

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: EDWARD M. OLSON)
_____))
_____)

FILE NO. 0100716

ORDER OF PROHIBITION

TO THE RESPONDENTS:

Edward M. Olson
1028 North Ash Street
Waukegan, Illinois 60085

Edward M. Olson
P.O. Box 717
Round Lake, Illinois 60073

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on June 7, 2002 which prohibited Edward M. Olson (the "Respondent") from offering or selling securities in the State of Illinois until further order from the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondent is hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Findings of Fact as follows:

1. That Edward M. Olson ("Respondent") is a natural person. Respondent's last known address is 1028 North Ash Street, Waukegan, Illinois 60085. He also maintains or maintained a mailing address at P.O. Box 717, Round Lake, Illinois 60073.
2. That Steven M. Dammers ("SD") resides at 438 E. Lincoln Street, Palatine, Illinois 60067.

Order of Prohibition

-2-

3. That SD met Respondent in the fall of 1997, when Respondent went to SD's place of business to have a boat repaired. Respondent told SD he was a stock broker and investment adviser, and gave SD his business card.
4. That in the fall of 1998, SD called Respondent seeking Respondent's professional advice regarding investing funds he had received in a workman's compensation settlement.
5. That in early November, 1998, Respondent met with SD and SD's wife to discuss investments. Respondent recommended that SD place his money in an "investment fund" that he said was located in Chicago.
6. That Respondent also had SD sign a power of attorney giving "Edward M. Olson" authorization to purchase securities.
7. That on about November 12, 1998, SD gave Respondent a check in the amount of \$10,000 with which to purchase shares of the "investment fund" Olson had recommended. Respondent told SD that in due course he would receive information about the fund and a contract relating to his investment.
8. That SD never received any information about any fund, and never received any contract; nor did SD receive a confirmation or statement of any kind documenting his investment.
9. That Respondent stopped at SD's boat repair shop frequently to discuss boats. When SD asked about his investment, Respondent consistently told SD the investment was doing well, but he never provided SD with any documentation.
10. That in about July, 1999, SD told Respondent that he wanted to withdraw his investment from the Fund. Respondent told SD to send him a letter, to be "legal."
11. That on July 22, 1999, SD sent a letter to Respondent requesting the return of his \$10,000, plus a "reasonable return."
12. That Respondent never responded to SD's letter or to SD's repeated phone messages.
13. That the "investment fund" shares described in paragraphs 8 and 10 constitute securities as the term "security" is defined under Section 2.1 of the Illinois Securities Law of 1953 (815 ILCS 5) (the "Act").
14. That the activities of Respondent described in paragraphs 8 and 10 constitute an offer and a sale as the terms "offer" and "sale" are defined under Sections 2.5(a) and 2.5 of the Act.

Order of Prohibition

-3-

15. That the activities of Respondent described in paragraphs 6 to 10 constitute the activities of a dealer, salesperson and investment adviser as those terms are defined under Sections 2.7, 2.9 and 2.11 of the Act.
16. That Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to offer or sell any securities except in accordance with the provisions of the Act.
17. That Section 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as a dealer, salesperson or investment adviser unless registered as such, where such registration is required, under the provisions of the Act.
18. That Respondent has never been registered under Section 8 of the Act as a dealer, salesperson or investment adviser.
19. That by virtue of the foregoing, Respondent violated Sections 12.A and 12.C of the Act, and will violate those sections again if Respondent continues to seek to induce investors to turn their funds over to him for investment.
20. That Section 12.F provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
21. That Respondent violated Section 12.F of the Act in that he:
 - a. took funds from an investor and misrepresented to that investor that his funds were going to be invested for his benefit, when no such investment was ever made, and
 - b. took funds from an investor and misrepresented to that investor that his funds would be invested in securities, when Respondent actually converted such funds and used them for his own benefit.
22. That Section 12.G provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact, or any omission to state a material fact necessary in order to make the statements that were made, in light of the circumstances under which they were made, not misleading.
23. That Respondent violated Section 12.G of the Act in that he:
 - a. took funds from an investor and misrepresented to that investor that his funds were going to be invested for his benefit, when no such investment was ever made; and

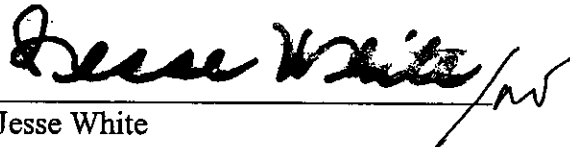
Order of Prohibition

-4-

- b. took funds from an investor and misrepresented to that investor that his funds would be invested in securities, when Respondent actually converted such funds and used them for his own benefit.
24. That Section 12.I provides, *inter alia*, that it shall be a violation of the Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
25. That the Respondent violated Section 12.I of the Act in that he:
- a. took funds from an investor and knowingly misrepresented to that investor that his funds were going to be invested for his benefit, when no such investment was ever made; and
- b. took funds from an investor and misrepresented to that investor that his funds would be invested in securities, when Respondent actually converted such funds and used them for his own benefit.
26. That by virtue of the foregoing, Respondents violated Sections 12.F, G and I of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT Edward M. Olson is hereby PROHIBITED from offering or selling any securities in the State of Illinois.

ENTERED: This 11th day of April, 2003.



Jesse White
Secretary of State
State of Illinois

NOTICE: This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1., Sec. 130.1123). Any action for judicial review must be commenced within thirty-five days from the date a copy of this Order is served upon the party seeking review.
Attorney for the Secretary of State: