

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: CHARLES G. OLESON, JR

FILE NO. 0500033

TEMPORARY 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

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein finds that:

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 "Krup's Insured Mortgage Fund" ("Krup's 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 Krup's Fund. The periodic updates were typed on Long Grove Trading Company letterhead.
8. All periodic updates that discussed the Investors purported investment in Krup's 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 the authority granted by Section 11.F of the Act, Respondent, Charles G. Oleson, Jr. is **PROHIBITED** from:

1. Offering or selling securities in or from this State until the further Order of the Secretary of State; and
2. From acting as an investment advisor or investment advisor representative until the further Order of the Secretary of State.

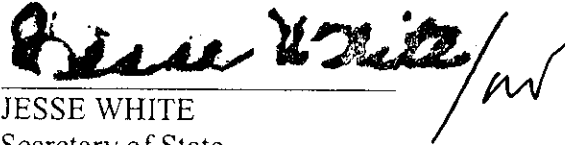
NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Gregory J. Solberg, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

Temporary Order of Prohibition

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FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 12th day of January 2006.

A handwritten signature in black ink, appearing to read "Jesse White", with a horizontal line underneath and a large, stylized flourish extending to the right.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
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