

STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, ME 04333

IN RE:

Ronald M. Nickerson

ORDER TO CEASE AND DESIST
AND IMPOSING A CIVIL PENALTY

05-005

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Pursuant to 32 M.R.S.A. §§ 10602 and 10708, the Securities Administrator finds and orders as follows:

1. Ronald M. Nickerson (“Nickerson”) is an individual with a permanent residence address of 58 Blake Road, Turner, Maine 04282.
2. In December 2001, Nickerson offered an investment opportunity to a resident of Portland, Maine (“the Portland resident”). Nickerson told the Portland resident that he invested money for people using the business name “Unlimited Financial Options.” Nickerson stated that the investment opportunity carried no risk of lost principal and would provide very high returns.
3. Based on Nickerson’s representations, and from approximately December 2001 through March 2002, the Portland resident gave Nickerson five checks for investment totaling \$11,000.
4. In exchange for one of the five checks, in the amount of \$3,000, Nickerson gave the Portland resident a promissory note that is written on “Unlimited Financial Options” letterhead, signed by Nickerson as “Vice President,” and dated December 1, 2001. The promissory note required Nickerson to make monthly payments to the Portland resident, designated as the “Investor,” with the first two payments due within 45 and 90 days. The promissory note also stated that the payments would total \$5,250 in principal and interest and were in exchange “for the use of funds in this endeavor.”
5. On the bottom of the December 1 promissory note, Nickerson made a handwritten note indicating that, on December 5, 2001, the Portland resident had given him an additional

\$1,300 “to generate additional income to be split 50/50” between Nickerson and the Portland resident.

6. In exchange for another one of the checks, in the amount of \$1,700, Nickerson gave the Portland resident a second promissory note that is written on “Unlimited Financial Options” letterhead, signed by Nickerson as “Vice President,” and dated February 1, 2002. The promissory note required Nickerson to pay a total of \$3,400 in principal and interest to the Portland resident, designated as the “Investor,” by May 10, 2002. The promissory note also stated that the payment was in exchange “for the use of funds in this endeavor.”
7. Despite requests from the Portland resident, Nickerson did not provide promissory notes or any other writing in connection with the Portland resident’s other two checks, for \$2,500 each, both of which Nickerson received in March 2002.
8. Nickerson has not made any payments on the promissory notes and has not otherwise returned any funds to the Portland resident. Nickerson told the Portland resident that he had given the \$11,000 to a person in Utah named Archie Gomez and could not get the money back.
9. On August 4, 2004, the Office of Securities sent Nickerson a subpoena for documents and a letter requesting that he provide a written statement regarding the allegations. The requested documents and written statement were due on August 18, 2004. Despite repeated promises from Nickerson, he has provided neither a written statement nor any documents.
10. The investments offered and sold by Nickerson, whether reflected in a writing or otherwise, are securities under section 10501(18) of the Revised Maine Securities Act, 32 M.R.S.A. §§ 10101-10713 (“the Act”).
11. Pursuant to section 10401 of the Act, a person may not offer and sell any security in Maine unless the security is registered under the Act.
12. The securities that Nickerson offered and sold to the Portland resident were not registered under the Act. Nickerson thus violated section 10401 of the Act.
13. Pursuant to section 10301 of the Act, a person may not transact business in Maine as a sales representative unless licensed to do so under the Act.
14. Nickerson was not licensed in Maine as a sales representative and thus he violated section 10301 of the Act.
15. Pursuant to section 10601(3) of the Act, “[i]t is unlawful to fail to provide promptly any written statement if requested” by the administrator.

16. By failing to provide the written statement requested by the administrator, Nickerson violated section 10601(3) of the Act.
17. Pursuant to section 10602(1) of the Act, the administrator may issue a cease and desist order if she reasonably believes that any person has engaged, is engaging or is about to engage in any act or practice constituting a violation of any provision of the Act.
18. Pursuant to section 10602(1) of the Act, the administrator may issue an order imposing a civil penalty that may not exceed \$1,500 for a single violation if she reasonably believes that any person has engaged, is engaging or is about to engage in any act or practice constituting a violation of any provision of the Act.
19. Each of the five investment checks solicited and received by Nickerson may constitute a separate violation for purposes of determining the total civil penalty to be imposed on Nickerson. In addition, Nickerson's failure to provide a written statement to the Office constitutes an additional violation for which a civil penalty may be imposed. The Securities Administrator may thus impose a civil penalty of \$9,000 against Nickerson.
20. On October 22, 2004, the Securities Administrator issued a Notice of Intent to Issue a Cease and Desist Order and Impose a Civil Penalty ("Notice") against Nickerson, giving him thirty (30) days to request a hearing on the matter. He has not requested a hearing or otherwise responded to the Notice.
21. In accordance with 5 M.R.S.A. § 9053(3), and Section 19(1) of Office of Securities Rule Chapter 540, the Securities Administrator may dispose of this proceeding by default.

FINAL ORDER

NOW, THEREFORE, it is ORDERED that Nickerson permanently CEASE AND DESIST from violating any provisions of the Revised Maine Securities Act, including the prohibitions against offering and selling securities that are neither registered nor exempt from registration under the Act, and against transacting business in Maine as a sales representative unless licensed or exempt from licensing under the Act.

It is further ORDERED that Nickerson shall pay a civil penalty of \$9,000 to the Securities Administrator.

Pursuant to 32 M.R.S.A. § 10708, this is a final order, entered after notice and opportunity for hearing. Pursuant to 32 M.R.S.A. § 10709, a party may obtain judicial review of the order in Kennebec County Superior Court by filing a petition within thirty (30) calendar days after receipt of the order, in accordance with 5 M.R.S.A. § 11001 et seq. and Rule 80C of the Maine Rules of Civil Procedure.

Date: December 3, 2004

s/Christine A. Bruenn
Christine A. Bruenn
Securities Administrator

Reviewed by:

Date: November 29, 2004

s/Bonnie E. Russell
Bonnie E. Russell
Assistant Securities Administrator

Presented by:

Date: November 29, 2004

s/Michael W. Atleson
Michael W. Atleson
Staff Attorney