

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
FAX: (801)530-6980

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

IN THE MATTER OF:

**HOME AND BUSINESS NETWORKS, LLC
CHRISTOPHER STERLING BELLISTON
MANLY "TED" ELWOOD LOGAN
GRANT DALE PROTZMAN, CRD #4480336**

RESPONDENTS.

ORDER TO SHOW CAUSE

Docket No. SD-09-0020
Docket No. SD-09-0021
Docket No. SD-09-0022
Docket No. SD-09-0023

It appears to the Director of the Utah Division of Securities (Director) that Home and Business Networks, LLC, Christopher Sterling Belliston, Manly "Ted" Elwood Logan, and Grant Dale Protzman (collectively the Respondents) 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 Respondents and the subject matter is appropriate because the Division alleges that they violated §§ 61-1-1 (securities fraud) and 61-1-7 (sale of unregistered

securities) of the Act while engaged in the offer and sale of securities in or from Utah.

STATEMENT OF FACTS

THE RESPONDENTS

2. Home and Business Networks, LLC (HBN) was, at all times relevant to this action, a Utah limited liability company. HBN registered on February 1, 2007, but its entity status expired in June 2008. HBN's principal place of business was in Salt Lake County, Utah. Christopher Sterling Belliston, Manly Elwood Logan, Grant Dale Protzman, and Joseph Allem were all members of HBN.
3. Prior to late 2006 or early 2007, HBN went by the name HBS, or Home and Business Staffing. In April 2006, Home and Business Staffing was registered in Utah as a DBA of Chris Belliston, and its entity status is currently "active." Some investors were told that HBS had changed its name to HBN.
4. Christopher Sterling Belliston (Belliston) is a resident of Salt Lake County, Utah.
5. Manly "Ted" Elwood Logan (Logan) is a resident of Salt Lake County, Utah.
6. Grant Dale Protzman (Protzman) is a resident of Weber County, Utah. Protzman was licensed as a registered representative of WMA Securities from February 4, 2002 to April 12, 2002, and of World Group Securities from April 12, 2002 to May 6, 2005. Protzman has not been licensed in the securities industry in any capacity since May 2005.

GENERAL ALLEGATIONS

7. In 2006 and 2007, in Weber and Salt Lake County, Respondents offered and sold an investment opportunity to at least four Utah investors, and collected a total of at least

\$40,000.

8. Respondents told investors they were accepting investor funds in HBN or HBS to run a call center, staffed by individuals who would solicit purchasers of products sold by multi-level marketing companies.
9. Investors were also told they would receive a portion of the commission paid to the individuals on the call floor in return for selling products.
10. None of the four investors received a return on their investments, and are still owed the entire principal amount invested.

Investor MC

11. In January 2006, in Weber County, Utah, MC met Grant Protzman at an Impact Net Worth¹ meeting. Protzman told MC that Protzman held current securities and insurance licenses. Protzman eventually became MC's financial advisor.
12. In September 2006, Protzman introduced MC to Chris Belliston and Ted Logan at another Impact Net Worth meeting in Weber County, Utah. Protzman told MC that Logan and Belliston had a great, safe investment opportunity for MC.
13. At the meeting, Logan gave MC an HBS business card, and arranged to meet the following week at an office in the Cottonwood Mall in Salt Lake County.
14. In September 2006, at the Cottonwood Mall, MC met with Protzman, Logan, and Belliston to discuss an investment opportunity with HBS. At the meeting, Protzman and

¹ Impact Net Worth, LLC is a Nevada based real estate investment company owned and operated by James Catledge since 2003.

Logan told MC the following:

- a. HBS was seeking investor funds in order to operate a call center;
 - b. Employees of HBS' call center would recruit telemarketers to sell for multi-level marketing companies;
 - c. If MC invested, he would become a "core member," and core members would be placed at the top commission tier of any multi-level marketing campaign in which HBS participated;
 - d. Core members would receive commission splits generated by persons who had been recruited by HBS' call center;
 - e. MC would not have to sell products or recruit individuals in order to get a return on an investment;
 - f. HBS expected to make \$1 million per campaign within one year, and \$1 billion per campaign within five years, and these amounts would be split amongst HBS' core members;
 - g. If MC was not happy with the investment after one year, MC could get his principal plus 20% interest;
 - h. MC could get his principal back at any time before one year with no interest.
15. In September or October 2006, MC met again with Logan and Belliston at HBS' office in the Cottonwood Mall.
16. Logan and Belliston told MC the following regarding the investment in HBS:
- a. The investment in HBS is safe because an investor can withdraw his or her money

- after one year plus 20% interest;
- b. Call center employees would be expected to recruit 2-3 individuals per hour;
 - c. HBS would use investor money to purchase an automatic dialer for the call center and to lease meeting space in the Cottonwood Mall.
17. A few days after this last meeting, Logan contacted MC by telephone and asked MC if he wanted to invest. Logan told MC the sooner MC invested, the higher his return.
18. Prior to investing, MC was also told the following, although he cannot attribute the statements to a particular Respondent or meeting:
- a. MC would receive income from his investment within six months;
 - b. Depending upon the specific multi-level marketing campaign, an HBS investor might receive commissions directly from the multi-level marketing company rather than receiving a split of commissions received by HBS;
 - c. The minimum investment in HBS was \$10,000;
 - d. Belliston was the founder of HBS and Logan was his partner;
 - e. Logan was, at one time, in charge of the marketing division of USANA;
 - f. Logan helped develop The Canyons ski resort.
19. On or about October 11, 2006, at HBS' office in Cottonwood Mall, MC invested \$10,000 in HBN by giving Logan a personal check made payable to Nu Image, a company purportedly owned by Logan.
20. Following MC's investment, HBN held weekly meetings with investors to discuss multi-level marketing campaigns in which HBN might participate.

21. Logan, Belliston, and Protzman gave verbal and written progress reports for HBN at the weekly meetings.
22. In mid-2007, in meetings with Protzman, Logan, and Belliston, MC was told that HBN had lost money it had invested in Novus Technologies².
23. In January 2008, at HBN's office, MC asked Belliston for repayment of his investment principal.
24. Belliston told MC that HBN had no money because its investment in Novus Technologies had stopped paying interest, and HBN could not recover its principal investment.
25. MC has received no return of interest or principal from his investment in HBN/HBS, and he is still owed \$10,000 in principal alone.

Investors LP and KP, Husband and Wife

26. On or about November 10, 2006, in Weber County, Utah, Grant Protzman introduced LP and KP to Chris Belliston at an Impact Net Worth meeting.
27. At the meeting, Belliston told LP and KP the following about an investment in HBS:
 - a. Belliston was a key member of HBS, a new multi-level telemarketing company that planned to advertise and sell products for third-party companies;

² Novus Technologies, LLC is a Utah company that was named as a Defendant in an SEC action filed April 11, 2007, in the U.S. District Court, District of Utah. The SEC complaint alleges that Novus committed securities fraud; sold unregistered securities; aided and abetted fraud in the offer, purchase or sale of securities; and was unjustly enriched. The SEC also filed a motion to freeze Novus' assets on April 11, 2007, and the motion was granted the same day. The case is currently pending.

- b. HBS already had an automated telephone dialer and a list of interested persons to call;
- c. HBS had three key members, including Belliston, Ted Logan, and a third person who was not named;
- d. Belliston had been successful in multi-level marketing companies in the past;
- e. Logan previously owned a successful business developing and selling condominiums at a ski resort;
- f. HBS was raising start-up capital from investors to pay for the automated telephone dialer, rent, and the salaries of employees;
- g. HBS would only allow ten investors to invest \$10,000 each in order to become “core members” or HBS;
- h. HBS already had 8 or 9 investors;
- i. LP and KP could invest \$10,000 to fill one of the remaining core member positions;
- j. As core members, LP and KP would be paid monthly from commissions generated by HBS’ telephone solicitors;
- k. LP and KP could expect to make a profit on their investment by December 2006;
- l. HBS investors could earn up to six figures per month in profit;
- m. LP and KP would not have to recruit any telemarketers nor make any sales calls;
- n. HBS was the only company of its kind and had no competition;
- o. If LP and KP were not happy with their investment after one year, LP and KP

could withdraw their principal plus 20% interest.

28. On November 10, 2006, in Weber County, Utah, LK and PK invested \$5,000 cash in HBS, by giving their funds to Belliston. LK and PK invested using funds from their 401k retirement account.
29. LK and PK told Belliston they could pay the remaining \$5,000 in February 2007.
30. On or about November 17, 2006, LK and PK attended a meeting for HBS investors and were told that HBS was changing its name to HBN.
31. At the meeting, Logan told LK and PK all investments would be profitable by December 2006.
32. In late December 2006, LK and PK asked Logan and Belliston why the investment was not returning profits to investors.
33. Belliston and Logan replied that the telephone dialer was still not in place and more investors were needed before HBN would be profitable.
34. On or about February 6, 2007, LP and KP went to HBN's office in Salt Lake County, and invested another \$5,000 in cash in HBN by giving the funds to Belliston. Protzman, Logan, Joseph Allem (another HBN member), and HBN's secretary (MS) were also present.
35. LK and PK, Belliston, and Protzman signed a receipt acknowledging that HBN received a total of \$10,000 from LK and PK in exchange for a core membership position in HBN.
36. In March and April 2007, LP and KP met with Protzman, Belliston, and Logan to try and recover their principal investment.

37. Logan told LP and KP that HBN could not afford to pay them because Belliston had taken company funds to pay child support.
38. LP and KP have received no return of principal or interest from their investment in HBN, and are still owed \$10,000 in principal alone.

Investor LD

39. LD met with Logan and Belliston in early November 2006 in HBS' office in Cottonwood Mall (Salt Lake County). Two other potential investors were present.
40. Logan and Belliston told LD and the other investors who were present the following regarding an investment in HBS:
 - a. HBS was seeking investor funds in order to operate a call center;
 - b. Employees of the call center would sell multi-level marketing products, such as fuel additives and mortgage programs;
 - c. Investors would make money when call center employees sold products because the investor would be placed in the "up-line" for the call-center employees;
 - d. An investor would not have to sell any products, and HBS would recruit members for the investor's down-line;
 - e. The minimum investment was \$10,000.
41. On or about November 2006, LD invested \$10,000 in HBS by personal check made payable to HBS.
42. A few days or weeks after investing, LD received a document entitled "Working agreement between Home and Business Networks and [DL]." The agreement bears

Belliston's signature and states:

- a. "Most campaign projects are well driven towards a six figure monthly income potential";
 - b. "HBN will assist [LD] in getting personal sign-ups required to receive a paycheck from individual networking companies";
 - c. "[LD] will be included with HBN's core membership and will receive an equal share of all monies that are directed towards the core membership group";
 - d. "Once [LD] receives \$10,000 back from individual paychecks from a networking company, [LD] will pay a final \$15,000 to fulfill the working agreement of \$25,000 total; which can be paid in \$5,000 increments from profits."
43. HBN held weekly meetings with investors in which Logan and Belliston or sometimes representatives from multi-level marketing companies would show HBN investors new products and sell them to investors.
44. In early spring 2007, after receiving no payments from HBN, LD asked Belliston and Logan to return his principal investment.
45. Belliston and Logan asked LD to allow them a little more time because "things will turn around."
46. LD has received no return of interest or principal from his investment in HBN. LD is still owed a total of \$10,000 in principal alone.
47. Bank records reveal that LD's investment funds were deposited into HBS' Chase bank account on November 20, 2006, and that approximately \$7,900 of his principal was

converted to cash within a few days.

48. Belliston had sole signature authority on HBS' bank account until January 2007, at which time Protzman, Allem and Logan were added.

Investor SC

49. On or about December 11, 2006, and again in January 2007, SC attended HBN investor meetings at the Cottonwood Mall in Salt Lake County, Utah.
50. At these meetings, members of HBN, including Chris Belliston, Ted Logan, Grant Protzman, and Joseph Allem, spoke about multi-level marketing campaigns which employed HBN to solicit customers.
51. SC cannot attribute statements to particular Respondents or particular meetings, but SC was told the following about an investment in HBN, during the meetings in December 2006 and January 2007 at the Cottonwood Mall:
 - a. HBN would operate a call center and use it to recruit individuals to sell for multi-level marketing campaigns;
 - b. Investor funds would be used to pay expenses associated with HBN's call center as well as pay fees associated with multi-level marketing campaigns;
 - c. Core members would be placed in top positions of multi-level marketing campaigns;
 - d. Investors would receive a split of commissions generated by individuals who sold for HBN by virtue of an investor's position in multi-level marketing campaigns;
 - e. An investor was not responsible to sign up individuals to multi-level marketing

- campaigns;
- f. Investors were not responsible to sell any product for the multi-level marketing campaigns;
 - g. Investors could request principal back at any time with interest.
52. On or about January 3, 2007, SC invested \$10,000 in HBN by giving Belliston a cashier's check made payable to HBS, per Belliston's instructions.
53. SC believed he was investing in HBN, and does not know why Belliston told him to make the check payable to HBS.
54. On January 3, 2007, Belliston gave SC a document entitled "Working agreement between Home and Business Networks and [SC]." Belliston signed the agreement in the presence of SC. The agreement states:
- a. "Most campaign projects are well driven towards a six figure monthly income potential";
 - b. "HBN will assist [SC] in getting personal sign-ups that are normally required to receive a paycheck from individual networking companies";
 - c. "[SC] will pay a final \$15,000 to fulfill the working agreement of \$25,000 total, which can be paid in \$5,000 increments from profits;
 - d. "[SC] will also be included with our core membership, and will receive an equal share of all monies that are directed towards the core membership group."
55. In March 2007, SC learned HBN had invested in Novus Technologies and lost \$100,000. SC does not remember who told him this information.

56. In November or December 2007, SC asked his brother, MC, to ask for SC's principal investment to be returned.
57. Beginning in January 2008, MC asked Belliston several times to return SC's principal investment.
58. SC has received no return of interest or principal from his investment in HBN. SC is still owed \$10,000 in principal alone.
59. Bank records reveal that SC's investment funds were deposited into HBS' Chase bank account on January 3, 2007, and that approximately \$7,000 of his principal was converted to cash within a few days.

CAUSES OF ACTION

COUNT I

Securities Fraud under § 61-1-1 of the Act

60. The Division incorporates and re-alleges paragraphs 1 through 59.
61. The investment opportunity in HBS and HBN offered and sold by the Respondents is an investment contract, and therefore a security, 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).

62. In connection with the offer and sale of securities, Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
- a. MC, LP and KP were told they could get their principal investment back after one year, plus interest of 20%;
 - b. MC was told that HBS expected to make \$1 million per campaign within 1 year, and \$1 billion per campaign within 5 years;
 - c. MC was told that Protzman held a current securities license, when in fact, Protzman had not been licensed to sell securities since May 2005;
 - d. MC, LP and KP were told that the investment carried no risk due to its liquidity and interest guarantee;
 - e. MC and SC were told they could get his principal back at any time with no interest;
 - f. LP and KP were told that as core members, they would be paid monthly from commissions generated by HBS' telephone solicitors;
 - g. LP and KP were told they could profit from their investment by December 2006;
 - h. LP and KP were told HBS would only accept investments of \$10,000 from ten people, when in fact, Logan told LP and KP, after they invested, that HBS had accepted money from over 20 investors;

- i. LP and KP were told that HBS already had a telephone dialer in place, when in fact, Belliston and Logan told LP and KP, after they had invested, that HBS did not have a dialer in place;
 - j. LP and KP were told that HBS was the only company of its kind and had no competitors;
 - k. LP and KP were told that an investor could earn up to six figures per month profit on a \$10,000 investment;
 - l. SC was told that an investor could request principal back at any time with interest.
63. In connection with the offer and sale of securities, 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. Logan pled guilty to securities fraud in 2003, was ordered to pay \$222,000 in restitution, and had been on probation (which was revoked and then reinstated twice) since March 2003;
 - b. Belliston owed over \$11,000 in back child support to the Office of Recovery Services;
 - c. Whether Logan or Belliston would receive a commission or compensation for selling the investment in HBS;
 - d. Whether the investment was a registered security or exempt from registration;
 - e. Whether Logan or Belliston were licensed to sell securities;

- f. Belliston and Logan did not provide audited financial statements for HBS;
 - g. Belliston and Logan did not discuss risk factors involved with the investment.
64. Based upon the foregoing, Respondents violated § 61-1-1 of the Act.

COUNT II
Sale of Unregistered Securities under § 61-1-7 of the Act

65. The Division incorporates and re-alleges paragraphs 1 through 64.
66. The investment opportunity in HBS and HBN offered and sold by the Respondents is a security under § 61-1-13 of the Act.
67. The securities were offered and sold in this state.
68. The securities were not registered under the Act, and Respondents did not file any claim of exemption relating to the securities.
69. Based upon the foregoing, Respondents violated § 61-1-7 of the Act.

ORDER

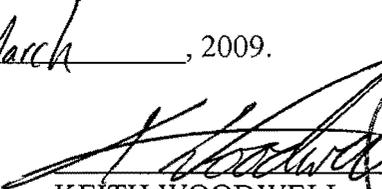
The Director, pursuant to § 61-1-20 of the Act, hereby orders Respondents to appear at a formal hearing to be conducted in accordance with Utah Code Ann. §§ 63-46b-4 and 63-46b-6 through -10, and held before the Utah Division of Securities. The hearing will occur on Tuesday, May 5th, 2009, at 9:00 a.m., 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 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, Respondents may show cause, if any they have:

- a. Why Respondents should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;
- b. Why Respondents 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 Grant Dale Protzman should not be barred from associating with any broker-dealer or investment adviser licensed in this State, and from acting as an agent for any issuer soliciting investor funds in this State;
- d. Why Home and Business Networks, LLC should not be ordered to pay a fine of fifty thousand dollars (\$50,000) to the Division of Securities, which may be reduced by restitution paid to the investors; and
- e. Why Christopher Sterling Belliston, Manly "Ted" Elwood Logan, and Grant Dale Protzman should not be ordered to pay a fine, jointly and severally, of fifty thousand dollars (\$50,000) to the Division of Securities, which may be reduced by restitution paid to the investors.

DATED this 16th day of March, 2009.


KEITH WOODWELL
Director, Utah Division of Securities



Approved:


JEFF BUCKNER
Assistant Attorney General

J. G.

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:

**HOME AND BUSINESS NETWORKS, LLC
CHRISTOPHER STERLING BELLISTON
MANLY "TED" ELWOOD LOGAN
GRANT DALE PROTZMAN, CRD #4480336**

Respondents.

NOTICE OF AGENCY ACTION

**Docket No. SD-09-0020
Docket No. SD-09-0021
Docket No. SD-09-0022
Docket No. SD-09-0023**

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:

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

A copy to:

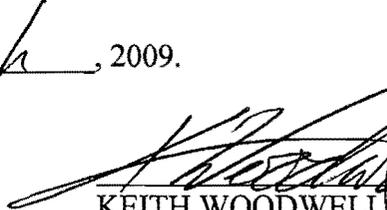
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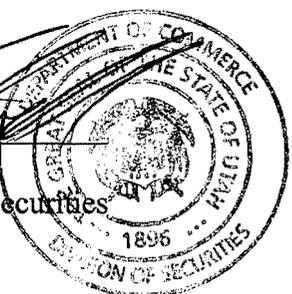
A hearing date has been set for Tuesday, May 5th, 2009, at 9:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd Floor, Salt Lake City, Utah.

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 Administrative Law Judge will be J. Steven Eklund, Utah Department of Commerce, 160 East 300 South, P.O. Box 146701, Salt Lake City, UT 84114-6701, telephone (801) 530-6648. Pursuant to U.C.A. Subsection 63-46b-2(1)(h), Mr. Eklund is hereby designated as presiding officer for the purpose of conducting this formal administrative proceeding. 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 16th day of March, 2009.


KEITH WOODWELL
Director, Division of Securities



Certificate of Mailing/Service

I certify that on the 17TH day of MARCH, 2009, I mailed, via certified and regular mail, a true and correct copy of the Order to Show Cause and Notice of Agency Action to:

Home and Business Networks, LLC
Attn: Joseph M. Allem, Registered Agent
121557 Elm Meadows Rd.
Riverton, UT 84065

Certified Mailing # 7004 1160 0003 01958812

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Certified Mailing # 7004 1160 0003 01958836

Grant Dale Protzman
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North Ogden, UT 84414

Certified Mailing # 7004 1160 0003 01958843

Pam Radzinski
Executive Secretary