds by the Respondent to JC's son was treated by

all parties herein as a repayment of a loan. This transaction between the Respondent and JC's son was done in good faith, with full understanding and agreement between all parties, and was not a security or other regulated transaction that would fall under the Utah Law, and therefore, this matter should be dismissed.

WHEREFORE, having fully responded to the allegations of the Order to Show Cause, Respondent requests that the same be dismissed by the Division, and that no further action be taken.

DATED this 30th day June, 2008.



David A. Reeve, Attorney for Respondent

CERTIFICATE OF DELIVERY

I hereby certify that on the 1st day of July, 2008, an original copy of this Appearance and Response to Order to Show Cause was hand delivered by the undersigned to the following:

Administrative Court Clerk
c/o Pan Radzinshi
Division of Securities
160 E. 300 S., Second Floor
Box 146760
Salt Lake City, Utah 84114-6760

Jeff Buckner
Assistant Attorney General
160 E. 300 S., Fifth Floor
Box 14872
Salt Lake City, Utah 84114-0872



David A. Reeve, Attorney for Respondent