ADMINISTRATIVE PROCEEDING

BEFORE THE

SECURITIES COMMISSIONER OF SOUTH CAROLINA

IN THE MATTER OF:	)	
	)	**ORDER TO CEASE AND DESIST**
John Lee Wells, and	)	
Contractor Protection, Inc.,	)	
	)	
	)	**File No. 08047**
Respondents.	)	

WHEREAS, the Securities Division of the Office of the Attorney General of the State of South Carolina (the "Division"), pursuant to authority granted in the South Carolina Uniform Securities Act of 2005 (the "Act"), S.C. Code Ann. § 35-1-101 to 35-1-703 (Supp. 2009), on or about October 13, 2008, received information regarding alleged activities of John Lee Wells and Contractor Protection, Inc. (collectively, the "Respondents") which, if true, could constitute violations of the Act; and

WHEREAS, the information led the Division to open and conduct an investigation of the Respondents pursuant to S.C. Code Ann. § 35-1-602; and

WHEREAS, in connection with the investigation, the Division has determined that evidence exists to support the following findings and conclusions:

1. During the relevant time period herein, Respondent John Lee Wells ("Wells") was a South Carolina resident with an address of 104 Spring Valley Drive, Spartanburg, South Carolina 29301.
2. Respondent Wells last known address for service of process is 336 Winding Oak Drive, Woodruff, South Carolina 29388.

3. During the relevant time period herein, Respondent Contractor Protection, Inc. ("Contractor Protection") was a South Carolina corporation registered with the South Carolina Secretary of State.
4. According to Wells, Contractor Protection ceased to do business in or around July, 2007.
5. Service on Contractor Protection is now appropriate at Wells' last known address.
6. During the years 2006 and 2007, Respondents took in at least four hundred fifty-five thousand ($455,000.00) dollars in money from at least two investors in exchange for ownership shares of Respondent Contractor Protection.
7. At the time of the transactions above and at all times relevant herein, Respondent Wells was in control of Respondent Contractor Protection.
8. The shares sold to the two investors by Respondents constitute securities as defined by the Act.
9. Respondent Wells, the person who made the sales to the investors on behalf of himself and Respondent Contractor protection, was not registered to offer or sell securities in or from South Carolina.
10. The shares of Contractor Protection sold to the investors were not registered or notice filed, or exempt from registration under the Act.
11. The sale of the shares by Respondents took place in Spartanburg County, South Carolina.
12. In connection with the offer and sale of the shares, Respondent Wells represented to the investors that the money invested in Contractor Protection would be used for legitimate business purposes.
13. Records obtained by the Division indicate that portions of the investors' funds were not used for legitimate business purposes.

14. Records indicate that over seventy-five percent (75%) of a one hundred thousand ($100,000.00) dollar investment in Contractor Protection in February, 2006, was spent by Wells on personal and/or non-business expenditures.

15. During the entire period of the offering, Respondent Wells utilized over one hundred thousand ($100,000.00) dollars of funds invested in Respondent Contractor Protection for personal and/or non-business expenditures.

16. In an interview with Division Staff on September 11, 2009, Wells admitted that he converted some of the funds intended for the business to his own personal use, saying he "put that money into me."

17. The two investors referenced above were not told of Wells' intent to use money invested by them for personal and/or non-business expenditures.

WHEREAS, the Respondents are offering "securities" within the meaning of S.C. Code Ann. § 35-1-102(29); and

WHEREAS, Respondent Contractor Protection acted as a broker-dealer and/or issuer in offering and selling the Contractor Protection securities in and from South Carolina; and

WHEREAS, Respondents Wells acted as an agent in offering and selling the Contractor Protection securities in and from South Carolina; and

WHEREAS, neither Respondent was registered as a broker-dealer or agent in South Carolina or exempt from registration under the Act; and

WHEREAS, Respondent Contractor Protection, as described above, employed an unregistered agent to offer and sell securities on its behalf; and

WHEREAS, the securities Respondents offered and sold in and from South Carolina were not registered or federal covered securities, and were not exempt from registration under the Act; and

WHEREAS, the Respondents, in connection with the offer and sale of the securities as described above, made untrue statements of material facts and/or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

WHEREAS, based on the foregoing, the Division has determined that the Respondents have engaged, are engaging, and/or are about to engage in acts and practices which violate S.C. Code Ann. §§ 35-1-301, 35-1-402(a) and (d), and 35-1-501; and

WHEREAS, after due deliberation, the Division finds that it is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act to issue the following Order:

CEASE AND DESIST ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604(a)(1), IT IS HEREBY ORDERED that Respondents and every successor, affiliate, control person, agent, servant, and employee of Respondents, and every entity owned, operated, or indirectly or directly controlled by or on behalf of the Respondents:

a. Immediately cease and desist from transacting business in this State in violation of the Act, and in particular, S.C. Code Ann. §§ 35-1-301, 35-1-402(a) and (d), and 35-1-501 thereof; and

b. Pay a civil penalty in the amount of ten thousand dollars ($10,000.00) per Respondent if this Order becomes effective by operation of law, or, if any Respondent seeks a

hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed ten thousand dollars ($10,000.00) for each violation of the Act by that Respondent, and the actual cost of the investigation or proceeding.

REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING

The Respondents are hereby notified that they have the right to a hearing on the matters contained herein. To schedule such a hearing, a Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina 29211-1549, attention: Thresechia Navarro, within thirty (30) days after the date of service of this Order a written Answer specifically requesting that a hearing be held to consider rescinding the Order.

In the written Answer, the Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation of the Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. If the Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, he shall so state.

Failure by a Respondent to file a written request for a hearing in this matter within the thirty (30) day period stated above shall be deemed a waiver by that Respondent of his right to such a hearing. Failure of a Respondent to file an Answer, including a request for a hearing, shall result in this Order, including the stated civil penalty, becoming final as to that Respondent by operation of law.

CONTINUING TO ENGAGE IN ACTS DETAILED BY THIS ORDER AND/OR SIMILAR ACTS MAY RESULT IN THE DIVISION'S FILING ADDITIONAL ADMINISTRATIVE ACTIONS AND/OR SEEKING FURTHER ADMINISTRATIVE FINES.

WILLFUL VIOLATION OF THIS ORDER COULD RESULT IN CRIMINAL PROSECUTION. REGARDING MATTERS DESCRIBED HEREIN, THIS ORDER DOES NOT PRECLUDE THE FILING OF PRIVATE CAUSES OF ACTION OR THE FILING OF CRIMINAL CHARGES UNDER S.C. CODE ANN. § 35-1-508 OR ANY OTHER APPLICABLE CODE SECTION.

SO ORDERED, this 1st day of July, 2010.

Tracy A. Meyers

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