

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:

THOMAS ROYAL WOOLSTENHULME,

Respondent.

ORDER TO SHOW CAUSE

Docket No. SD.09.0055

It appears to the Director of the Utah Division of Securities (Director) that Thomas Royal Woolstenhulme (Respondent) has 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 Respondent and the subject matter is appropriate because the Division alleges that Respondent violated § 61-1-1 (securities fraud) of the Act while engaged in the offer and sale of securities in or from Utah.

STATEMENT OF FACTS

THE RESPONDENT

2. Thomas Royal Woolstenhulme (Woolstenhulme), at all relevant times, was a resident of Wasatch County, Utah. Woolstenhulme is not licensed as a broker-dealer, agent, investment advisor, or investment advisor representative in Utah.

GENERAL ALLEGATIONS

3. Between May 2005 and June 2005, Woolstenhulme solicited TY, KY, and SY (Investors) to invest a total of \$10,000 with TyVest, LLC (TyVest.)¹
4. Woolstenhulme made material misrepresentations and omissions with regard to Investors' \$10,000 investment in TyVest.
5. Investors lost \$10,000 in principal alone.

Investors

6. In 2005, TY learned of TyVest from co-workers who had invested. The co-workers told TY he should contact Woolstenhulme .
7. Taylor contacted Woolstenhulme by telephone and Woolstenhulme spoke positively

¹TyVest, LLC is a Utah corporation. TyVest incorporated on July 21, 2003. TyVest's corporate status is currently "delinquent" for failure to file an annual renewal as of August 24, 2009. Pattie S. Christensen is TyVest's registered agent and Kendell Woolstenhulme is TyVest's manager. TyVest's business address is 4595 N. New Lane Road, Oakley, Utah 84005. TyVest has no filings with the Utah Division of Securities and no private placement memoranda.

about investing with TyVest, likening it to Microsoft, and talked about dividends TY could be receiving.

8. On or about May or June 2005, TY and his parents, KY and SY, met Woolstenhulme in Sandy, Utah. Woolstenhulme told Investors about a company in which TyVest was going to invest called The Blue Zone.²
9. Woolstenhulme said he had a certain amount of TyVest units available and Investors should think about investing over the weekend.
10. Woolstenhulme made the following statements to Investors:
 - a. The Blue Zone was a wireless Internet company selling a service and was “up and operating” in Salt Lake City;
 - b. The Blue Zone had the rights to certain technology which provides a service that costs less, is faster, and is an all-around better service than others provide;
 - c. The Blue Zone was debt free and made money on the subscriptions it sells;
 - d. The Blue Zone had plans for expansion and were involved with the Olympics as a sponsor;

²Broadband Central USA, LLC (BBC) is a Florida limited liability company. BBC filed articles of organization with the Florida Secretary of State on October 17, 2003. BBC’s status is “active.” BBC is managed by Ahmed M. El-Mahdawy. BBC owns rights to revenues from wireless broadband internet services in various geographical areas throughout the United States, known as “blue zones.” El-Mahdawy formed two companies in 2005 to oversee “Blue Zone” operations in Utah: The Blue Zone (West), LLC; and The Blue Zone Utah, LLC. Both companies have been administratively dissolved.

- e. Accelerated Communications Corporation (ACC)³ was connected with the Blue Zone;
- f. TyVest was set up to invest in ACC⁴;
- g. Woolstenhulme and his cousin were TyVest's principals;
- h. Woolstenhulme and the other principals were not taking paychecks;
- i. Woolstenhulme would not make any money until The Blue Zone went public;
- j. Woolstenhulme formed TyVest so small investors and working class people would have the opportunity to invest in something big;
- k. Investing in TyVest was just like investing in The Blue Zone stock;
- l. Many people had already invested;
- m. A man from Egypt had invested a large amount of money;
- n. Investors would "make a lot of money" on their investment;
- o. There were a limited number of TyVest units available at a cost of \$5,000 per unit;
- p. If TY invested in TyVest units and wanted his money back, Woolstenhulme

³Accelerated Communications Corporation is a Utah corporation. ACC incorporated on June 17, 2003. ACC's incorporators are Lynn Collins, Zane W. Holmberg, and James Hansen. ACC's corporate status expired as of October 6, 2008 for failure to file an annual renewal. ACC has filings with the Utah Division of Securities dated January 9, 2004 and April 20, 2004.

⁴TyVest was purportedly created so investors who did not reach ACC's minimum \$50,000 investment requirement could still invest in ACC through TyVest.

would buy TY's units back;

- q. TY's money would be used for advertising;
- r. TY would be able to sell his unit as soon as the company went public; and
- s. "We are on the edge of going public so you better get in now."

INVESTMENT

- 11. Based on Woolstenhulme's representations, Investors decided to invest with Woolstenhulme.
- 12. TY, an eighteen-year old carpet layer at the time, withdrew \$5,000 from his savings and purchased a cashier's check payable to Woolstenhulme.
- 13. On or about June 2, 2005, TY and KY met with Woolstenhulme at his office in Draper, Utah. TY gave Woolstenhulme the \$5,000 cashier's check.
- 14. KY wrote a \$5,000 check payable to Woolstenhulme and signed a TyVest request to purchase document for two units of TyVest.⁵
- 15. Neither KY nor any of the other Investors received any documents from Woolstenhulme prior to investing.
- 16. Woolstenhulme knew that Investors were not accredited investors.

CAUSES OF ACTION

COUNT I

⁵KY and SY borrowed from their Home Equity Line of Credit (HELOC) to acquire sufficient funds to invest with TyVest.

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

17. The Division incorporates and re-alleges paragraphs 1 through 16.
18. The stock offered and sold by Woolstenhulme is a security under § 61-1-13 of the Act.
19. In connection with the offer and sale of securities, Woolstenhulme, directly or indirectly, made false statements, including, but not limited to, the following:
 - a. That TY would be able to sell his unit as soon as the company went public when in reality the TyVest unit Woolstenhulme sold TY was restricted;
 - b. That Investors would make a lot of money on their investment when, in reality, Investors made no money on their investment and have lost all their principal.
20. In connection with the offer and sale of securities, Woolstenhulme, 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 the 2005 ACC PPM contained the following information:
 - i. ACC had no revenue from operations;
 - ii. In 2004/2005 ACC made a rescission offer to unaccredited investors;
 - iii. Investor money would be used to expand operations;
 - iv. There was no guarantee that ACC would be successful;
 - b. Some or all of the information typically provided in an offering circular or prospectus regarding TyVest, such as:

- i. TyVest's financial statements;
- ii. The track record of TyVest to other investors;
- iii. The number of other investors;
- iv. Any conflicts of interest the issuer, the principals, or the agents may have with regard to the investment;
- v. Any involvement of TyVest in certain legal proceedings.

21. Based upon the foregoing, Woolstenhulme violated § 61-1-1 of the Act.

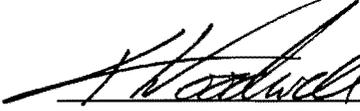
ORDER

The Director, pursuant to § 61-1-20 of the Act, hereby orders Respondent 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, January 5, 2010, 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 Respondent fails to file an answer and appear at the hearing, the Division of Securities may hold Respondent 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, Respondent may show cause, if any they have:

- a. Why Respondent should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;

- b. Why Respondent 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 Respondent should not be ordered to pay a fine of (\$15,000) to the Division of Securities, which may be reduced by restitution paid to the investor;

DATED this 19th day of November, 2009.


KEITH WOODWELL
Director, Utah Division of Securities



Approved:


JEFF BUCKNER
Assistant Attorney General
D. P.

Division of Securities
Utah Department of Commerce
160 East 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
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THOMAS ROYAL WOOLSTENHULME,

Respondent.

NOTICE OF AGENCY ACTION

Docket No. SD-09.0055

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENT:

You are hereby notified that agency action in the form of an adjudicative proceeding has been commenced against you by the Utah Division of Securities (Division). The adjudicative proceeding is to be formal and will be conducted according to statute and rule. See Utah Code Ann. §§ 63G-4-201 and 63G-4-204 through 209; see also Utah Admin. Code R151-46b-1, *et seq.* The legal authority under which this formal adjudicative proceeding is to be maintained is Utah Code Ann. § 61-1-20. You may be represented by counsel or you may represent yourself in this proceeding. Utah Admin. Code R151-46b-6.

You must file a written response with the Division within thirty (30) days of the mailing date of this Notice. Your response must be in writing and signed by you or your representative. Your response must include the file number and name of the adjudicative proceeding, your version of the

facts, a statement of what relief you seek, and a statement summarizing why the relief you seek should be granted. Utah Code Ann. § 63G-4-204(1). In addition, pursuant to Utah Code Ann. § 63G-4-204(3), the presiding officer requires that your response:

- (a) admit or deny the allegations in each numbered paragraph of the Order to Show Cause, including a detailed explanation for any response other than an unqualified admission. Allegations in the Order to Show Cause not specifically denied are deemed admitted;
- (b) identify any additional facts or documents which you assert are relevant in light of the allegations made; and
- (c) state in short and plain terms your defenses to each allegation in the Order to Show Cause, including affirmative defenses, that were applicable at the time of the conduct (including exemptions or exceptions contained within the Utah Uniform Securities Act).

Your response, 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
Utah Division of Securities
160 E. 300 South, 2nd Floor
Box 146760
Salt Lake City, UT 84114-6760
(801) 530-6600

A copy to:

Jeff Buckner
Assistant Attorney General
160 East 300 South, 5th Floor
Salt Lake City, UT 84114-0872
(801) 366-0310

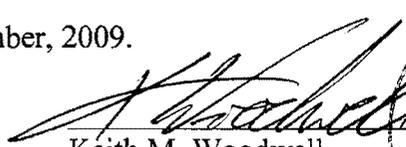
An initial hearing in this matter has been set for January 5, 2010 at the Division of Securities, 2nd Floor, 160 East 300 South, Salt Lake City, Utah, at 9:00 A.M.

If you fail to file a response, as described above, or fail to appear at any hearing that is set, the presiding officer may enter a default order against you without any further notice. Utah Code Ann. § 63G-4-209; Utah Admin. Code R151-46b-10(11). After issuing the default order, the presiding officer may grant the relief sought against you in the Order to Show Cause, and will conduct any further proceedings necessary to complete the adjudicative proceeding without your participation and will determine all issues in the proceeding. Utah Code Ann. § 63G-4-209(4); Utah Admin. Code R151-46b-10(11)(b). In the alternative, the Division may proceed with a hearing under § 63G-4-208.

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. This adjudicative proceeding will be heard by Mr. Eklund and the Utah Securities Commission. You may appear and be heard and present evidence on your behalf at any such hearings.

You may attempt to negotiate a settlement of the matter without filing a response or proceeding to hearing. To do so, please contact the Utah Securities Division. Questions regarding the Order to Show Cause should be directed to the Division's attorney, Jeff Buckner, at (801) 366-0310.

Dated this 19th day of November, 2009.

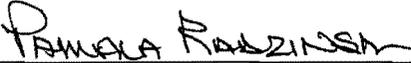

Keith M. Woodwell
Director, Division of Securities



Certificate of Mailing

I certify that on the 23rd day of November, 2009, I mailed, by certified mail, a true and correct copy of the Notice of Agency Action and Order to Show Cause to:

Thomas Royal Woolstenhulme
4879 N SR 32
Oakley, Utah 84055
Certified Mail # 7009 00800000 02840228



Executive Secretary