

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 64318 / April 20, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14349

In the Matter of

DAVID L. OLSON,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND NOTICE OF HEARING

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against David L. Olson (“Respondent” or “Olson”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From September 2005 through approximately April 2009, Respondent was the president of A&O Investments, LLC (“A&O”), a Florida limited liability company with its principal place of business in Lakeland, Florida. From April 2002 until he resigned in September 2007, Olson also was a registered representative associated with World Group Securities, Inc.

(“WGS”), a broker-dealer registered with the Commission. Respondent is 60 years old, and is a resident of Lakeland, Florida.

B. ENTRY OF THE INJUNCTION

2. On November 9, 2010, a final judgment was entered against Olson, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Edward A. Allen, et al., Civil Action Number 1:10-cv-1143, in the United States District Court for the Northern District of Ohio.

3. The Commission’s complaint alleged that, from at least September 2005 until December 2008, Olson and his business partner raised approximately \$14.8 million from at least 100 investors primarily in Florida and Ohio through the offer and sale of unregistered securities in the form of promissory notes issued by A&O and several other related entities. The complaint further alleged that Olson and his partner solicited WGS customers to become investors while they were working at WGS and after they had left the firm. According to the complaint, Olson knowingly made material misrepresentations and omitted to state material facts about the use of investor funds, the risks of the investments, and the safety of investor funds. Among other things, Olson told investors that he and his partner would use the investors’ money to purchase, rehabilitate, and sell real estate. He promised to pay investors annual returns of 20 percent, represented that the returns were generated from the sale of A&O’s real estate properties, and told investors that he and his partner were doing well in the real estate market and were making money. The complaint further alleged that, in reality, Olson and his partner operated a Ponzi scheme by using approximately \$4.4 million of investor funds to pay “interest” and, in some cases, principal to previous investors. They spent only \$5.1 million of the \$14.8 million raised to purchase and rehabilitate real estate, and used \$2.2 million to pay personal expenses for themselves and their family members. Finally, the complaint alleged that Olson and his partner misrepresented and omitted to state material facts regarding the collateral securing the notes. As much as approximately \$5.5 million worth of A&O promissory notes purportedly were secured by the same piece of property at 5124 Windover Lane in Lakeland, Florida. As alleged in the complaint, the property’s value was grossly inadequate to secure the notes.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing ("Order"), on the Respondent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

Andrea R. Wood, Esq.
Chicago Regional Office
Securities and Exchange Commission
175 W. Jackson Blvd., Suite 900
Chicago, IL 60604

Mr. David L. Olson
1601 Bassett Drive
Lakeland, Florida 33810