

**STATE OF ARKANSAS  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF**

**CHRISTOPHER A. HOGAN, CRUNKLAND  
RECORDS, LTD., ROLFund.com,  
and ALL PERSONS OR ENTITIES EMPLOYED  
BY OR OTHERWISE AFFILIATED  
WITH THEM**

**No. S-06-015-06-CD01**

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**SUMMARY ORDER TO CEASE AND DESIST**

The Arkansas Securities Department (the "Department") has received information and has in its possession certain evidence which indicates that Chris Hogan, Crunkland Records, Ltd., ROLFund.com, and all persons or entities employed by or otherwise affiliated with them, either have already engaged in acts or are about to engage in acts that constitute violations of the provisions of the Arkansas Securities Act (the "Act"), codified at **Ark. Code Ann. §§ 23-42-101, et seq.(Repl. 2000)**. This Order is entered pursuant to **Ark. Code Ann. §§ 23-42-209** and the Arkansas Administrative Procedures Act, **Ark. Code Ann. §§ 25-15-201, et seq.**

**FINDINGS OF FACT**

1. Crunkland Records, Ltd. ("Crunkland") is an Arkansas corporation incorporated on July 5, 2005 and is currently in good standing with a mailing address of 2322 Lakeview Drive, Heber Springs, AR 72543. The Arkansas Secretary of State's web-site reflects Chris Hogan as registered agent for service of process.

2. Christopher A. Hogan, aka Chris Hogan, aka Chris "Big Poppa" Hogan, aka Chris A. Hogan ("Hogan") is the President of Crunkland and a resident of Heber Springs, Arkansas. Hogan is the organizer of Crunkland and also claims to be a Universal Life Church minister,

3. ROLFund.com (ROLFund) is a fund established with the publicly stated purpose of raising money to purchase a casino in the Dominican Republic. According to a video found on kingofdollars.com which features Hogan, Hogan expressly stated that ROLFund money was being raised to fund the purchase of the casino located in the Dominican Republic, and if the fund failed to raise sufficient funds by August of 2006, the money, minus an approximate 2% in fees would be returned to investors, but that no interest on the money/investments would be returned. The internet site claims that ROLFund is a High Yield Loan Program ("HYLP") with guarantees to pay interest which would be usurious in most states. The HYLP claims to pay a guaranteed One-Half to One and One-Half Percent (0.5% - 1.5%) per day for periods ranging from sixty to one hundred eighty (60 - 180) days. The investor chooses his payback percentage and length of the "loan."

4. On the web-site for ROLFund, Hogan explicitly states that an investment in ROLFund is not a security, but as a private transaction the program is exempt from federal securities laws . . . "and all other rules, regulations and amendments thereof." He further states that "You understand that you are making a personal Loan to our company and that this in no way is to be thought of as a security, stock, bond or any financial instrument of any shape form or fashion, but is in fact a personal LOAN!"

5. Hogan offered stock interests in Crunkland that were called JVA Memberships. Among the information included as a part of the complaint was a copy of a Crunkland Records, Ltd. Certificate of JVA Member purchased by an Investor, not an Arkansas resident, but the offer of stock, or JVA Membership, was made from an Arkansas company with an Arkansas address, and presented to him by Hogan. The original inquiry from the investor regarded an offering of JVA interests in Crunkland. The Internet Offering

of JVA interests in Crunkland provided that the investor would share in the profits of Crunkland as a result of his purchase of those JVA interests. A redacted copy of the JVA interests that was received by the original investor is attached hereto as Exhibit A.

6. A review of the records of the Department has revealed that neither the offering of JVA interests in Crunkland nor the offering of “loans” from ROLFund are registered in the State of Arkansas, and there appears to be no exemption from the registration provisions of the Act available for such offerings.

7. A review of the records of the Department has revealed that Hogan is not registered to sell securities in the State of Arkansas, nor does he appear to be exempt from the registration provisions of the Act.

8. Subsequent inquiries made directly to Hogan by the Department have resulted in no additional information being supplied on behalf of Crunkland, ROLFund.com, or Hogan. Hogan’s only response was a telephone call to the Department as a direct result of a Certified letter sent to him informing him of the inquiry by an investor and offering him an opportunity to explain the apparent violations of the Act. Hogan offered no adequate verbal explanation, nor did he provide any written documentation or correspondence to the Department.

9. During the investigation of Hogan, the Department was contacted by the staff of the Missouri Securities Commissioner’s office. It informed the Department that they had previously issued an Order to Cease and Desist against Hogan for his improper sale of securities in Missouri. The copy of the Order to Cease and Desist was dated October 28, 2003 (the “C&D”) and, among other details, provides that Hogan is prohibited from offering or selling securities in previous entities in which he was previously involved. According to the October 28, 2003 Cease and Desist, Hogan has previously offered and sold

participation interests he styled as Limited Partnerships without complying with the applicable law.

10. Nothing provided to the Department discloses any risks or suitability of this investment. Further, Hogan made the following omissions of material facts in his contacts with potential investors, and also on his web-site: He has been convicted and served a prison sentence in Arkansas for theft of property. The State of Missouri issued a Cease and Desist against him and former entities he owned. He further omits to disclose that the funds invested with ROLFund are at risk of being lost. Alternatively, he has failed to disclose how those funds will be used, and also how they will be kept from risk to the investor. Hogan fails to disclose that the moneys invested are securities, subject to state securities laws, and in fact, affirmatively misrepresents that the investments are not securities. Hogan omits any mention of any exemption from securities laws on a Federal or state level.

11. The total sales of JVA interests of Crunkland and investments in the ROLFund are unknown.

12. The offer and sales of these securities continues and a Summary Order to Cease and Desist Order is appropriate.

#### **APPLICABLE LAW**

13. **Ark. Code Ann. § 23-42-102(15)(A)(i), (vi), (vii), & (xi) (Supp. 2005)** in pertinent part defines a security as a Note, Evidence of Indebtedness, Certificate of interest or participation in any profit-sharing agreement, and investment contract.

14. **Ark. Code Ann. § 23-42-102(1)(A) (Supp. 2005)** defines agent as an individual representing the issuer of securities and effecting or attempting to effect purchases or sales of those securities.

15. **Ark. Code Ann. § 23-42-301(a) (Repl. 2000)** prohibits as unlawful the transaction of business as an agent by any person who is not registered with the Arkansas Securities Department as such.

16. **Ark. Code Ann. § 23-42-501 (Repl. 2000)** provides that it is unlawful for any person to offer or sell any security which is not registered or which is not exempt from registration under the terms of the Act or unless it is a covered security.

17. **Ark. Code Ann. § 23-42-507(2) (Repl. 2000)** provides that it is unlawful for any person in connection with the offer, sale or purchase of any security to make any untrue statement or omit to state a material fact necessary in order to make the statements made not misleading in light of the circumstances under which they are made or to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

#### **CONCLUSIONS OF LAW**

18. This matter has been properly brought before the Arkansas Securities Commissioner in accordance with **Ark. Code Ann. § 23-42-209 (Repl. 2000)**.

19. The offerings of Crunkland and ROLFund are securities as defined in **Ark. Code Ann. §23-42-102(15)**.

20. The security offerings of Crunkland and ROLFund have been made unlawfully in violation of the registration provisions contained in **Ark. Code Ann. § 23-42-501**.

21. Hogan is not registered as an Agent to sell securities in Arkansas, and as Agent for Crunkland and ROLFund, is offering and selling their securities unlawfully in violation of **Ark. Code Ann. §§ 23-42-301(a)**.

22. The respondents have made material misrepresentations or omitted material

facts in connection with the offer and sale of such securities in violation of **Ark. Code Ann. § 23-42-507(2)**.

23. The respondents have offered to sell profit participations in the form of JVA Memberships in Crunkland and “loans” from ROLFund without prior registration of those securities in violation of **Ark. Code Ann. § 23-42-501 (Repl. 2000)**.

24. Respondents, Chris Hogan and Crunkland, offered to sell and did in fact sell securities in the form of JVA Memberships in Crunkland without first being registered with the Department as an agent of the issuer in violation of **Ark. Code Ann. §§ 23-42-102(1)(A) (Supp. 2005), 23-42-102(9)(Supp. 2005), and 23-42-301(a) (Repl. 2000)**.

25. Respondents, Chris Hogan and ROLFund, offered to sell and, in fact did sell securities in the form of “loans” to ROLFund without first being registered with the Department as an agent of the issuer in violation of **Ark. Code Ann. §§ 23-42-102(1)(A) (Supp. 2005), 23-42-102(9)(Supp. 2005), and 23-42-301(a) (Repl. 2000)**.

26. Respondents, Chris Hogan, Crunkland, and ROLFund omitted to provide risk factors, failed to state that the JVA interests in Crunkland and the “loans” to ROLFund were known to be securities, that Respondent Hogan was the subject of a Cease and Desist Order in Missouri for illegal sales of securities, and also failed to disclose that Respondent Hogan had served time in Arkansas in relation to a criminal conviction for theft of property, all of which was a material part of their sales and operated as a fraud on investors in violation of **Ark. Code Ann. §23-42-507(2)**.

27. It is in the public interest that the Respondents and their officers, agents, and affiliates be ordered to Cease and Desist from the offer and sale of any security in Arkansas.

#### OPINION

28. The registration and licensing provisions of the Act serve to help protect the public from unsafe, unsound, fraudulent or deceptive investments, as well as from those who market them. Failure to abide by these provisions warrants immediate action designed to bring such activities to a halt. Especially is this true when securities are being sold without adequate disclosure concerning risks or uses, or by means of affirmative misrepresentation. An issuer cannot avoid compliance merely by referring to the interest offered as a loan. The Act is flexible enough to encompass even those nontraditional investments which may not commonly be referred to as securities.

**ORDER**

IT IS THEREFORE ORDERED that CHRIS HOGAN, CRUNKLAND RECORDS, LTD., ROLFund.com and others who are employed by or otherwise affiliated with Crunkland Records, Ltd., Chris Hogan, or ROLFund.com directly or through other companies, immediately **CEASE AND DESIST** from any further actions in the State of Arkansas in connection with the offer or sale of the securities described above or any other securities.

WITNESS MY HAND AND SEAL this 5<sup>th</sup> day of September, 2006.



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MICHAEL B. JOHNSON  
ARKANSAS SECURITIES COMMISSIONER