

ORIGINAL

NEWSPAPER



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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

OCT 14 2010

COMMISSIONERS

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

DOCKET CONTROL

DOCKETED BY	DR
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In the matter of:

DOCKET NO. S-20762A-10-0416

ULF OLOF HOLGERSSON and LAVERNE J. ABE, formerly husband and wife, doing business as Viking Asset Management, an Arizona registered trade name,

NOTICE OF OPPORTUNITY FOR HEARING REGARDING PROPOSED ORDER TO CEASE AND DESIST, FOR RESTITUTION, FOR ADMINISTRATIVE PENALTIES, AND FOR OTHER AFFIRMATIVE ACTION

Respondents.

**NOTICE: EACH RESPONDENT HAS 10 DAYS TO REQUEST A HEARING
EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER**

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondent ULF OLOF HOLGERSSON has engaged in acts, practices, and transactions that constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act").

I.

JURISDICTION

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

II.

RESPONDENT

2. ULF OLOF HOLGERSSON ("HOLGERSSON") is an individual who, at all relevant times, resided in Maricopa County, Arizona.

1 10. HOLGERSSON represented to the investors that, since he was successful at
2 investing in the market in the past, he would return their principal investments with interest
3 accruing at the rate of five percent per month.

4 11. HOLGERSSON represented to the investors that, if he made any more than five
5 percent per month on the investment of their money in the market, he would receive that excess as
6 compensation.

7 12. After forwarding their investment funds to HOLGERSSON, the investors had no
8 duties to perform or responsibilities to fulfill in order to receive their promised, five percent per month
9 interest. In fact, even though the investors were welcome to watch HOLGERSSON engage in market
10 trading from his home, the investors were allowed no input into the trades.

11 13. HOLGERSSON deposited all of the investors' money into either the Viking
12 Account or his personal bank account. He did not set up individual bank or brokerage accounts for
13 the investors.

14 14. HOLGERSSON transferred the investors' money from the Viking Account or his
15 personal bank account to his personal brokerage accounts. Whether to transfer an investor's money
16 all at once or in partial increments was at the sole discretion of HOLGERSSON and investors were
17 provided with no input in this regard.

18 15. On a monthly basis, HOLGERSSON provided each of the investors with a
19 document entitled "Account Report" that showed amounts invested by and/or repaid to the investor
20 during a particular month and the amount of interest accumulated both monthly and year to date.
21 The Account Report also shows a "Total Account Value."

22 16. The investors received Account Reports until April 2008. The April 1, 2008
23 Account Report of one investor who invested \$192,500 showed a Total Account Value of
24 \$599,237.

25 17. The Account Reports were merely records of the amounts invested by the investors
26 and illustrations of the investments earning the promised five percent per month interest. The

1 Account Reports and their monthly increasing Total Account Values did not reflect accurately the
2 actual value of the investments at a particular point in time.

3 18. On April 23, 2008, HOLGERSSON sent to the investors a letter stating that Viking
4 “has gone from a prosperous fund to being basically bankrupt” and that, “due to a series of ill
5 advised trades, in a very volatile market,” all of the investors’ money was lost.

6 19. In the April 23, 2008 letter to the investors, HOLGERSSON also wrote:

7 “To make sure everyone understand [*sic*] how devoted and sincere I
8 am about re-creating the money lost have I [*sic*] made the decision to
9 take on the invested money, by each investor, as a personal dept
10 [*sic*]...[this] will happen...by me accepting a promissory note in my
11 name for the dept [*sic*] in question.”

12 20. In May 2008, HOLGERSSON issued promissory notes to the investors. The
13 promissory notes were unsecured, did not involve a commercial bank, bank customers or accounts
14 receivable and they required repayment in one to six years depending on whether the investors
15 failed to give one month written notice of non-renewal to HOLGERSSON and, as a result, the
16 notes automatically renewed for another year, up to a maximum of six years.

17 21. HOLGERSSON did not disclose to the investors that he withdrew money from the
18 brokerage accounts into which investor funds had been transferred and deposited it into his
19 personal bank account to pay his living expenses.

20 22. HOLGERSSON represented to at least two investors that he had a “parachute” that
21 caps one-time, market-trading losses at \$1,500 per investor; however, he did not disclose to the
22 investors that he could lose all of the investors’ money through trading.

23 **IV.**

24 **VIOLATION OF A.R.S. § 44-1841**

25 **(Offer or Sale of Unregistered Securities)**

26 23. From on or about December 2005 to May 2008, HOLGERSSON offered or sold
securities in the form of investment contracts and/or promissory notes within or from Arizona.

1 **VII.**

2 **REQUESTED RELIEF**

3 The Division requests that the Commission grant the following relief:

- 4 1. Order HOLGERSSON to permanently cease and desist from violating the Securities
5 Act, pursuant to A.R.S. § 44-2032;
- 6 2. Order HOLGERSSON to take affirmative action to correct the conditions resulting
7 from the acts, practices, or transactions of HOLGERSSON, including a requirement to make
8 restitution pursuant to A.R.S. § 44-2032;
- 9 3. Order HOLGERSSON to pay the state of Arizona administrative penalties of up to five
10 thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;
- 11 4. Order that the marital community of HOLGERSSON and Respondent Spouse be
12 subject to any order of restitution, rescission, administrative penalties, or other appropriate affirmative
13 action pursuant to A.R.S. § 25-215; and
- 14 5. Order any other relief that the Commission deems appropriate.

15 **VIII.**

16 **HEARING OPPORTUNITY**

17 Each respondent, including Respondent Spouse, may request a hearing pursuant to A.R.S.
18 § 44-1972 and A.A.C. R14-4-306. **If a respondent or Respondent Spouse requests a hearing, the**
19 **requesting respondent must also answer this Notice.** A request for hearing must be in writing and
20 received by the Commission within 10 business days after service of this Notice of Opportunity for
21 Hearing. The requesting respondent must deliver or mail the request to Docket Control, Arizona
22 Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007. Filing instructions may be
23 obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at
24 <http://www.azcc.gov/divisions/hearings/docket.asp>.

25 If a request for a hearing is timely made, the Commission shall schedule the hearing to begin
26 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the

1 parties, or ordered by the Commission. If a request for a hearing is not timely made the Commission
2 may, without a hearing, enter an order granting the relief requested by the Division in this Notice of
3 Opportunity for Hearing.

4 Persons with a disability may request a reasonable accommodation such as a sign language
5 interpreter, as well as request this document in an alternative format, by contacting Shaylin A.
6 Bernal, ADA Coordinator, voice phone number 602/542-3931, e-mail sabernal@azcc.gov.
7 Requests should be made as early as possible to allow time to arrange the accommodation.

8 **IX.**

9 **ANSWER REQUIREMENT**

10 Pursuant to A.A.C. R14-4-305, if a respondent or Respondent Spouse requests a hearing,
11 the requesting respondent must deliver or mail an Answer to this Notice of Opportunity for Hearing
12 to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona
13 85007, within 30 calendar days after the date of service of this Notice. Filing instructions may be
14 obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site
15 at <http://www.azcc.gov/divisions/hearings/docket.asp>.

16 Additionally, the answering respondent must serve the Answer upon the Division. Pursuant
17 to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a
18 copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix, Arizona, 85007,
19 addressed to Aaron S. Ludwig.

20 The Answer shall contain an admission or denial of each allegation in this Notice and the
21 original signature of the answering respondent or respondent's attorney. A statement of a lack of
22 sufficient knowledge or information shall be considered a denial of an allegation. An allegation not
23 denied shall be considered admitted.

24 When the answering respondent intends in good faith to deny only a part or a qualification
25 of an allegation, the respondent shall specify that part or qualification of the allegation and shall
26 admit the remainder. A respondent waives any affirmative defense not raised in the Answer.

