

State of Missouri
Office of Secretary of State

Case No. AP-06-35

IN THE MATTER OF:

ROLFUND.COM; CRUNKLAND RECORDS LTD;
CRUNKVEST LTD;
CHRISTOPHER A. HOGAN;
and OTHER RELATED ENTITIES AND INDIVIDUALS
PARTICIPATING OR ABOUT TO PARTICIPATE IN
THE SALE OF SECURITIES AS DESCRIBED BELOW,

Respondents.

Serve all at:

2020 Highway 25 B North
Heber Springs, Arkansas 72543

**ORDER TO CEASE AND DESIST AND ORDER TO SHOW CAUSE WHY CIVIL
PENALTIES AND COSTS SHOULD NOT BE IMPOSED**

On August 31, 2006, the Enforcement Section of the Securities Division of the Office of Secretary of State, through its Assistant Commissioner of Securities, Mary S. Hosmer, submitted a Petition for Order to Cease and Desist and Other Administrative Remedies. After reviewing the petition, the Commissioner issues the following findings of fact, conclusions of law and order:

I. FINDINGS OF FACT

1. Respondent ROLFund.com ("ROLFund") purports to be a loan program in which lenders are to receive .50% to 1.5% interest a day. ROLFund has a business address of 2020 Highway 25 B North, Heber Springs, Arkansas 72543.
2. Respondent Christopher A. Hogan ("Hogan") is purportedly in the business of offering a "high yield loan program" through ROLFund and Crunkvest Ltd. ("Crunkvest") and he has a business address of 2020 Highway 25 B North, Heber Springs, Arkansas 72543. Hogan is the organizer of Crunkland Records Ltd. ("Crunkland") and Crunkvest. Hogan also purports to be a Universal Life Church minister and to serve as the national director of AmeriKlan.com[1] Upon information and belief, Respondent Hogan has numerous other websites and entities that have been or may be used to solicit investor funds.
3. Respondent Crunkland is an Arkansas limited liability company that purportedly engaged in the business of recording music and producing television shows and has a business address of 2020 Highway 25 B North, Heber Springs, Arkansas 72543.
4. Respondent Crunkvest purports to be a division of Crunkland and has a business address of 2020 Highway 25 B North, Heber Springs, Arkansas 72543. Crunkvest purports to assist individuals with financial assistance by offering investments in a long term high yield private loan program
5. As used in this Order, the term "Respondents" refers to ROLFund, Hogan, Crunkland, and Crunkvest and other individuals and entities that are participating or about to participate in violations of the act.

Missouri Resident

6. In early August 2006, a Missouri resident reviewed information about ROLFund and Hogan on the Internet. ROLFund and Hogan offered a "High Yield Loan Program," and they stated, among other things, that:
 - a. "We DO NOT offer securities of ANY type. We are the newest concept in stable earnings - HYLPA- a High Yield Loan Program."
 - b. "Your money is loaned to us according to the Duration Plan you have chosen. At the conclusion of your loan duration, you are able to withdraw your original loan amount included in [sic] all the interest earned. Receive from .50% to 1.5% Every Business day, with full compounding. **OR 2% PER DAY IN OUR SPECIAL HIGH RETURN PROGRAM**"
 - c. "Your loans are used in the thriving and exciting Entertainment industry. Our Current Project is To purchase an Operating Casino/Resort and if the goal cannot be met in the allotted time then all original loans will be returned to you eliminating the Loss factor totally [sic] No funds are ever drawn from the loan amounts of other members to pay other members."

- d. "Our percentages may not be the highest, but our reputation is the strongest. We are in for the LONG Haul. No 5000% Per day Promises and then never pay the loan back, we have realistic and conceivable [sic] rates! If you believe that a steady, moderate and honest income fits your future goals, then ROLFUND is the perfect arena for You! Sign Today!"

"100% Compounding!!!"

ROLFUND Here TODAY!..and Here To STAY!

- e. The loan program plan is illustrated and states that the minimum loan is "\$50 and more" except with the "***SPECIAL HIGH RETURN PLAN 180 DAYS**" that specifies the loan amount as "\$500-\$100,000". The percent return ranges from "1.5% per day for 180 days to .50% per day for a 60 day loan." (Emphasis and arbitrary capitalization in original)
7. The Internet solicitation further stated:
- "ROLFUND is a A [sic] a conglomerate of companies centered in the entertainment industry...ROLFUND is involved in a variety of Businesses Once you enroll in our program your funds will be locked in for Your Chosen Plans Duration, so set your fund to **COMPOUND AT 100% DAILY** and at the end of Your Chosen Plans Duration you will have a VERY NICE payout awaiting you!..Its that simple. OH And we actually pay!"
 - "we are a REAL conglomerate of companies and we are doing REAL BUSINESS unlike the here today and gone tomorrow companies, we have a proven track record of over a year now in our Brick and mortar business so this side should take everyone involved to the next level, SO SIGNUP TODAY!"
 - "each referral deposit is worth 5.00 [sic] to you [sic]"
 - "All payments are made to your account Daily. (COMPOUNDED)" (Emphasis and arbitrary capitalization in original)
8. On August 11, 2006, MR reviewed an offering on the Internet from Crunkvest. This offering stated, in part, the following:
- Crunkvest "is intended for people willing to achieve their financial freedom but unable to do so because they're not financial experts. Crunkvest Ltd. is a Division of Crunkland Records and is a long term high yield private loan program, backed up by Forex market trading, and investing in various funds and activities and is an extension of our Companies of Crunkland Records Ltd and Crunkspace Ltd."
 - "We are a REAL Company, With REAL Addresses, and we are conducting REAL business DAILY, and are an integral part of out [sic] community, we are not just another fly by night operation of a website destination that is here today and gone tomorrow."
 - "Our Parent offices and Recording Studio are located at

Crunkland Records Ltd.
316 W. Main Suite D.
Heber Springs, Ar. 72543
our office Phone is 501-362-6380"
 - "We currently have holdings in The Recording Industry and Operate 2 separate [sic] Television programs one of which is scheduled to go national to 80 million Viewers weekly very soon on the AWARD winning WB Network and will bring in a MASSIVE amount of revenues."
 - "We offer one program which has been tested and proven to be sound in our eyes, That Program is the 2% per day program" (Emphasis and arbitrary capitalization in original)
 - The high yield loan program through Crunkvest required a minimum investment of ten dollars (\$10) and had no maximum investment amount.
9. In August 2006, MR viewed a video available on the Internet that included Hogan, referring to himself as "Big Poppa." During this video Hogan showed excerpts from a television video he produced and directed that promoted hip-hop, rap and heavy metal bands. During this video Hogan pointed to a sign on his office door which listed Hogan as President and CEO of Crunkland, and stated, among other things, that:
- ROLFUND was created solely for the purpose of purchasing a casino in the Dominican Republic;
 - If by chance we don't reach what we need to get to, to purchase the casino, then the worse case scenario that's going to happen to the ROLFUND investor is that they will get their money back, minus a 2% fee to cover bank fees and transfer fees, and they won't get interest on their investment;
 - You have no fear of losing your money. You have no fear of losing anything; and

- d. The best case scenario is we purchase the casino, we increase the \$200,000 a week to \$350,000 a week and you guys will make a ton of money, we will make a ton of money and everybody comes out happy. If anyone has questions, then they can call 501-362-6380.
10. On August 15, 2006, a representative from the Securities Division telephoned the number given on the video and asked that Hogan contact the Missouri Securities Division. To date the Division has received no communication from Respondents.
11. Respondents were not and are not registered to offer and sell securities in the State of Missouri.
12. In connection with the offer to purchase the "high yield loan program" to a Missouri resident, Respondents omitted to state the following facts:
 - a. That Respondents were not registered to sell securities in the State of Missouri;
 - b. That the securities offered for sale by Respondents were not registered in the State of Missouri;
 - c. That Hogan had a history of criminal convictions. These included, among others, felony convictions for theft and burglary for which Hogan served time with the Arkansas Department of Corrections;
 - d. That Hogan was the National Director of AmeriKlan, a white supremacist organization;
 - e. That on October 28, 2003, the Missouri Division of Securities issued a cease and desist order against Hogan for offering and selling unregistered investments in two of his online Internet auction companies, BidCow.com and MooPay.com;
 - f. The risks associated with an investment in the ROLFund;
 - g. The risks associated with an investment in Crunkvest;
 - h. Accurate information regarding the financial condition of ROLFund and Crunkvest, including audited financials; and
 - i. Accurate information regarding the internal structure of ROLFund and Crunkvest, including record keeping and management structure, and the use of investment proceeds.
13. This Order is in the public interest.

II. APPLICABLE STATUTORY PROVISIONS

14. Section 409.1-102, RSMo. (Cumulative Supp. 2005), includes "investment contracts" within the definition of a security. Pursuant to Section 409.1-102(28)(D) RSMo. (Cumulative Supp. 2005), investment contract includes "an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor."
15. Section 409.5-501, RSMo. (Cumulative Supp. 2005), provides that it is unlawful for a person, in connection with the offer, sale or purchase of any security, directly or indirectly: (1) to employ a device, scheme, or artifice to defraud; (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or (3) to engage in an act, practice or course of business that operates or would operate as a fraud or deceit upon another person.
16. Section 409.3-301, RSMo. (Cumulative Supp. 2005), provides that it is unlawful for any person to offer or sell any security in this state unless: (1) The security is a federal covered security; (2) the security, transaction, or offer is exempted from registration under Sections 409.2-201 to 409.2-203, RSMo. (Cumulative Supp. 2005); or (3) The security is registered under the applicable act.
17. Section 409.5-503, RSMo. (Cumulative Supp. 2005), provides that the person claiming an exemption, exception, preemption or exclusion has the burden of proving its applicability.
18. Section 409.6-604(a), RSMo. (Cumulative Supp. 2005), provides:

If the commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice or course of business constituting a violation of this act or a rule adopted or order issued under this act or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act, the commissioner may:

- (1) Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary and appropriate to comply with this act;
- (2) Issue an order denying, suspending, revoking, or conditioning the exemptions for a broker-dealer under section 409.4-401(b)(1)(D) or (F) or an investment advisor under section 409.4-403(b)(1)(C); or

(3) Issue an order under section 409.2-204

19. Section 409.6-604(d), RSMo. (Cumulative Supp. 2005), provides:

In a final order...the commissioner may impose a civil penalty up to one thousand dollars for a single violation or up to ten thousand dollars for more than one violation.

20. Section 409.6-604(e), RSMo. (Cumulative Supp. 2005), provides:

In a final order, the commissioner may charge the actual cost of an investigation or proceeding for a violation of this act or a rule adopted or order issued under this act. These funds may be paid into the investor education and protection fund.

III. CONCLUSIONS OF LAW

Violation of Offering or Selling Nonexempt, Unregistered Securities

21. The Commissioner incorporates by reference paragraphs 1 through 20 as though fully set forth herein.
22. Respondents' "high yield loan program" as described above is within the definition of "securities" under Section 409.1-102(28), RSMo. (Cumulative Supp. 2005).
23. At all times relevant to this Order, the records maintained by the Missouri Commissioner of Securities contained no registration, granted exemption or notice filing indicating status as a "federal covered security" for any of the securities allegedly issued, offered or sold by Respondents in Missouri.
24. Respondents violated Section 409.3-301, RSMo. (Cumulative Supp. 2005), when they offered or sold securities in Missouri without those securities being: (1) federal-covered securities; (2) exempt from registration under Sections 409.2-201 or 409.2-202, RSMo. (Cumulative Supp. 2005); or (3) registered under the Missouri Securities Act of 2003.

Multiple Violations of Omitting to State Material Facts in Connection with the Offer of a Security

25. The Commissioner incorporates by reference paragraphs 1 through 20 as though fully set forth herein.
26. Respondents violated Section 409.5-501(2), RSMo. (Cumulative Supp. 2005), when, in connection with the offer or sale of securities, they omitted to state to Missouri residents the following material facts necessary in order to make certain statements that were made, in light of the circumstances under which they were made, not misleading, including, but not limited to:
 - a. That Respondents were not registered to sell securities in the State of Missouri;
 - b. That the securities offered for sale by Respondents were not registered in the State of Missouri;
 - c. That Hogan had a history of criminal convictions. These included, among others, felony convictions for theft and burglary for which Hogan served time in the Arkansas Department of Corrections;
 - d. That on October 28, 2003, the Missouri Division of Securities issued a cease and desist order against Hogan for offering and selling unregistered investments in two of his on-line Internet auction companies, BidCow.com and MooPay.com;
 - e. That Hogan was the National Director of AmeriKlan, a white supremacist organization;
 - f. The risks associated with an investment in ROLFund and Crunkvest;
 - g. Accurate information regarding the financial condition of ROLFund and Crunkvest, including audited financials; and
 - h. Accurate information regarding the internal structure of ROLFund and Crunkvest, including record keeping and management structure, and the use of investment proceeds.

ORDER

NOW, THEREFORE, it is hereby ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this Order, are prohibited from:

- A. Offering or selling securities in ROLFund;
- B. Offering or selling securities in Crunkvest;
- C. Offering or selling any other security in the State of Missouri;

D. Violating or materially aiding in the violation of Section 409.5-501, RSMo. (Cumulative Supp. 2005), by omitting to state, in connection with the offer, sale or purchase of the securities described above to Missouri residents:

1. That Respondents were not registered to sell securities in the State of Missouri;
2. That the securities offered for sale by Respondents were not registered in the State of Missouri;
3. That Hogan had a history of criminal convictions, including, among others, felony convictions for theft and burglary for which Hogan served time with the Arkansas Department of Corrections;
4. That Hogan was the National Director of AmeriKlan, a white supremacist organization;
5. That on October 28, 2003, the Missouri Division of Securities issued a cease and desist order against Hogan for offering and selling unregistered investments in two of his on-line Internet auction companies, BidCow.com and MooPay.com;
6. The risks associated with an investment in the ROLFund and Crunkvest;
7. Accurate information regarding the financial condition of ROLFund and Crunkvest, including audited financials; and
8. Accurate information regarding the internal structure of ROLFund and Crunkvest, including record keeping and management structure, and the use of investment proceeds.

E. Violating or materially aiding in the violation of Section 409.3-301, RSMo. (Cumulative Supp. 2005), by offering or selling any security that is not registered, unless the security is a federal covered security or has an effective exemption from registration;

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cumulative Supp. 2005), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of civil penalties of up to ten thousand dollars (\$10,000) against each Respondent individually for multiple violations of Section 409.3-301, RSMo. (Cumulative Supp. 2005), in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cumulative Supp. 2005), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of civil penalties of up to ten thousand dollars (\$10,000) against each Respondent individually for multiple violations of Section 409.5-501(2), RSMo. (Cumulative Supp. 2005), in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that as the Enforcement Section has petitioned for an award for costs of the investigation against each Respondent in this proceeding, the Commissioner will issue a final order awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why an award should not be made.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 6TH DAY OF SEPTEMBER, 2006.

State of Missouri
Office of Secretary of State

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Case No. AP-06-35

IN THE MATTER OF:

ROLFUND.COM; CRUNKLAND RECORDS LTD;
CRUNKVEST LTD;
CHRISTOPHER A. HOGAN;
and OTHER RELATED ENTITIES AND INDIVIDUALS
PARTICIPATING OR ABOUT TO PARTICIPATE IN
THE SALE OF SECURITIES AS DESCRIBED BELOW,

Respondents.

Serve all at:
2020 Highway 25 B North
Heber Springs, Arkansas 72543

NOTICE

TO: Respondents and any unnamed representatives aggrieved by this Order:

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to § 409.6-604(b), RSMo Supp. 2005, and 15 CSR 30-55.020.

A request for a hearing must be mailed or delivered, in writing, to:

Matthew Kitzi
Commissioner of Securities
Office of the Secretary of State
Missouri State Information Center, Room 229
600 West Main Street
Jefferson City, Missouri, 65102

CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of September, 2006, a copy of the foregoing Notice, Order and Petition filed the above styled case was mailed by certified U.S. Mail, postage prepaid to Respondents at the above listed addresses.

Beth Perkins
Administrative Aide

[1] AmeriKlan.com is a website for AmeriKlan Church of True Christian Faith. It purports to be a nonprofit organization that dedicates its efforts to the protection, preservation, and education of the white Christian people. Their website claims that they are looking for individuals to work toward a "White Christian Revival." The application form to join AmeriKlan requires applicants to attest, among other things, that they are "white and not of racially mixed descent."