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## ARIZONA CORPORATION COMMISSION

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### **Commission Sanctions Two Phoenix Businessmen for Investment Frauds Totaling \$1.78 Million**

PHOENIX, AZ—The Commission ordered two Phoenix businessmen, who were not registered to offer or sell securities, to pay restitution and penalties for defrauding investors out of \$1.78 million.

In the first case, the Commission ordered Phoenix resident Ulf Olof Holgersson to pay \$957,983 in restitution and a \$50,000 administrative penalty for committing securities fraud. The Commission found that, while not registered to offer or sell securities in Arizona, Holgersson told investors he would “borrow” their money and invest it in the stock market, but failed to set up individual brokerage accounts for the investors. The Commission found that Holgersson, who operated under the trade name of Viking Asset Management, promised prospective investors a five percent monthly return, but used the funds to pay for his personal living expenses. Further, the Commission found that Holgersson misrepresented the safety of the investments and issued account statements to the investors showing that their investments had grown tremendously, but almost immediately thereafter, he sent investors a letter stating that he lost all of their money in trading in the commodities market. In settling this matter, Holgersson neither admitted nor denied the Commission’s findings, but agreed to the entry of the consent order.

In a separate case, the Commission ordered Phoenix resident Jere Parkhurst to pay \$824,260 in restitution and a \$50,000 penalty for fraudulently offering and selling unregistered deed of trust investments and lender agreements. The Commission found that Parkhurst, who did business as C-Street Financial Holdings, LLC, Phoenix Financial Holdings, LLC, and C-Street Development, LLC, was not registered to offer or sell securities in Arizona. The Commission found that Parkhurst promised seven investors—some of whom were licensed realtors—a share of the profits from the purchase, renovation and sale of residential properties in the Phoenix area, but Parkhurst failed to fulfill his obligations, resulting in bounced interest checks and either short sales or foreclosures on the various properties. The Commission found that, of the total investor funds raised by Parkhurst, only a few hundred dollars actually went towards property renovations.

#### **More caution for investors:**

Even when selling a legitimate product, some promoters do not recognize the investment program they have created is a security. Whether real estate or any other investment product is a security is not always easy to determine and depends upon the unique facts and circumstances of the transaction and not on what a promoter calls the investment product.

Even when investing with someone they know, investors should verify the registration of sellers and investment opportunities and investigate disciplinary histories by contacting the Arizona Corporation Commission’s Securities Division at 602-542-0662 or toll free in Arizona at 1-866-VERIFY-9. The Division’s investor education website also has helpful information at [www.azinvestor.gov](http://www.azinvestor.gov).

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