

FILED
THIRD DISTRICT COURT
2013 FEB 14 AM 9:16
SALT LAKE COUNTY
VS
CLERK

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IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR
SALT LAKE COUNTY, STATE OF UTAH

THE STATE OF UTAH,	:	Bail <u>\$50,000.00</u>
Plaintiff,	:	CRIMINAL INFORMATION
vs.	:	
DAVID BRUCE BUTTARS,	:	Case No: <u>171901512</u>
DOB: June 29, 1960	:	
MARK WHITNEY KEITH LA COUNT,	:	Case No: <u>171901514</u>
DOB: August 5, 1957	:	
Defendants.	:	Judge _____

The undersigned, SCOTT NESBITT and ADAM SWEET, upon oath, states on information and belief that the defendants have committed the following crimes:

DAVID BRUCE BUTTARS
SECURITIES FRAUD
a second degree felony, 2 counts
a third degree felony, 3 counts

THEFT

**a second degree felony, 4 counts
a third degree felony, 1 counts
a class A misdemeanor, 1 count**

PATTERN OF UNLAWFUL ACTIVITY

a second degree felony, 1 count

MARK WITNEY KEITH LA COUNT

SECURITIES FRAUD

**a second degree felony, 2 counts
a third degree felony, 4 counts**

PATTERN OF UNLAWFUL ACTIVITY

a second degree felony, 1 count

COUNT 1

SECURITIES FRAUD

**a second degree felony
(Defendant Buttars)**

Commencing on or about 2007 in the State of Utah, defendant Buttars, in connection with the offer or sale of a security, directly or indirectly, to **Lynn A. Miller**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a second degree felony under Utah Law.

COUNT 2
THEFT
a second degree felony
(Defendant Buttars)

From on or about March 2009, defendant Buttars obtained or exercised unauthorized control over the property of another (**Lynn A. Miller**) with a purpose to deprive him thereof. The value of the property exceeds \$5,000.00. This is a violation of Utah Code Ann. § 76-6-404, a second degree felony.

COUNT 3
SECURITIES FRAUD
a third degree felony
(Defendant Buttars)

Commencing on or about January 2007, in the State of Utah, defendant Buttars, in connection with the offer or sale of a security, directly or indirectly, to **Rebecca Gerritsen**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a third degree felony under Utah Law.

COUNT 4
THEFT
a second degree felony
(Defendant Buttars)

From on or about March 2009, defendant Buttars obtained or exercised unauthorized control over the property of another (**Rebecca Gerritsen**) with a purpose to deprive her thereof.

The value of the property exceeds \$5,000.00. This is a violation of Utah Code Ann. § 76-6-404, a second degree felony.

COUNT 5
SECURITIES FRAUD
a third degree felony
(Defendant La Count)

Commencing on or about 2009, in the State of Utah, defendant La Count, in connection with the offer or sale of a security, directly or indirectly, to **Orjan Gustafsson**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a third degree felony under Utah Law.

COUNT 6
THEFT
a class A misdemeanor
(Defendant Buttars)

From on or about May 2009, defendant Buttars obtained or exercised unauthorized control over the property of another (**Orjan Gustafsson**) with a purpose to deprive him thereof. The value of the property is or exceeds \$500.00 but is less than \$1,500.00. This is a violation of Utah Code Ann. § 76-6-404, a class A misdemeanor.

COUNT 7
SECURITIES FRAUD
a third degree felony
(Defendants Buttars & La Count)

Commencing on or about January 2010, in the State of Utah, defendant Buttars and La Count, in connection with the offer or sale of a security, directly or indirectly, to **Orjan Gustafsson**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a third degree felony under Utah Law.

COUNT 8
THEFT
a second degree felony
(Defendant Buttars)

From on or about January 2010, defendant Buttars obtained or exercised unauthorized control over the property of another (**Orjan Gustafsson**) with a purpose to deprive him thereof. The value of the property is or exceeds \$5,000.00. This is a violation of Utah Code Ann. § 76-6-404, a second degree felony.

COUNT 9
SECURITIES FRAUD
a third degree felony
(Defendants Buttars & La Count)

Commencing on or about May 2009, in the State of Utah, defendants Buttars and La

Count, in connection with the offer or sale of a security, directly or indirectly, to **Janet Hinman**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a third degree felony under Utah Law.

COUNT 10
THEFT
a third degree felony
(Defendant Buttars)

From on or about June 2009, defendant Buttars obtained or exercised unauthorized control over the property of another (**Janet Hinman**) with a purpose to deprive her thereof. The value of the property is or exceeds \$1,500.00 but is less than \$5,000.00. This is a violation of Utah Code Ann. § 76-6-404, a third degree felony.

COUNT 11
SECURITIES FRAUD
a second degree felony
(Defendant La Count)

Commencing on or about May 2009, in the State of Utah, defendant La Count, in connection with the offer or sale of a security, directly or indirectly, to **Barry Hanover**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate

as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a second degree felony under Utah Law.

COUNT 12
SECURITIES FRAUD
a third degree felony
(Defendant La Count)

Commencing on or about November 2009, in the State of Utah, defendant La Count, in connection with the offer or sale of a security, directly or indirectly, to **Barry Hanover**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a third degree felony under Utah Law.

COUNT 13
SECURITIES FRAUD
a second degree felony
(Defendants Buttars & La Count)

Commencing on or about summer 2009, in the State of Utah, defendants Buttars and La Count, in connection with the offer or sale of a security, directly or indirectly, to **Gary A. Miller**, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit, in violation of Utah Code Ann. §§61-1-1 and 61-1-21. This violation is a

second degree felony under Utah Law.

COUNT 14
THEFT
a second degree felony
(Defendant Buttars)

From on or about February 2010, defendant Buttars obtained or exercised unauthorized control over the property of another (**Gary A. Miller**) with a purpose to deprive him thereof. The value of the property is or exceeds \$5,000.00. This is a violation of Utah Code Ann. § 76-6-404, a second degree felony.

COUNT 15
PATTERN OF UNLAWFUL ACTIVITY
a second degree felony
(Defendants Buttars & La Count)

Commencing in or about 2009, defendants Buttars and La Count engaged in conduct which constituted the commission of at least three episodes of unlawful activity as defined in Utah Code Ann. § 76-10-1601. The defendants, through a pattern of unlawful activity: (1) received proceeds derived, directly or indirectly, from a pattern of unlawful activity, including but not limited to the acts as described above, in which they participated as a principal, or they used or invested, directly or indirectly, any part of that income, or the proceeds of the income, or the proceeds derived from the investment or use of those proceeds, in the acquisition of any interest in, or establishment or operation of, any enterprise; (2) through a pattern of unlawful activity, including but not limited to the acts as described above, acquired or maintained, directly or indirectly, any interest in or control of any enterprise; or (3) were employed by, or associated

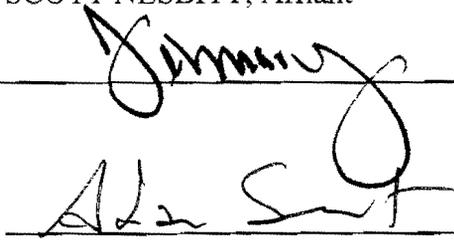
with any enterprise and conducted or participated, whether directly or indirectly, in the conduct of that enterprise's affairs through a pattern of unlawful activity. The unlawful activity, including but not limited to the acts as described above, included three or more violations of securities fraud and theft. This is a violation of Utah Code Ann. §76-10-1601 and § 76-10-1603(5) (1995), et seq. a second degree felony.

DATED this 14 day of January, 2013.



SCOTT NESBITT, Affiant

DATED this 14 day of January, 2013.

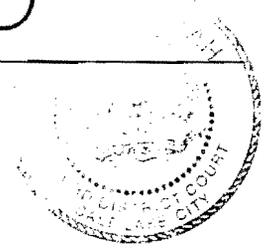


ADAM SWEET, Affiant

SUBSCRIBED AND SWORN to before me on this 14 day of January, 2013.



JUDGE, Third District Court



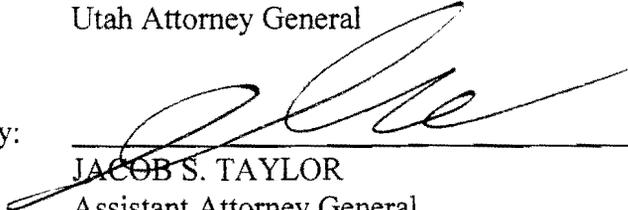
This CRIMINAL INFORMATION is based upon evidence from the following witnesses:

1. Rebecca Gerritsen
2. Orjan Gustafsson
3. Barry Hanover
4. Janet Hinman
5. Gary Miller
6. Lynn Miller
7. And Others.

AUTHORIZED for presentment and filing this 13th day of February,
2013.

MARK L. SHURTLEFF
Utah Attorney General

By: _____


JACOB S. TAYLOR
Assistant Attorney General

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SALT LAKE COUNTY

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CLERK

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IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR
SALT LAKE COUNTY, STATE OF UTAH

STATE OF UTAH,	:	
	:	
Plaintiff,	:	AFFIDAVIT OF PROBABLE CAUSE
	:	
vs.	:	
	:	
DAVID BRUCE BUTTARS	:	Case No. <u>171901512</u>
DOB: June, 29 1960	:	
	:	
MARK WHITNEY KEITH LA COUNT	:	Case No: <u>171901514</u>
DOB: August, 5 1957	:	
	:	
Defendants.	:	Judge: _____

STATE OF UTAH)
 :SS
COUNTY OF SALT LAKE)

The undersigned, SCOTT NESBITT and ADAM SWEET, state on information and belief, as follows:

1. Scott Nesbitt is currently employed as a special agent with the State Bureau of Investigation. Adam Sweet is currently employed as a securities compliance investigator

with the Utah Division of Securities. Together they are currently investigating possible violations of securities fraud statutes and related criminal code violations by DAVID BRUCE BUTTARS (“Buttars”) and MARK WHITNEY KEITH LA COUNT (“La Count”).

2. The facts set forth in this affidavit are based upon the results of an investigation during which we have collected and reviewed records from witnesses and other sources. We have received information from Rebecca Gerritsen, Orjan Gustafsson, Barry Hanover, Janet Hinman, Gary Miller, Lynn Miller, and others.

PARTIES

3. DAVID BRUCE BUTTARS, at all relevant times, resided in Utah. Buttars’ last known address is 2817 Holbrook Rd., Bountiful, Davis County, Utah. During the offer and sale of securities to investors, it is believed Buttars resided at 8774 N. Gorgoza Dr., Park City, Summit County, Utah. Buttars has never held a securities license.
4. MARK WHITNEY KEITH LA COUNT, at all relevant times, resided in Utah. La Count’s last known address is 3875 Saddleback Road, Park City, Summit County, Utah. La Count has never held a securities license.
5. ELLIPSE TECHNOLOGY, INC., was registered with the Utah Department of Commerce, Division of Corporations on October 4, 2005, as a Utah corporation. Vincent C. Romney is listed as the Director, President, and Registered Agent. Clayton Sherwood is listed as the Secretary. The status of the registration for Ellipse Technology, Inc. was listed as expired as of January 31, 2011.

6. MOVIEBLITZ NORTH AMERICA, is a Nevada corporation as of May 26, 2009. Alfred Escher is listed as the Director and Secretary. Mark K. La Count is listed as the Director and Treasurer. David B. Buttars is listed as the Director and President. Movieblitz North America's status is listed as revoked. An online business name search of the Utah Department of Commerce, Division of Corporations showed Movieblitz North America as not registered in Utah.

BACKGROUND

7. From approximately May 2007 to February 2010, while conducting business in Utah, David Bruce Buttars ("Buttars") and Mark Whitney Keith La Count ("La Count") offered and sold stock to Utah investors in Ellipse Technology, Inc. ("Ellipse") and Movieblitz North America ("Movieblitz"). Ellipse originally held a principal office address as that of Buttars in Park City, Utah. Buttars and La Count resided in the Jeremy Ranch community in Park City, as well as a number of investors who were offered and sold securities. Many of the investors' funds were deposited in accounts opened and operated by Frontier Bank in Park City. Buttars and La Count told most of the investors they needed the money to develop a thumb-drive-like device for downloading and viewing movies. During the offer and sale of the stock, Buttars and La Count made material misstatements and omissions to the investors. Shares of stock are securities as defined by Utah Code Annotated §61-1-13. Buttars and La Count collected approximately \$69,500 from six investors. To date none of the investors have received any dividends or payments related to their investment.

8. The investors were introduced to one of two businesses. Both businesses appear to have identical business models. In all cases, the investors were offered an opportunity to purchase stock. The following description of the two businesses was provided by the investors:
9. Ellipse Technology, Inc. / Movieblitz North America: A red plastic device called the media key would attach to televisions, which Buttars said Ellipse was creating. A person could go to a store or kiosk, and rent (upload) a movie on a chip/thumb-drive-like device, and the media key would activate the chip. A person would then be able to select how long he or she wanted the movie for and then the chip would erase the movie so the person would not have to return anything to the store or incur late fees. The media key would put media stores out of business. There was a box for the media key, which looked like a router. The box would plug into the television. ~~The keys were in production.~~ *su A*

OVERVIEW

10. On June 21, 2010, Agent Scott Nesbitt of the State Bureau of Investigation (“SBI”) met with Julie Peacock and her mother Lois Peacock at the SBI office in Salt Lake City regarding a stalking case involving Buttars. During the interview Agent Nesbitt learned Lois Peacock had given money to Buttars for an investment in his company, Ellipse Technology, Inc. Agent Nesbitt subsequently learned of other individuals who may have invested funds with Buttars. The following are investors who invested funds within the last five years.

COUNT 1
SECURITIES FRAUD, a second degree felony (BUTTARS)
Complainant Lynn A. Miller

11. Lynn Miller (“Lynn”) said he was offered an opportunity to invest in Ellipse Technology.

Lynn said approximately five to six years ago, in St. George, Utah, a personal friend of his said he was going to meet two people who invested in a company called Ellipse and invited Lynn. Lynn said he and his friend met the two investors at an IHOP in the St. George area. Lynn said he remembered one of the investor’s name was Shawn. Lynn said Shawn and the other investor said:

- Ellipse was a startup company they had invested in;
- Buttars was President of Ellipse and Vince Romney (“Romney”) was Vice President;
- Buttars had connections with a couple of the Osmond brothers, who were on the board of Ellipse;
- The stock was only \$0.50 per share; and
- The minimum to buy was 10,000 shares, but Lynn would have to check with Buttars.

12. Lynn said he received Buttars’ contact information from the two investors at IHOP and contacted Buttars to find out more information about the investment opportunity. Lynn said he spoke with Buttars on the phone numerous times and Buttars made the following statements and representations about an investment in Ellipse:

- They have a really good item;
- Romney was a genius and had helped develop the stealth bomber and has taken some of that technology and put it in a chip;
- They were going to plan, so someone could download 20 to 30 movies on the chip that was the size of a key chain;

- Eventually what they were going to do, and supposedly Ellipse was working on it, was that they were going to work with Redbox so an individual could plug in their device (chip) and download movies to take home and plug in their TV;
 - You would not have to return anything (movies);
 - The stock would go for a dollar for a while;
 - Minimum to buy was 20,000 shares, but Buttars could sell Lynn 10,000;
 - Lynn's investment would be used for development of the company, making a kiosk to put on top of a Redbox, or the unit that goes on top of the television to plug in the device;
 - Lynn's investment was for development of the product, company, and not for travel or hiring or salaries.
13. Lynn said he could not recall how much he invested or when, but a check shows he invested \$10,000. Lynn said he invested only one time with one check.
14. Based on Buttars' statements, Lynn invested \$10,000 in Ellipse. Lynn's check was dated March 10, 2009, and made payable to Ellipse Technologies. In exchange for the \$10,000 funds Lynn said he received a subscription agreement. It should be noted Lynn was provided three subscription agreements. One indicated Lynn invested \$15,000 for 30,000 shares of non-voting common stock.
15. The first subscription agreement contains a signature for Buttars, as CEO of Ellipse, and is dated February 26, 2007. The second subscription agreement indicated Lynn invested \$10,000 for 20,000 shares of non-voting common stock. This subscription agreement contains a signature for Buttars, as CEO of Ellipse, and is dated March 16, 2007. The third subscription agreement indicated Lynn invested \$5,000 for 10,000 shares of non-voting common stock. This subscription agreement contains a signature for Buttars, as CEO of Ellipse, and is dated March 13, 2009.

16. Lynn said after he invested he received some newsletters that never mentioned sales just information about the company. Lynn said later after he invested he realized he had only received/been issued half of the shares which he was supposed to receive. Lynn said he contacted Romney over the matter and Romney agreed and fixed the error. Lynn said after he invested he spoke to Romney to receive updates. He also received a quarterly newsletter that was very timely and newsworthy. Lynn said Romney told him over the phone that it could be three or four years before the stock went to \$3 or \$4 per share. Romney said he was leaving for two years to go out of the United States.
17. Lynn explained that he has not received statements reflecting the status of his investment. Lynn explained that the individuals who offered him the investment were not employed as licensed securities brokers. He explained that he was not told of the nature of the investment, the business or operating history of the company, the financial condition, operating results, or financial statements of the company, the persons managing the investment, the liquidity of the investment, or if the individuals who offered him the investment were involved in any legal proceedings. Lynn explained that he was not told whether he could reinvest his profit, about the safety or security of the investment, whether he could lose his investment principal, or whether his investment was collateralized or secured by assets of the company. He explained that he believed that the risk to his investment was great. Lynn explained that the source of his investment money was a retirement account. He explained that to his knowledge, no one associated with the investment knew that. He explained that he never met Buttars face-to-face, but he did

meet Romney when he lived in Utah and drove from St. George to Salt Lake City to meet him.

18. Lynn said he asked Buttars how the company was doing, and he said Buttars told him that things were going well and that there were growing pains. He said Buttars told him that he went to start things in Switzerland. Lynn said Buttars was then out of the picture all of a sudden. Lynn said that he did receive some company newsletters. He said they never mentioned goals, sales, or people involved. Lynn said he only invested in 2009, and he later realized he had only received half of his shares of stock for his investment. He said he then contacted Romney who provided him with the other half of his shares of stock, and that was the reason for the 2009 subscription agreement.
19. Lynn said there would not have been a two year lapse, (i.e., the two subscription agreements dated for 2007, and that his check is dated 2009). Lynn said "2007 is not accurate, and 2009 is accurate." Lynn said he only invested once.
20. Lynn explained that no promises were made to him by Buttars or Romney. Lynn said he was never provided with a business plan or any financial statements. He explained that Romney told him that the product was possibly going to be manufactured in Switzerland, China, or Canada. He said that Romney told him that Buttars may now be a competitor. Lynn said he sent his investment money to Ellipse Technology in Park City, Utah. He explained that there were never any guarantees. He explained that nothing was discussed regarding dividends. He said they never discussed risk with him. He said he personally believed there was risk. He explained that it could have been either Buttars or Romney who he called when he wanted to invest in the company. He explained that he met

Romney and Stephen Gerritsen once in Salt Lake City. He said he spoke with Buttars twice on the telephone. He said he believed that his friends in St. George had the inside track on the company and were also investors. He said his friends told him that Budweiser had been contacted and that a Budweiser advertisement would be shown and that the movies that were downloaded would be secure. He said that no one from the company told him this, only his friends.

21. To date, Lynn has not received any payments related to his \$10,000 investment.

22. In connection with the offer and sale of the security to Lynn, Buttars made numerous material misstatements and omissions including, but not limited to the following:

Misstatements

- Lynn said he was told his investment money was to be used for development of the company, making a kiosk to put on top of a Redbox, or the unit that goes on top of the television to plug in the device, for development of the product, company, and not for travel, hiring, or salaries. However, a source and use analysis indicated Lynn's funds were spent in a manner that may not represent development and marketing of the product.

Predicate Statements

Buttars made the following statements and representations to Lynn about an investment in Ellipse:

- They have a really good item;
- Romney was a genius and had helped develop the stealth bomber and has taken some of that technology and put it in a chip;
- They were going to plan, so someone could download 20 to 30 movies on the chip that was the size of a key chain;
- Eventually what they were going to do, and supposedly Ellipse was working on it, was that they were going to work with Redbox so an individual could plug in their device (chip) and download movies to take home and plug in their TV;
- You would not have to return anything (movies);

- The stock would go for a dollar for a while;
- Minimum to buy was 20,000 shares, but Buttars could sell Lynn 10,000;
- Lynn's investment would be used for development of the company, making a kiosk to put on top of a Redbox, or the unit that goes on top of the television to plug in the device;
- Lynn's investment was for development of the product, company, and not for travel or hiring or salaries.

Omissions

Based upon the preceding predicate statements, Buttars directly or indirectly, failed to disclose material information to Lynn, including, but not limited to, the following, which was necessary in order to make statements made not misleading:

- Buttars failed to disclose that by February 11, 2009, he was six payments behind on his Capital One credit line, now totaling \$10,017.24, which is to be interpreted that he stopped making payments in approximately August 2008;
- Financial statements;
- Whether the investment is a registered security or exempt from registration; and
- Whether Buttars was licensed to sell securities.

COUNT 2
THEFT, a second degree felony (BUTTARS)
Complainant Lynn A. Miller

23. On March 10, 2009, a \$10,000 Wells Fargo official check was made payable to "Ellipse Technologies." A deposit ticket indicated the funds were deposited into a Frontier Bank account (4143) on March 12, 2009. Lynn is not identified on the check, however, Agent Nesbitt has identified this deposit as that of Lynn's. Agent Nesbitt said he contacted Fraud Investigator Kelly Bacon of Wells Fargo Bank regarding Official Check number - 7873 that was printed out for \$10,000. Kelly explained that Lynn Miller was the person who purchased that check. A first in first out analysis of the records showed the funds were used in the following manner:

<u>Date</u>	<u>Transaction</u>	<u>Payment</u>
3/16/2009	Kay Burningham	\$6,813.85
3/17/2009	Steve Groves	\$950.00
3/19/2009	Maverick	\$31.72
3/19/2009	Mimi's Café	\$48.62
3/20/2009	Oasis Restaurant	\$25.86
3/20/2009	Albertsons	\$150.26
3/23/2009	Voice Pulse	\$20.00
3/23/2009	Jeremy Store	\$34.12
3/23/2009	Voice Pulse	\$53.37
3/23/2009	Steve Groves	\$750.00
3/24/2009	DoDo	\$37.70
3/25/2009	Staples	\$14.85
3/25/2009	Albertsons	\$31.06
3/25/2009	Steve Groves	\$375.00
3/26/2009	Jeremy Store	\$34.54
3/26/2009	Barnes & Noble	\$62.49
3/26/2009	Albertsons	\$93.71
3/26/2009	Steve Groves	\$472.85
		Total: \$10,000

24. Kay Burningham is Buttars' ex-wife to whom he has been court ordered to pay child support.

COUNT 3
SECURITIES FRAUD, a third degree felony (BUTTARS)
Complainant Rebecca W. Gerritsen

25. Rebecca W. Gerritsen ("Gerritsen") said in approximately January 2007, while possibly at her home in North Ogden, Utah, she was approached by her son Steve Gerritsen ("Steve") regarding an investment opportunity to purchase stock in a company called Ellipse Technology, Inc. Gerritsen said over the next few months that followed, she and Steve had conversations about this investment opportunity. Gerritsen said Steve had represented to her that his longtime friend, Vincent Romney, had put Steve in contact with Buttars and his company Ellipse. Gerritsen said she does not believe Steve had

known Buttars for very long before Steve approached her about making an investment in Ellipse. Gerritsen said Steve told her Buttars would give Steve a job as a director at Ellipse when Ellipse's product moved to market, if Steve could first bring in investors who are able to help their product move to market. Gerritsen said Steve worked hard to bring in big investors to Ellipse, but the investors Steve found wanted a lot of equity in Ellipse and Buttars turned them down because he did not want to give them the amount of equity they demanded.

26. Gerritsen said prior to making an investment in Ellipse, Steve made the following statements and representations about the investment opportunity. Gerritsen also said that as far as she could recall she spoke with Buttars over the telephone before she invested and Gerritsen believed that Buttars reiterated these statements to her over the phone:

- For \$10,000 Gerritsen could purchase 20,000 shares of stock in Ellipse;
- Gerritsen would make money by movies being downloaded from kiosks to a device;
- Gerritsen's investment money would be used to build the product and get the product to market;
- The kiosk distribution of movies would be worldwide;
- Gerritsen's investment would help get the product developed, so it could go to market and make a profit;
- Gerritsen's stock was restricted and she would be able to sell it once it became unrestricted;
- The company was very likely to be successful and her investment was fairly safe;
- Steve told her Buttars had some great experience in business operations and had led Steve to believe that he (Buttars) was very capable;
- Steve showed her the business plan and told her how much money the company needed; and
- Gerritsen believed that most of the investors were friends and family.

Gerritsen said she was never told what recourse she had if her investment failed.

27. Based on Steve and Buttars' statements and representations, Gerritsen invested \$10,000 in Ellipse for 20,000 shares of stock. Gerritsen said in approximately May 2007 she transferred \$10,000 from her Charles Schwab account to Ellipse Technology. Gerritsen does not recall the wiring instructions she gave Charles Schwab. In exchange for the \$10,000 funds Gerritsen received a subscription agreement dated May 10, 2007, listing Gerritsen as the subscriber and Buttars as the CEO of Ellipse. The subscription agreement was signed and executed by Gerritsen and Buttars (May 11, 2007). Gerritsen said Steve provided the subscription agreement for Gerritsen to sign then Steve took the subscription agreement to Buttars to sign, and then returned it to Gerritsen.
28. Gerritsen explained that her stock certificate was sent to Charles Schwab and Charles Schwab sent her information that they received the stock certificate. Gerritsen said she paid Charles Schwab annual fees for being the custodian of stock that was not public stock. After a few years, Gerritsen received notification from Charles Schwab that they would no longer hold stock for companies that were not public.
29. Gerritsen said after her investment she spoke with Buttars (date unknown) at a concert in Salt Lake City. Gerritsen said Buttars spoke about how good the company was going to be.
30. To date, Gerritsen has not received any payments related to her \$10,000 investment. Gerritsen has not asked for her investment back and believed there was not any way to get it back.

31. After her investment, but prior to March 2009, Gerritsen said she spoke with Buttars on the telephone and:

- Was led to believe they were really close to getting their product to market and just needed a little bit more money to move forward; and
- They wanted to finish a prototype and were close.

32. Gerritsen thought if she could help them get their prototype sooner, then she could have a better chance of getting a return on her investment sooner. Gerritsen said she does not recall if she called Buttars, if Buttars called her, or if Steve set-up their telephone conversation.

33. Gerritsen said the statements and representations made by Steve and Buttars at the time of her first investment could be applied again to a second investment Gerritsen would make. Gerritsen said Steve made the same statements and representations about purchasing additional stock in Ellipse as he had made prior to Gerritsen's first investment. Gerritsen also said that as far as she could recall when she spoke with Buttars over the telephone after her first investment, but before her second investment, that Buttars reiterated Steve's statements and representations:

- For \$5,000 Gerritsen could purchase 10,000 shares of stock in Ellipse;
- Gerritsen would make money by movies being downloaded from kiosks to a device;
- Gerritsen's investment money would be used to build the product and get the product to market;
- The kiosk distribution of movies would be worldwide;
- Gerritsen's investment would help get the product developed, so it could go to market and make a profit;
- Gerritsen's stock was restricted and she would be able to sell it once it became unrestricted;

- The company was very likely to be successful and her investment was fairly safe;
- Steve told her Buttars had some great experience in business operations and had led Steve to believe that he (Buttars) was very capable;
- Steve showed her the business plan and told her how much money the company needed; and
- Gerritsen believed that most of the investors were friends and family.

Gerritsen said she was never told what recourse she had if her investment failed.

34. Based on Steve and Buttars' statements and representations, Gerritsen invested \$5,000 in Ellipse. Gerritsen said on or about March 10, 2009, Gerritsen gave Steve, who gave Buttars, a \$5,000 check made payable to "Ellipse Technology, Inc." and described on the memo line as "RE: Becky W. Gerritsen (Stock Purchase)." The check was deposited into a Frontier Bank account. In exchange for the \$5,000 funds Gerritsen received a subscription agreement dated March 10, 2009, listing Gerritsen as the subscriber and Buttars as the CEO of Ellipse. The subscription agreement was signed and executed by Gerritsen and Buttars. Gerritsen said Steve provided the subscription agreement for Gerritsen to sign then Steve took the subscription agreement to Buttars to sign, and then returned it to Gerritsen.

35. Gerritsen said Buttars never provided her with a stock certificate for her second investment. Gerritsen said Steve asked Buttars for her stock certificate and Buttars told Steve her name was recorded, so everything was okay. Gerritsen said Buttars/Ellipse never raised enough capital to employ Steve; they never hired him. Gerritsen said she invested because it sounded like a good investment and she hoped her son Steve could be hired by Ellipse.

36. To date, Gerritsen has not received any payments related to her \$5,000 investment.

Gerritsen has not asked for her investment back and believed there was not any way to get it back.

37. In connection with the offer and sale of the security to Gerritsen, Buttars made numerous material misstatements and omissions including, but not limited to the following:

Misstatements

- Gerritsen was told the company was very likely to be successful and her investment was fairly safe, when in fact, investments carry a significant amount of risk and Ellipse had yet to develop a product for the market.
- Gerritsen was told her investment would be used to: build the product and get the product to market; and help get the product developed, so it could go to market and make a profit. When in fact, a source and use analysis of Gerritsen's \$5,000 investment showed funds being spent in a manner, which may not represent development of Ellipse's product.

Predicate Statements

After her investment, but prior to March 2009, Gerritsen said she spoke with Buttars on the telephone and:

- Was led to believe they were really close to getting their product to market and just needed a little bit more money to move forward; and
- They wanted to finish a prototype and were close.

Gerritsen said Steve and Buttars reiterated the statements and representations made by at the time of her first investment. In particular, Gerritsen said that as far as she could recall when she spoke with Buttars over the telephone after her first investment, but before her second investment, that Buttars reiterated Steve's statements and representations:

- For \$5,000 Gerritsen could purchase 10,000 shares of stock in Ellipse;
- Gerritsen would make money by movies being downloaded from kiosks to a device;

- Gerritsen's investment money would be used to build the product and get the product to market;
- The kiosk distribution of movies would be worldwide;
- Gerritsen's investment would help get the product developed, so it could go to market and make a profit;
- Gerritsen's stock was restricted and she would be able to sell it once it became unrestricted;
- The company was very likely to be successful and her investment was fairly safe;
- Steve told her Buttars had some great experience in business operations and had led Steve to believe that he (Buttars) was very capable;
- Steve showed her the business plan and told her how much money the company needed; and
- Gerritsen believed that most of the investors were friends and family.

Gerritsen said she was never told what recourse she had if her investment failed.

Omissions

Based upon the preceding predicate statements, Steve and Buttars directly or indirectly, failed to disclose material information to Gerritsen, including, but not limited to, the following, which was necessary in order to make statements made not misleading:

- Buttars failed to disclose that by February 11, 2009, he was six payments behind on his Capital One credit line, now totaling \$10,017.24, which is to be interpreted that he stopped making payments in approximately August 2008;
- Financial statements;
- Gerritsen knew her son Steve was not licensed to sell securities, but did not know whether Buttars was licensed to sell securities.

COUNT 4
THEFT, a second degree felony (BUTTARS)
Complainant Rebecca W. Gerritsen

38. On March 10, 2009, a \$5,000 check was made payable to "Ellipse Technology, Inc." and described on the memo line as "RE: Becky W. Gerritsen (Stock Purchase)." A deposit ticket indicated the funds were deposited on March 10, 2009, into a Frontier Bank

account (-4143) named "Ellipse Technology, Inc." \$72 cash was also deposited into the account at the time that Gerritsen's \$5,000 was deposited. A first in first out analysis of the records showed some or all of Gerritsen's funds, along with the additional \$72 cash deposit, was used in the following manner:

<u>Date</u>	<u>Transaction</u>	<u>Payment</u>
3/16/2009	Jeremy Store	\$32.46
3/16/2009	GNC	\$79.74
3/16/2009	Cash Withdrawal	\$203.00
3/16/2009	Kay Burningham	\$2,775.29
3/16/2009	<i>\$1,981.51 Transfer to Checking (-1853):</i>	
3/25/2009	Dish Network	\$228.30
3/26/2009	AllState P&C Ins. Pymt.	\$231.44
3/30/2009	Mountain Family Health	\$70.00
3/30/2009	FIA Card Services NA	\$951.77
3/30/2009	<i>\$500.00 Transfer to (-4143):</i>	
3/30/2009	AT&T Mobile	\$258.11
3/31/2009	Service Charge	\$9.00
4/2/2009	Transferred to 111021853	\$100.00
4/3/2009	Bill Pay Fee	\$8.95
4/6/2009	Experts Exchange	\$12.95
4/7/2009	Transferred to 111021853	\$45.00
4/7/2009	Transferred to 111021853	\$65.99
		Total: \$5,072.00

COUNT 5
SECURITIES FRAUD, a third degree felony (LA COUNT)
Complainant Orjan Gustafsson

39. Orjan Gustafsson ("Gustafsson") said in 2009 he was dating Janet Hinman ("Hinman") of Park City, Utah when Hinman introduced Gustafsson to an acquaintance, La Count. Hinman and La Count were neighbors within the Jeremy Ranch, Park City neighborhood. Gustafsson said La Count mentioned Movieblitz the first time they met in Park City at Hinman's home and a few more times thereafter. Gustafsson said he asked La Count

about Movieblitz over time to learn more. Gustafsson said La Count explained the following information about a potential investment in Movieblitz:

- Movieblitz business model: A person would go up to a kiosk and upload a movie or TV show onto a compatible device called a “key” (i.e., a thumb drive-like device or chip) to rent;
- Movieblitz would have deals with major movie companies/industries to get movies in their kiosks;
- Movieblitz would be first tested in Switzerland;
- The project would stream better than Netflix;
- Buttars’ invention/technology was revolutionary;
- They were trying to recruit/get money for Movieblitz and needed money to start up the company;
- Gustafsson’s funds would be used to finance the company – to go towards registering the company in Nevada;
- La Count asked Gustafsson to find other investors to invest in the company (Gustafsson said he asked, but never got anyone else to invest);
- Gustafsson understood his investment would make a profit when the kiosks were up and running and the company went public or when the company was sold;
- Gustafsson said he and Hinman decided to purchase stock options in Movieblitz; and
- Gustafsson said La Count did not pressure them to invest, but was a smooth talker.

40. Based on La Count’s statements, Gustafsson invested \$2,000 in Movieblitz. On or about May 24, 2009, Gustafsson gave La Count a Union Bank of California \$2,000 personal check made payable to “David Buttars” while at Hinman’s home in Park City. The memo line read for “20,000.00 Shares MovieBlitz.” The back side of the check was endorsed by Buttars. A deposit ticket indicated the funds were deposited into a Frontier Bank account (-1853) on May 26, 2009. The “Account Agreement” identified Frontier Bank, FSB at 1630 Shortline, Park City, Utah 84060 and David Bruce Buttars as account owner/signer.

Gustafsson said at the time of his investment he did not receive any documents in return for his \$2,000 investment. Gustafsson said at a later he received a stock certificate for the \$2,000 funds, dated May 27, 2009. The stock certificate contained as signee for "President," a signature which appeared to be Buttars' when compared to his Utah driver's license signature. The stock certificate contained as signee for "Secretary," a signature which appeared to be La Count's when compared to his Utah driver's license signature. Gustafsson said La Count gave him the stock certificate at either La Count's Park City home, or Hinman's Park City home. Gustafsson said after he invested La Count gave him a brochure about the investment and Movieblitz. Gustafsson said after he invested, La Count showed on his computer how Movieblitz and the business plan would work.

41. Gustafsson said he has not received any payments related to his investment or periodic statements reflecting the status of his investment.

42. In connection with the offer and sale of the security to Gustafsson, La Count made numerous material misstatements and omissions including, but not limited to the following:

Misstatements

- Gustafsson was told his funds would be used to finance the company – to go towards registering the company in Nevada. However, a source and use analysis indicated Gustafsson's funds were spent in a manner that may not represent financing or registering the company.

Predicate Statements

Gustafsson said La Count explained the following information about a potential investment in Movieblitz:

- Movieblitz business model: A person would go up to a kiosk and upload a movie or TV show onto a compatible device called a “key” (i.e., a thumb drive-like device or chip) to rent;
- Movieblitz would have deals with major movie companies/industries to get movies in their kiosks;
- Movieblitz would be first tested in Switzerland;
- The project would stream better than Netflix;
- Buttars’ invention/technology was revolutionary;
- They were trying to recruit/get money for Movieblitz and needed money to start up the company;
- Gustafsson’s funds would be used to finance the company – to go towards registering the company in Nevada;
- La Count asked Gustafsson to find other investors to invest in the company (Gustafsson said he asked, but never got anyone else to invest);
- Gustafsson understood his investment would make a profit when the kiosks were up and running and the company went public or when the company was sold;
- Gustafsson said he and Hinman decided to purchase stock options in Movieblitz; and
- Gustafsson said La Count did not pressure them to invest, but was a smooth talker.

Omissions

Based upon the preceding predicate statements, La Count directly or indirectly, failed to disclose material information to Gustafsson, including, but not limited to, the following, which was necessary in order to make statements made not misleading:

- Information regarding the similar company, Ellipse Technology, Inc.;
- A 2003 \$2,628.24 judgment;
- Financial statements;
- Whether the investment is a registered security or exempt from registration; and
- Whether La Count was licensed to sell securities.

**COUNT 6
THEFT, a class A misdemeanor (BUTTARS)**

Complainant Orjan Gustafsson

43. Using a source and use analysis, Buttars used the \$2,000 funds from May 26, 2009, to approximately June 5, 2009, in the following manner:

<u>Date</u>	<u>Transaction</u>	<u>Payment</u>
5/26/2009	Cingular AT&T	\$29.05
5/27/2009	Chevron	\$35.48
5/27/2009	Incorp Services	\$859.00
6/1/2009	Vonage	\$30.92
6/1/2009	Jeremy Store	\$48.52
6/1/2009	Qwest	\$194.14
6/1/2009	Cingular AT&T	\$236.72
6/3/2009	Arby's	\$9.64
6/3/2009	Albertsons	\$12.95
6/3/2009	Jeremy Store	\$35.12
6/3/2009	AllState P&C Ins Prem	\$79.27
6/4/2009	Walmart	\$7.95
6/4/2009	Albertsons	\$19.31
6/4/2009	Staples	\$51.31
6/4/2009	Walmart	\$51.75
6/5/2009	Jeremy Store	\$3.02
6/5/2009	McDonald's	\$3.63
6/5/2009	Jeremy Store	\$8.05
6/5/2009	Arby's	\$10.29
6/5/2009	Baja Cantina	\$19.80
6/5/2009	Albertsons	\$39.09
6/5/2009	Jeremy Store	\$39.11
6/5/2009	<i>Cash Withdrawal</i>	\$102.00
6/5/2009	<i>Cash Withdrawal</i>	\$73.88
Total:		\$2,000.00

44. The payment to Incorp Services may have been a legitimate payment for registering the company.

COUNT 7
SECURITIES FRAUD, a third degree felony (BUTTARS and LA COUNT)
Complainant Orjan Gustafsson

45. Gustafsson said La Count told him numerous times the company needed more money to finance its operations and Gustafsson subsequently decided to purchase more stock. Gustafsson said he assumed his second investment would be used to help finance the company, but was not told specifically as to how his second investment would be used. Gustafsson said La Count continued to ask him numerous times to recruit other people Gustafsson knew to be investors. Gustafsson indicated he went to Buttars' house for the second investment, which at the time was also in the Jeremy Ranch, Park City neighborhood as Hinman and La Count. Buttars and La Count presented things to Gustafsson.
46. Relying on La Count's explanations and statements of the investment opportunity during the first offer and sale of stock, as detailed earlier, Gustafsson decided to invest an additional \$7,000 in Movieblitz. On or about January 11, 2010, Gustafsson gave La Count a \$7,000 personal check made payable to "Movieblitz N.A" while he was possibly at La Count's Park City home. The back side of the check was endorsed by Buttars. Bank statements indicated the funds were deposited into a Frontier Bank account (-4572) on January 12, 2010. The "Account Agreement" identified Frontier Bank, FSB at 1630 Shortline, Park City, Utah 84060 and David Bruce Buttars and Mark Keith La Count as account owners/signers. Gustafsson said a few months after he invested he went with La Count to meet Buttars at his house in Park City and received a stock certificate dated January 15, 2010. The stock certificate contained as signee for "President," a signature which appeared to be Buttars' when compared to his Utah driver's license signature. The

stock certificate contained as signee for “Secretary,” a signature which appeared to be La Count’s when compared to his Utah driver’s license signature.

47. Gustafsson said La Count contacted him approximately six months to a year after Gustafsson’s investment and said he had a falling out with Buttars and was leaving Movieblitz.

48. Gustafsson said he has not received any payments related to his investment or periodic statements reflecting the status of his investment.

49. In connection with the offer and sale of the security to Gustafsson, La Count made numerous material misstatements and omissions including, but not limited to the following:

Misstatements

- Gustafsson believed his funds would be used for business purposes. However, a source and use analysis indicated Gustafsson’s funds were spent in a manner that may not represent business purposes.

Predicate Statements

Gustafsson said La Count explained the following information about a potential investment in Movieblitz:

- Movieblitz business model: A person would go up to a kiosk and upload a movie or TV show onto a compatible device called a “key” (i.e., a thumb drive-like device or chip) to rent;
- Movieblitz would have deals with major movie companies/industries to get movies in their kiosks;
- Movieblitz would be first tested in Switzerland;
- The project would stream better than Netflix;
- Buttars’ invention/technology was revolutionary;

- They were trying to recruit/get money for Movieblitz and needed money to start up the company;
- Gustafsson's funds would be used to finance the company – to go towards registering the company in Nevada;
- La Count asked Gustafsson to find other investors to invest in the company (Gustafsson said he asked, but never got anyone else to invest);
- Gustafsson understood his investment would make a profit when the kiosks were up and running and the company went public or when the company was sold;
- Gustafsson said he and Hinman decided to purchase stock options in Movieblitz; and
- Gustafsson said La Count did not pressure them to invest, but was a smooth talker.

Omissions

Based on the preceding predicate statements, Buttars and La Count directly or indirectly, failed to disclose material information to Gustafsson, including, but not limited to, the following, which was necessary in order to make statements made not misleading:

- Information regarding the similar company, Ellipse Technology, Inc.;
- A 2003 \$2,628.24 judgment;
- Financial statements;
- Whether the investment is a registered security or exempt from registration;
- Whether La Count was licensed to sell securities;
- Gustafsson's first investment of \$2,000 was spent in a manner that may not represent: to finance the company – to go towards registering the company in Nevada, as shown by a source and use analysis; and

COUNT 8
THEFT, a second degree felony (BUTTARS)
Complainant Orjan Gustafsson

50. Using a source and use analysis, Buttars used the \$7,000 funds from January 12, 2010 to approximately February 2, 2010, in the following manner:

<u>Date</u>	<u>Transaction</u>	<u>Payment</u>
1/12/2010	Unknown	\$200.00
1/13/2010	\$1,600 Internet Transfer to Checking (-1853):	
1/15/2010	Jasmin L. Wright	\$134.45
1/15/2010	Check 155: Kay Burningham; memo: Danny	\$167.00
1/19/2010	Jeremy Store	\$7.16
1/19/2010	McDonald's	\$7.51
1/19/2010	Apl*Itunes	\$14.79
1/19/2010	Calvin Klein	\$65.94
1/19/2010	Unknown	\$137.96
1/19/2010	Annette Martain	\$143.00
1/19/2010	Fresh Market	\$145.12
1/19/2010	Check 157: David Buttars	\$300.00
1/20/2010	McDonald's	\$6.64
1/20/2010	Fresh Market	\$64.79
1/21/2010	Fresh Market	\$41.46
1/21/2010	Maverik	\$43.63
1/21/2010	Rocky Mountain E-pay	\$263.14
1/21/2010	Cingular AT&T	\$57.41
<i>Continuing balance of funds in account -4572:</i>		
1/15/2010	\$2,200.00 Internet Transfer to Checking (-1853):	
1/21/2010	Cingular AT&T	\$414.94
1/21/2010	Questar Gas	\$513.22
1/25/2010	Check 156: Carol M. Fowler; memo: Loan Replacement	\$1,271.84
<i>Continuing balance of funds in account -4572:</i>		
1/20/2010	Fresh Market	\$800.00
1/21/2010	Qwest Communication E-Pay	\$60.72
1/21/2010	Qwest Communication E-Pay	\$101.19
1/22/2010	\$1,500.00 Internet Transfer to Checking (-1853):	
1/25/2010	Check 156: Carol M. Fowler; memo: Loan Replacement	\$928.16
1/27/2010	The Ebook Store	\$7.99
1/29/2010	Check 158: Kay Burningham; memo: Danny Child Support	\$167.00
2/1/2010	Fresh Market	\$8.74
2/1/2010	Non-Sufficient Funds	\$30.00
2/1/2010	Fresh Market	\$40.60
2/1/2010	Jeremy Store	\$45.55
2/1/2010	Fresh Market	\$114.75
2/1/2010	Debt Settlement	\$157.21
<i>Continuing balance of funds in account -4572:</i>		
1/22/2010	Vonage	\$44.29
2/1/2010	\$200.00 Internet Transfer to Checking (-1853):	
2/1/2010	Debt Settlement	\$200.00
<i>Continuing balance of funds in account -4572:</i>		

2/2/2010	\$293.80 Internet Transfer to Checking (-1853):	
2/1/2010	Debt Settlement	\$293.80
Total:		\$7,000.00

COUNT 9
SECURITIES FRAUD, a third degree felony (BUTTARS & LA COUNT)
Complainant Janet Hinman

51. Hinman said La Count's wife, Tami, was the Director of the Jeremy Ranch Association in Park City, Utah, and that Hinman and the La Counts lived near each other in the Jeremy Ranch, Park City community. Hinman said her friend, Orjan Gustafsson ("Gustafsson"), is from Sweden, and La Count had been living in Switzerland. She explained how they had some kind of a connection because of those facts. Hinman said Gustafsson and La Count spoke about investing, referring to a topic of discussion. Hinman said La Count and Tami stopped by Hinman's house to give her and Gustafsson a document called the "Executive Summary Business Plan." She said that all that was said about the document was that now they were investors on the ground level of the new company. Hinman said La Count did all of the paperwork, and Buttars met with them to do a presentation at her house before she and Gustafsson gave Buttars and La Count their money. Hinman said she had spoken with Buttars and La Count in approximately May 2007.
52. Hinman explained that La Count said that Buttars had the patents, and they were ready to roll. She said she was told that just cash was needed to secure and register the business in Nevada. She said she was told that Blockbuster was going out of business, and this idea was a shoe in.

53. Hinman said in approximately May 2009 Buttars and La Count came to her house to discuss an investment opportunity to purchase stock in Movieblitz. Hinman said

Gustafsson was present. Hinman said during the meeting Buttars and La Count:

- Brought the red device to her house, took it apart and told them what it would do;
- Showed Hinman and Gustafsson a metal capsule that was to go into the movie kiosk;
- Told Hinman and Gustafsson everything could be stored on the capsule including family and tax records;
- Told Hinman they had some technology that would allow bank records, historical data, photographs, and family albums to be stored on it;
- Told Hinman and Gustafsson that this technology was going to replace other technology;
- Said that the technology would go all over the world;
- Told Hinman and Gustafsson that this was to be done in Switzerland, that the items were being produced in Switzerland;
- Said Hinman and Gustafsson would make a lot of money;
- Said Hinman and Gustafsson would make money through profit sharing;
- Told Hinman and Gustafsson they would be business owners;
- Said they were going to register the company through Nevada to escape taxes;
- Said they needed her and Gustafsson's money to register the company in Nevada;
- Told Hinman the investment money was to go toward making the capsule and the kiosk;
- Wanted Hinman and Gustafsson to find more investors and promised Hinman more shares if she brought more investors in;
- Hinman said she and Gustafsson would be getting in at the ground level;
- Hinman explained that Buttars was the technical person and La Count ran the company.

54. Hinman explained in the questionnaire that she was told:

- Hinman would make a profit from sales of the device and monthly usage fees;
- There was no other business plan like this, Blockbuster was going out of business, and this would replace Blockbuster;

- Hinman and Gustafsson would be rich;
- Hinman would receive proceeds as the business took shape;
- There would be no loss of Hinman's investment because the business would be a success; and
- Hinman's investment money would be used to purchase kiosks.

55. Hinman said she invested because La Count and Tami were friends in the community; they were highly regarded in their church, and Hinman trusted them.

56. Based on Buttars' and La Count's statements, Hinman invested \$2,000 in Movieblitz with a check dated May 27, 2009, made payable to David Buttars. The check was endorsed by Buttars. Bank records showed:

- \$1,500 was deposited into a Frontier Bank account (-4507) on DATE.
- \$500 was deposited into a Frontier Bank account (-1853) on May 30, 2009. The "Account Agreement" identified Frontier Bank, FSB at 1630 Shortline, Park City, Utah 84060 and David Bruce Buttars as account owner/signer, with an address of 8774 Gorgoza Dr., Park City, Utah 84098.

57. In exchange for the \$2,000 funds Hinman received a document entitled "Movieblitz North America Executive Summary Business Plan."

58. Hinman said after she invested she found out that Buttars' house had been foreclosed on. Hinman said she did not receive any information related to her investment and she had to call for updates. Hinman said she asked La Count about her investment, and La Count told her things were coming together. She said La Count told her that he and Tami were going to Switzerland and that the company will be sending them. Hinman is a flight attendant and said she offered La Count her buddy passes, so he could go to Switzerland. Hinman said La Count goes back and forth to Switzerland to get investors. Hinman said La Count was pushing her and Gustafsson every week to find more investors.

59. Hinman said La Count called her and Gustafsson on November 6, 2010, to come to his house. Hinman said La Count told her he was taking money from Movieblitz and pulling it into another company in Switzerland. Hinman said it was a medical technology company. Hinman said La Count told her that he and Buttars were no longer speaking to each other. Hinman said Gustafsson asked about Movieblitz going away and La Count said he would not talk about it. Hinman said La Count said he did not like Buttars' ways. Hinman said that La Count called her and Gustafsson and told her he was going to roll their investment into another scheme he was working on because he did not believe Movieblitz was going to happen. Hinman said La Count told them he was no longer talking to Buttars. Hinman explained that La Count would not tell her and Gustafsson what happened between him and Buttars.
60. Hinman said that she has a friend in Scottsdale, Arizona who is wealthy. She said his name is David Latvaaho ("Latvaaho"). She said La Count asked her to get Latvaaho involved with Movieblitz, and she said she hooked Latvaaho up with La Count. She said Latvaaho listened to the presentation, and Latvaaho refused to get involved because the technology was outdated. Hinman said La Count and Buttars said "We need big bucks." Hinman said that Buttars and La Count said they were talking to Sundance film producers to bring Latvaaho on board.
61. Hinman said Gary Miller is her ex-husband, and La Count promised extra shares of stock for bringing Gary on board. Hinman said La Count never gave her anything for doing this.

62. Hinman said La Count is a polished speaker, and it is natural to trust him. She said La Count portrayed himself as a church going guy.
63. Hinman said she has not received any payments related to her investment or periodic statements reflecting the status of her investment.
64. In connection with the offer and sale of the security to Hinman, Buttars and La Count made numerous material misstatements and omissions including, but not limited to the following:

Misstatements

- Hinman said she was told her funds would be used to register the company in Nevada and to go toward making the capsule and the kiosk. However, a source and use analysis indicated some of Hinman's funds were spent in a manner that may not represent the aforementioned purposes.
- Hinman also explained in her questionnaire that she was told there would be no loss of Hinman's investment because the business would be a success. However, it is difficult to guarantee an investment and business's success.

Predicate Statements

Hinman explained that La Count said that Buttars had the patents, and they were ready to roll. She said she was told that just cash was needed to secure and register the business in Nevada. She said she was told that Blockbuster was going out of business, and this idea was a shoe in.

Hinman said in approximately May 2007 Buttars and La Count came to her house to discuss an investment opportunity to purchase stock in Movieblitz. Hinman said Gustafsson was present. Hinman said during the meeting Buttars and La Count:

- Brought the red device to her house, took it apart and told them what it would do;
- Showed Hinman and Gustafsson a metal capsule that was to go into the movie kiosk;

- Told Hinman and Gustafsson everything could be stored on the capsule including family and tax records;
- Told Hinman they had some technology that would allow bank records, historical data, photographs, and family albums to be stored on it;
- Told Hinman and Gustafsson that this technology was going to replace other technology;
- Said that the technology would go all over the world;
- Told Hinman and Gustafsson that this was to be done in Switzerland, that the items were being produced in Switzerland;
- Said Hinman and Gustafsson would make a lot of money;
- Said Hinman and Gustafsson would make money through profit sharing;
- Told Hinman and Gustafsson they would be business owners;
- Said they were going to register the company through Nevada to escape taxes;
- Said they needed her and Gustafsson's money to register the company in Nevada;
- Told Hinman the investment money was to go toward making the capsule and the kiosk;
- Wanted Hinman and Gustafsson to find more investors and promised Hinman more shares if she brought more investors in;
- Hinman said she and Gustafsson would be getting in at the ground level;
- Hinman explained that Buttars was the technical person and La Count ran the company.

Hinman explained in the questionnaire that she was told:

- Hinman would make a profit from sales of the device and monthly usage fees;
- There was no other business plan like this, Blockbuster was going out of business, and this would replace Blockbuster;
- Hinman and Gustafsson would be rich;
- Hinman would receive proceeds as the business took shape;
- There would be no loss of Hinman's investment because the business would be a success; and
- Hinman's investment money would be used to purchase kiosks.

Omissions

Based upon the preceding predicate statements, Buttars and La Count directly or indirectly, failed to disclose material information to Hinman, including, but not limited to, the following, which was necessary in order to make statements made not misleading:

- Buttars likely failed to disclose that by February 11, 2009, he was six payments behind on his Capital One credit line, now totaling \$10,017.24, which is to be interpreted that he stopped making payments in approximately August 2008;
- Information regarding the similar company, Ellipse Technology, Inc.;
- (La Count) A 2003 \$2,628.24 judgment;
- Financial statements;
- Whether the investment is a registered security or exempt from registration; and
- Whether Buttars or La Count were licensed to sell securities.

COUNT 10
THEFT, a third degree felony (BUTTARS)
Complainant Janet Hinman

65. Using a source and use analysis, \$1,500 of Hinman’s \$2,000 funds were used from June 2, 2009, to approximately June 26, 2009, in the following manner:

<u>Date</u>	<u>Transaction</u>	<u>Payment</u>
6/2/2009	In House Withdrawal/Transfer	\$500.00
6/10/2009	\$100.00 Internet Transfer to (-1853):	
6/12/2009	Talent Management Group	\$11.97
6/15/2009	Apl*Itunes	\$1.05
6/15/2009	Jeremy Store	\$3.06
6/15/2009	McDonald’s	\$3.63
6/15/2009	SNS Quickstop	\$4.25
6/15/2009	Faulkner	\$9.77
6/15/2009	Oasis Restaurant	\$36.60
6/15/2009	Walmart	\$29.67
6/15/2009	Internet Transfer to (-1853)	\$15.00
6/15/2009	Internet Transfer to (-1853)	\$50.00
6/19/2009	Check (No image available)	\$400.00
6/19/2009	Qwest	\$226.03
6/23/2009	Internet Transfer to (-1853)	\$50.00
6/26/2009	Internet Transfer to (-1853)	\$158.97
Total:		\$1,500.00

66. Using a source and use analysis, \$500 of Hinman's \$2,000 funds were used from June 5, 2009, to approximately June 12, 2009, in the following manner:

<u>Date</u>	<u>Transaction</u>	<u>Payment</u>
6/5/2009	<i>Cash Withdrawal</i>	\$129.12
6/8/2009	USPS	\$9.24
6/8/2009	Jeremy Store	\$47.94
6/8/2009	Simpson & Company	\$152.25
6/10/2009	PWI	\$1.30
6/10/2009	McDonald's	\$2.15
6/10/2009	McDonald's	\$2.15
6/10/2009	Albertsons	\$10.28
6/10/2009	PWI	\$44.17
6/12/2009	Vonage	\$9.53
6/12/2009	Albertsons	\$14.37
6/12/2009	Albertsons	\$19.61
6/12/2009	Talent Management Group	\$57.89
Total:		\$500

COUNT 11
SECURITIES FRAUD, a second degree felony (LA COUNT)
Complainant Barry Hanover

67. Hanover said La Count was his neighbor and friend in their Jeremy Ranch, Park City neighborhood. Hanover said he and La Count may have begun talking lightly about Movieblitz North America while visiting with each other at their mailboxes in approximately May through June of 2009. Hanover said conversations about Movieblitz with La Count gradually increased in the weeks that followed their initial conversation.

Hanover said La Count communicated the following information:

68. Hanover said La Count was not looking for any money from Hanover at the time. Hanover said as they continued talking about Movieblitz, La Count admitted they (Movieblitz) were having trouble. Hanover said La Count described the business plan as

having to do with providing movie services. La Count felt they had an opportunity with this simple small device one would have at home and could download movies and watch instantly. Hanover said you would go to a kiosk with this device and download movies and load the content on a portable memory storage device and pay for it when you played it at home. It was a device to give you access to licensed movie content. Hanover said he was told Movieblitz/Buttars had patent application(s) for the described technology.

Hanover is an engineer with patents of his own and is familiar with the patent process.

Hanover decided to look into the alleged patents and found the patent applications that he believed were still pending through the U.S. Patent Trademark Office. Hanover felt the patents pertained to the content of business plan and appeared to have some validity.

69. Hanover said a pro forma was provided. He said it was an Executive Summary Business Plan. He said the business plan was a 72 to 80 page color brochure. La Count gave it to him a week or so before the first investment. He said the brochure contained financial estimation information going forward. He had retrieved the brochure from his file and said it also contained historical information from 2007 and 2008. Hanover said that La Count did not minimize risk or the competitive market. He said La Count did not tell him how many investors there were in the company in this round. Hanover read some names from it to Agent Nesbitt, including the name David Buttars and Advanced Media Technology. Hanover said the brochure mentioned how much they were trying to raise. He said he did not remember if La Count told him how much money the company had raised. La Count said the company had short term cash flow issues. Hanover said he did not think they had raised much money or had very many investors. Hanover said he did

not think it was a big round of investors and did not think they had any leads for more or bigger investors.

70. Hanover said he never met Buttars, but spoke to him on the phone most likely before he made a first investment. Hanover said La Count had set up a conference call with Buttars and that Hanover's questions for Buttars were technical in nature, given Hanover's engineering background and patent experience. Hanover does not recall anything more specific about his conversation with Buttars on the conference call.
71. Hanover said that past companies that La Count had owned that had failed were not part of their discussions at that time. Hanover said he did not think they talked about that. He said he was aware at that time that La Count had been "up and down."
72. Hanover said he knew Buttars had some financial/personal difficulties, such as a stalking case involving Buttars. He said he found out about these difficulties by performing a Google search using Buttars' name. He said he then discussed it with La Count who did not deny those things. Hanover said that he knew at the time he invested the money that not everything that La Count had been involved in had been a success. Hanover said he and La Count did not discuss specific companies that he could remember. He said he did not know of any lawsuits that La Count was involved in at that time. Hanover said they did discuss Buttars' past history and difficulties. Hanover said he would not have approved the use of his investment money for anything other than to promote the business. He said the money needed to go to the company and not for Buttars' financial problems or personal matters.

73. Hanover said that some of his investment money was to clear up some company debt, and some of his investment money was for going forward. He said it was a short term thing. He said his situation was a little different from others. He said it was represented to him as a short term cash situation that wouldn't allow the company to go forward unless it was dealt with. Hanover said there were some operating expenses and trip expenses that needed to be dealt with including plane tickets. He said it wasn't represented to him that they were trying to raise \$5,000,000. He said his investment money was to pay off some expenses that had been incurred including travel and meeting expenses.
74. Hanover said he never saw any product. He said La Count did show him a plastic prototype of the key card.
75. Hanover said he decided to invest funds in Movieblitz because it was represented to him they were having financial trouble and he wanted to help. Hanover said it was represented that they needed money for immediate needs and expenses for travel. Based on La Count's statements, Hanover invested \$20,000 in Movieblitz. Hanover gave La Count a \$20,000 personal check made payable to Movieblitz North America, Inc., dated June 25, 2009. Hanover said the check cleared on June 26, 2009. Bank statements indicated the funds were deposited into a Frontier Bank account (-4572) on June 25, 2009. The "Account Agreement" identified Frontier Bank, FSB at 1630 Shortline, Park City, Utah 84060 and David Bruce Buttars and Mark Keith La Count as account owners/signers. In exchange for the \$20,000 funds, Hanover said he later received a subscription agreement, which contained a signature for Buttars, dated June 8, 2009.

Hanover said he also received a stock certificate dated June 12, 2009, for 40,000 shares of non-voting common stock.

76. Hanover said he has not received any payments related to his investment. Hanover said he does not currently have any expectation that he would get his money back.

77. In connection with the offer and sale of the security to Hanover, La Count made numerous material omissions including, but not limited to the following:

Predicate Statements

Hanover said La Count explained the following information about a potential investment in Movieblitz:

- La Count admitted they (Movieblitz) were having trouble;
- La Count described the business plan as having to do with providing movie services. La Count felt they had an opportunity with this simple small device one would have at home and could download movies and watch instantly. Hanover said you would go to a kiosk with this device and download movies and load the content on a portable memory storage device and pay for it when you played it at home. It was a device to give you access to licensed movie content.
- Hanover said he was told Movieblitz/Buttars had patent application(s) for the described technology. Hanover looked into the alleged patents and found the patent applications that he believed were still pending through the U.S. Patent Trademark Office. Hanover felt the patents pertained to the content of business plan.
- It was represented to Hanover that Movieblitz was having financial trouble; and
- It was represented to Hanover that Movieblitz needed money for immediate needs and expenses for travel.

Omissions

Based on the preceding predicate statements, La Count directly or indirectly, failed to disclose material information to Hanover, including, but not limited to, the following, which was necessary in order to make statements made not misleading:

- Information regarding the similar company, Ellipse Technology, Inc.;
- A 2003 \$2,628.24 judgment;
- Financial statements;
- Whether the investment is a registered security or exempt from registration; and
- Whether La Count was licensed to sell securities.

COUNT 12
SECURITIES FRAUD, a third degree felony (LA COUNT)
Complainant Barry Hanover

78. Hanover said his communications concerning his first investment and his subsequent investment took place in Park City, Utah. Hanover said he decided to help out La Count and Movieblitz again by purchasing additional Movieblitz stock as a small follow-up to his first investment. Hanover said he invested because they always needed more money. Hanover said that it is likely La Count mentioned things were not going well and they were short on cash, to which Hanover offered additional assistance. Hanover said with his purchase of stock, he was to receive warrants (an "IOU" type of stock) in Movieblitz's parent company. Hanover said they gave him warrants in their parent company CNF, in case Movieblitz did not do well.
79. Relying on La Count's explanations and statements of the investment opportunity during the first offer and sale of stock, Hanover invested \$3,500 in Movieblitz. Hanover gave La Count a \$3,500 personal check, dated November 10, 2009, made payable to Movieblitz North America. Hanover said the check cleared on November 16, 2009. Bank statements indicated the funds were deposited into a Frontier Bank account (-4572) on November 12, 2009. The "Account Agreement" identified Frontier Bank, FSB at 1630 Shortline, Park City, Utah 84060 and David Bruce Buttars and Mark Keith La Count as account

owners/signers. In exchange for the \$3,500 funds, Hanover received a subscription agreement, which contained a signature for Buttars, dated November 13, 2009. Hanover said he also received a stock certificate dated November 13, 2009, for 7,000 shares of non-voting common stock.

80. Hanover said he has not received any payments related to his investment.

81. In connection with the offer and sale of the security to Hanover, La Count made numerous material omissions including, but not limited to the following:

Omissions

Based on the predicate statements outlined for the first offer and sale of a security, including additional statements made prior to the Hanover's second investment, which were: Hanover said that it is likely La Count mentioned things were not going well and they were short on cash, to which Hanover offered additional assistance; Hanover said with his purchase of stock, he was to receive warrants in Movieblitz's parent company; Hanover said they gave him warrants in their parent company CNF, in case Movieblitz did not do well. La Count directly or indirectly, failed to disclose material information to Hanover, including, but not limited to, the following, which was necessary in order to make statements made not misleading:

- Information regarding the similar company, Ellipse Technology, Inc.;
- A 2003 \$2,628.24 judgment;
- Financial statements;
- Whether the investment is a registered security or exempt from registration; and
- Whether La Count was licensed to sell securities.

COUNT 13
SECURITIES FRAUD, a second degree felony (BUTTARS and LA COUNT)

Complainant Gary A. Miller

82. Gary Miller ("Miller") said that Janet Hinman is his ex-wife, and Hinman had told Miller about the investment opportunity in approximately summer of 2009. Miller said the first time he met Buttars and La Count was when he was invited to Hinman's house in the Jeremy Ranch community in Park City to hear them deliver a sales pitch about the product for the company Movieblitz. Miller said Hinman's boyfriend, Orjan Gustafsson might have been there, but Miller couldn't recall exactly. Miller said Buttars and La Count made the following statements about a potential investment with Movieblitz:

- They explained that the product involved the ability to get a movie by turning a key into a box;
- They explained that a movie would be stored on a key that could be carried around, and people could go to a place like Red Box to get a movie;
- Miller said one of their sales pitches was that nobody else had anything like this;
- They told him that the master plan for the company was to find someone to invest heavily in the company or to buy them out;
- They asked him to invest, and no certain amount of money was asked of him; and
- He said his investment money was to be used to develop and market the product.

83. Miller said Buttars and La Count did not mention risk. Miller said he personally knew it would be a risky investment. Miller said he did not remember if Buttars and La Count gave him a financial statement. Miller said they did not say anything to him about any competition. Miller said they did not say anything to him about the company Ellipse Technology. Miller said he did not believe that Buttars or La Count said anything about any past failed companies they had been involved in. He said they did not say anything about any financial trouble they were having, judgments against them, lawsuits filed against them, or having any criminal history. Miller said he did not recall if Buttars or La

Count mentioned having any experience in this type of business. He said he did not think they mentioned how many other investors there were in the company. He said that did not come up. Miller said he knew that Hinman and Gustafsson were investors. It was asked of Miller if Buttars and La Count mentioned any conflicts of interest and having involvement in any competitive company with the same or similar product, and Miller said "absolutely not." Miller said Buttars and La Count did not tell him whether they were licensed to sell securities. Miller said he did not know if they told him if the stock was registered. He said he knew that the stock was not being traded. Miller said that Buttars and La Count did not mention if they were receiving a commission for selling the stock. He said he did not think they said anything about the liquidity of his investment.

84. Based on Buttars and La Count's statements, Miller invested \$10,000 in Movieblitz.

Miller:

- Believed he gave to La Count a \$7,000 check after cashing out some stock he had in Delta. The check was made payable to "Gary A Miller," dated February 1, 2010. The back of the check was signed by Miller and on it was written, "Pay to the order of Movie Blitz N.A.," indicating account -4572. Bank records show the \$7,000 was deposited on February 2, 2010, into Frontier Bank account -4572, entitled "Movieblitz North America." The "Account Agreement" identified Frontier Bank, FSB at 1630 Shortline, Park City, Utah 84060 and David Bruce Buttars and Mark Keith La Count as account owners/signers.
- Believed he gave La Count a \$3,000 personal check made payable to "Movie Blitz NA" for "6000 Shares." The check was dated February 2, 2010, and appears to have been signed by Miller. Bank records show the \$3,000 was deposited on February 2, 2010, into Frontier Bank account -4572, entitled "Movieblitz North America." The "Account Agreement" identified Frontier Bank, FSB at 1630 Shortline, Park City, Utah 84060 and David Bruce Buttars and Mark Keith La Count as account owners/signers.

85. In exchange for the \$10,000 funds Miller said he received a stock certificate and additional documents, which he has yet to turn over to the Division, but has said he is working on gathering.
86. The records for Frontier Bank account number -4572 included a document titled "STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE." It read "FOR VALUE RECEIVED, the undersigned hereby assigns and transfers unto Gary Allen Miller - IRA, Charles Schwab & Co. Inc. Custodian, 6,000 shares of Common Stock of MOVIEblitz N.A. a Nevada corporation (the "Company"), standing in the undersigned's name on the books of the Company represented by Certificate No. 11 and does hereby irrevocably constitute and appoint Ray Quinney & Nebeker P.C. to transfer said stock on the books of the Company with full power of substitution in the premises." It was dated February 2, 2010, and signed by Miller.
87. Miller said Buttars and La Count tried to get him to find other investors, and he told them no. He said they wanted him to get his boss involved, and he would not do that.
88. Miller said he has not received any payments related to his investment.
89. In connection with the offer and sale of the security to Miller, Buttars and La Count made numerous material misstatements and omissions including, but not limited to the following:

Misstatements

- Miller said he was told his investment money was to be used to develop and market the product. However, a source and use analysis indicated Miller's funds were spent in a manner that may not represent development and marketing of the product.

Predicate Statements

Miller said Buttars and La Count made the following statements about a potential investment with Movieblitz:

- They explained that the product involved the ability to get a movie by turning a key into a box;
- They explained that a movie would be stored on a key that could be carried around, and people could go to a place like Red Box to get a movie;
- Miller said one of their sales pitches was that nobody else had anything like this;
- They told him that the master plan for the company was to find someone to invest heavily in the company or to buy them out;
- They asked him to invest, and no certain amount of money was asked of him; and
- He said his investment money was to be used to develop and market the product.

Omissions

Based upon the preceding predicate statements, Buttars and La Count directly or indirectly, failed to disclose material information to Miller, including, but not limited to, the following, which was necessary in order to make statements made not misleading:

- Buttars likely failed to disclose that by February 11, 2009, he was six payments behind on his Capital One credit line, now totaling \$10,017.24, which is to be interpreted that he stopped making payments in approximately August 2008;
- Information regarding the similar company, Ellipse Technology, Inc.;
- (La Count) A 2003 \$2,628.24 judgment;
- Financial statements;
- Whether the investment is a registered security or exempt from registration; and
- Whether Buttars or La Count were licensed to sell securities.

COUNT 14
THEFT, a second degree felony (BUTTARS)
Complainant Gary A. Miller

90. Using a source and use analysis, Miller's \$10,000 funds were used from February 2, 2010, to approximately March 29, 2010, in the following manner:

<u>Date</u>	<u>Transaction</u>	<u>Payment</u>
2/2/2010	Miller's \$10,000 Deposited in -4572	
2/2/2010	\$3,706.20 Internet Transfer to -1853:	
2/2/2010	Used to make Account's Negative Balance Even	\$1,742.79
2/2/2010	Utah Bail Bonds	\$200.00
2/3/2010	Fresh Market	\$44.31
2/5/2010	Jeremy Store	\$30.00
2/8/2010	Apl*Itunes	\$1.37
2/8/2010	Fresh Market	\$4.09
2/8/2010	Fresh Market	\$19.04
2/8/2010	Fresh Market	\$68.60
2/9/2010	Chevron	\$51.86
2/9/2010	Fresh Market	\$96.85
2/11/2010	Apl*Itunes	\$22.86
2/11/2010	Fresh Market	\$28.93
2/11/2010	Fresh Market	\$50.09
2/11/2010	Basin Recreation	\$60.00
2/11/2010		\$128.53
2/12/2010	Golden Braid Book	\$49.27
2/16/2010	McDonald's	\$2.15
2/16/2010	McDonald's	\$2.15
2/16/2010	Fresh Market	\$13.99
2/16/2010	Oasis Restaurant	\$15.64
2/16/2010	Chevron	\$31.10
2/16/2010	Fresh Market	\$38.37
2/16/2010	Fresh Market	\$47.82
2/17/2010	Fresh Market	\$29.75
2/19/2010	Sakura Sushi	\$40.09
2/19/2010	Kay Burningham; memo: Danny Support	\$167.00
2/22/2010	Fresh Market	\$4.09
2/22/2010	Jeremy Store	\$47.77
2/22/2010		\$47.85
2/22/2010	Apl*Itunes	\$51.00
2/22/2010	Fresh Market	\$67.01

2/22/2010	Jeremy Store		\$47.77
2/22/2010			\$47.85
2/22/2010	ApI*Itunes		\$51.00
2/22/2010	Fresh Market		\$67.01
2/22/2010	Fresh Market		\$74.60
2/22/2010	Fresh Market		\$90.62
2/25/2010	Fresh Market		\$35.07
2/26/2010	Jeremy Store		\$43.72
2/26/2010	The Home Depot		\$135.48
3/1/2010	Sakura Sushi		\$40.63
3/1/2010	Fresh Market		\$68.13
3/1/2010	Debt Settlement		\$13.58
<i>Continuing balance of funds in account -4572:</i>			
2/2/2010	Bill Pay Fee		\$8.95
2/3/2010	Staples, Inc.		\$42.49
2/4/2010	Apple Store		\$319.48
2/5/2010	Mark La Count		\$3,000.00
2/8/2010	Vonage		\$44.89
2/11/2010	Fed Ex		\$279.03
2/16/2010	Chevron		\$1.30
2/16/2010	Intelius	\$17.92	
2/16/2010	Chevron		\$49.07
2/16/2010	Fed Ex		\$589.84
2/17/2010	A Main Hobbies		\$10.32
2/24/2010	<i>\$1,900.00 Internet Transfer to -1853:</i>		
3/1/2010	Debt Settlement		\$1,792.62
3/2/2010	Amzn Pmts		\$1.99
3/3/2010	Fresh Market		\$41.06
3/3/2010	Jeremy Store		\$49.66
3/3/2010	Allstate		\$14.67
<i>Continuing balance of funds in account -4572:</i>			
2/24/2010	Fed Ex		\$16.37
3/2/2010	Bill Pay Fee		\$8.95
3/29/2010	Internet Transfer to -1853		\$4.00
3/29/2010	Cingular AT&T		\$1.19
			Total: \$10,000.00

**COUNT 15
PATTERN OF UNLAWFUL ACTIVITY
a second degree felony (BUTTARS and LA COUNT)**

91. Commencing in or about 2009, Buttars and La Count engaged in conduct which constituted the commission of at least three episodes of unlawful activity as defined in Utah Code Ann. § 76-10-1603. Buttars and La Count: (1) received proceeds derived, directly or indirectly, from a pattern of unlawful activity, which included, but is not limited to, the activity defined in the above-listed counts, in which he participated as a principal, or used or invested, directly or indirectly, any part of that income, or the proceeds derived from the investment or use of those proceeds, in the acquisition of any interest in, or establishment or operation of, any enterprise; (2) through a pattern of unlawful activity acquired or maintained, directly or indirectly, any interest in or control of any enterprise; or (3) was employed by, or associated with any enterprise and conducted or participated, whether directly or indirectly, in the conduct of that enterprise's affairs through a pattern of unlawful activity. The unlawful activity included, but is not necessarily limited to, three or more violations of securities fraud and/or theft.

SUMMARY

Based on our review of the evidence, there is probable cause to believe that DAVID BRUCE BUTTARS committed the crimes of:

SECURITIES FRAUD

a second degree felony, 2 counts

a third degree felony, 3 counts

THEFT

a second degree felony, 4 counts

a third degree felony, 1 count

a class A misdemeanor, 1 count

PATTERN OF UNLAWFUL ACTIVITY

a second degree felony, 1 count

Based on our review of the evidence, there is probable cause to believe that MARK
WHITNEY KEITH LA COUNT committed the crimes of:

SECURITIES FRAUD
a second degree felony, 2 counts
a third degree felony, 4 counts

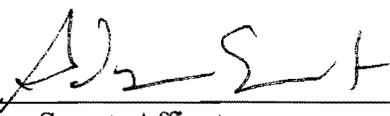
PATTERN OF UNLAWFUL ACTIVITY
a second degree felony, 1 count

Dated this 14 day of February, 2013.



Scott Nesbitt, Affiant

Dated this 14 day of February, 2013.



Adam Sweet, Affiant

SUBSCRIBED AND SWORN before me this 14 day of February, 2013.



JUDGE, THIRD DISTRICT COURT

