



Jesse White

SECRETARY OF STATE

NEWS

ILLINOIS SECRETARY OF STATE

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Secretary White Announces 12-Year Prison Term For Rockford Woman Convicted of \$14 Million Plus Securities Fraud

SPRINGFIELD — Illinois Secretary of State Jesse White announced today that an investigation by his Securities Department resulted in the sentencing of a 52-year-old Rockford woman for defrauding investors out of millions of dollars.

Linda Frykholm, of 5151 Woodie Ranch Lane, was sentenced to a 12-year prison term for defrauding over 220 investors in the U.S. (including three in Illinois) and internationally of over \$14 million dollars. Frykholm was also required to pay restitution of \$10,740,791 and to serve a three-year period of supervised release after her conviction of one count of mail fraud and one count of money laundering.

"Protecting Illinois investors is my top priority," White said. "This sentencing sends a clear message that scams like this will not be tolerated and con artists who prey on our citizens will go to jail."

The Secretary of State's office worked in cooperation with the U.S. Attorney's office and the Federal Bureau of Investigation.

Frykholm promised investors that she would invest their funds in offshore trading programs that would generate large profits. Frykholm told some investors that their money would be invested in a United Nations project to improve infrastructure in Honduras and would return a 300% profit within seven to 10 days.

Other investors were told that their funds would be invested in a '72 hour' trading program that would result in a 100% profit. Both overseas programs were fraudulent and non-existent.

Frykholm used the money to purchase two vacation homes in Lake Geneva, WI valued at almost \$4 million, 4 cars (a Lexus, 2 Jeep Grand Cherokees and a new Volkswagen Beetle), a \$50,000 speed boat and several trips to Switzerland. Additionally, she used investor funds to make \$50,000 in donations to charitable organizations and to open several bank accounts in the U.S. and overseas (Switzerland, Isle of Man, and Antigua).

Secretary of State White's Securities Department regulates the state's securities industry, providing for the protection of investors and the maintenance of a fair and orderly securities marketplace. Illinois requires that all securities dealers, salespersons and investment advisers and their securities offerings be registered with the Department unless exempt by law. The Department enforces standards of conduct among those licensed to do business in Illinois as well as dealing with consumer allegations of fraud or improper practices in the securities marketplace.

Anyone who believes they have been a victim of securities fraud should contact the department at 1-800-628-7937.