

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 71991 / April 22, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15848

In the Matter of

ARMAND R. FRANQUELIN,

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 Armand R. Franquelin (“Respondent” or “Franquelin”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Franquelin was an owner and control person of The Elva Group, LLC (“Elva Group”). From at least January 2006 through November 2010 Elva Group issued promissory notes and raised investor capital. Franquelin, age 57, resides in Liberty, Utah.

B. ENTRY OF THE INJUNCTION

2. On April 18, 2014, a final judgment was entered by default against Franquelin, permanently enjoining him from future violations of Sections 5 and 17(a) of the Securities Act of 1933 (“Securities Act”), and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Armand R. Franquelin, et al., Civil Action Number 1:13-CV-00096, in the United States District Court for the District of Utah. In addition to the injunction, Franquelin was ordered to pay disgorgement of \$1,529,749.28, plus prejudgment interest of \$709,662.19.

3. The Commission's complaint alleged that, in connection with the offer and sale of promissory notes, Franquelin made material misrepresentations to investors regarding, among other things, the security of their investment and the guaranteed returns he promised. The complaint further alleged that Franquelin misappropriated investor funds, used new investor funds to pay interest payments to prior investors, and otherwise engaged in a variety of conduct which operated as a fraud and deceit upon investors. The complaint also alleged that Franquelin sold unregistered securities and acted as an unregistered broker or dealer, by, among other things, soliciting investments on behalf of Elva Group, receiving investor funds, signing promissory notes issued by Elva Group and receiving compensation in connection with the solicitation.

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 hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

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.

Jill M. Peterson
Assistant Secretary