

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: CHARLES G. OLESON, JR

FILE NO. 0500033

ORDER OF PROHIBITION

TO RESPONDENTS: Charles G. Oleson, Jr
1517 Winslowe Drive Unit # 2B
Palatine, Illinois 60074
CRD #703721

Charles G. Oleson, Jr
1430 Linden
Northbrook, Illinois 60062

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on January 12, 2006 which prohibits Charles G. Oleson, Jr. (the "Respondent") from offering or selling securities in or from 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 Respondents have 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 Respondents are 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:

COUNT I
Fraud or Deceit

1. Charles G. Oleson, Jr ("Respondent") is an individual whose last known address is 1517 Winslowe Drive, Palatine, Illinois 60074.
2. Respondent was a registered salesperson with the State of Illinois through Long Grove Trading Company (now known as Waterstone Financial Group, Inc.) from June 29, 1988 through October 3, 2001. Respondent's CRD number is 703721.
3. On August 25, 1998 an Illinois Investor ("Investor A") delivered to the Respondent a check in the amount of \$22,000.00.
4. On October 3, 1997 an Illinois Investor ("Investor B") delivered to the Respondent a check in the amount of \$20,000.00.
5. In each instance, Respondent directed the check be made payable to the Respondent personally, and stated that he would invest the proceeds in "Krupps Insured Mortgage Fund" ("Krupps Fund") for the Investor.
6. In each instance, Respondent deposited the Investor's check but did not invest the funds for the benefit of the Investor.
7. In furtherance of the fraud, Respondent produced and delivered to investors periodic updates regarding their purported investments in Krups Fund. The periodic updates were typed on Long Grove Trading Company letterhead.
8. All periodic updates that discussed the Investors purported investment in Krups Mortgage Fund contained material information that was false or misleading.
9. As of October 3, 2001, the Respondent was no longer employed by Long Grove Trading Company ("Long Grove") and was not authorized to use Long Grove's letterhead.
10. Despite this, until July 30, 2003, Respondent continued to send Investors periodic updates using Long Grove letterhead regarding the performance of the fund.

Section 12.F of the Act 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.

By virtue of the foregoing, Respondent violated Section 12.F of the Act.

Count II

**Obtaining Money through the Sale of
Securities by Means of any Untrue Statement of Material Fact**

- 1-10. Paragraphs 1-10 of Count I are realleged and incorporated by reference as paragraphs 1-10 of Count II and are fully set forth herein.
11. Section 12.G of the Act 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 made, in light of the circumstances under which they were made, not misleading.

By virtue of the foregoing, Respondent violated Section 12.G of the Act.

Count III

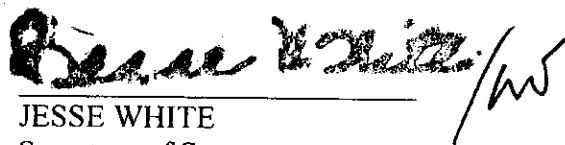
Device Scheme or Artifice to Defraud

- 1-10. Paragraphs 1-10 of Count I are realleged and incorporated by reference as paragraphs 1-10 of Count III and are fully set forth herein.
11. Section 12.I of the Act 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.

By virtue of the foregoing, Respondent violated Section 12.I of the Act.

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to Section 11.F of the Act, Respondent Charles G. Oleson, Jr. is hereby permanently PROHIBITED from offering or selling securities in or from the State of Illinois.

ENTERED: This 27th day of February 2006.



JESSE WHITE
Secretary of State
State of Illinois

Order of Prohibition

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NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

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 Illinois Securities Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.