

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 10393 / July 31, 2017**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 81258 / July 31, 2017**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18085**

**In the Matter of**

**KAREN F. AALDERS**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
AND CEASE-AND-DESIST PROCEEDINGS,  
PURSUANT TO SECTION 8A OF THE  
SECURITIES ACT OF 1933 AND SECTIONS  
15(b) AND 21C OF THE SECURITIES  
EXCHANGE ACT OF 1934, MAKING  
FINDINGS, AND IMPOSING REMEDIAL  
SANCTIONS AND A CEASE-AND-DESIST  
ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Karen F. Aalders (“Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over her and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds<sup>1</sup> that:

#### **Summary**

1. Between January 2009 and at least February 24, 2013, Mainstream Entertainment, Inc. ("Mainstream") n/k/a Volt Solar Systems, Inc. ("Volt Inc.") was under the control of its majority shareholder (the "Control Person"). The Control Person orchestrated a scheme to sell the restricted common stock of Mainstream in the open market. The scheme involved taking Mainstream public as an undisclosed shell company, concocting purported operations of Mainstream to mask its shell company status, drafting and filing false and misleading Commission filings, selling Mainstream in a change-of-control transaction, issuing and controlling millions of shares of purportedly unrestricted securities, and then selling these securities to the public.

2. Aalders was extensively involved in all steps of this scheme. Aalders took all actions related to Mainstream at the direction of the Control Person, including acting as a nominee officer and director of Mainstream. In that capacity, Aalders forged a series of corporate documents and made false statements to accountants, a transfer agent, and the Commission. Her actions allowed the Control Person to sell Mainstream as a public vehicle and obtain purportedly unrestricted shares to sell in the open market.

#### **Other Relevant Entities**

3. Volt Inc. is an inactive Florida corporation last located in Bridgeport, Pennsylvania. Volt Inc. was previously named First Power & Light, Inc. and prior to that Mainstream, which was last located in Orlando, Florida. Volt Inc. and Mainstream's securities (ticker symbols "VOLT" and "MSEI," respectively) were quoted on the OTC Bulletin Board and on OTC Link (formerly, "Pink Sheets"), operated by OTC Markets Group, Inc. On May 22, 2014, the Commission entered an order suspending trading in the securities of Volt Inc. for a period of ten days. On December 16, 2015, the Commission revoked the registration of each class of registered securities of Volt Inc. pursuant to Section 12(j) of the Exchange Act. At all relevant times, the common stock of Mainstream and Volt Inc. was a penny stock.

4. Mainstream became subject to reporting requirements pursuant to Section 15(d) of the Exchange Act when its registration statement on Form S-1 was declared effective on November 7, 2011, and pursuant to Section 13(a) of the Exchange Act when it registered a class of its common stock pursuant to Section 12(g) of the Exchange Act on February 14, 2012. Since March 2011, Volt Inc. and Mainstream have had no business operations and nominal assets.

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<sup>1</sup> The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

## Background

5. Until at least February 24, 2013, the Control Person controlled Mainstream as a purported music production company. The Control Person retained Aalders, his personal assistant, as one of three straw officers and directors of Mainstream. Aalders took all Mainstream-related actions at the Control Person's direction.

6. Mainstream's operations ceased as late as August 2008 (upon the theft of its music equipment). Aalders knew that all subsequent efforts related to Mainstream focused on maintaining and selling it as a public vehicle.

7. From August 2008 to February 2013, all expenses incurred by or on behalf of Mainstream were for professional fees to become and remain a public company reporting with the Commission. The Control Person first financed these efforts through a series of promissory notes, the majority of which had no convertible feature. Aalders prepared these notes at the Control Person's direction.

8. The Control Person directed Aalders to take various actions in her role as an officer and director of Mainstream. For example, Aalders applied the other straw directors' and officers' signature stamps without their knowledge or consent to, among other things, false Board resolutions claiming that they had held meetings and authorized corporate actions, false stock purchase agreements, false management representation letters to auditors, and false certifications as exhibits to Mainstream's periodic reports filed with the Commission.

9. Aalders also communicated frequently with accountants, auditors, and transfer agents to provide information in support of Mainstream's filings with the Commission and the removal of restrictive legends from shares of Mainstream stock.

10. The Control Person knew at all material times that Mainstream was a "shell company" under the federal securities laws, and that Rule 144 under the Securities Act contains provisions related to the resale of restricted securities of "shell companies." Accordingly, the Control Person knew that "non-shell" public vehicles were more attractive candidates to potential buyers of public vehicles. To that end, the Control Person sought to register an offering of Mainstream's shares with the Commission and keep Mainstream current in its subsequent reporting requirements, all while concealing Mainstream's shell company status.

11. The Control Person accelerated his efforts to make Mainstream available for sale as a public vehicle in 2011. In furtherance of that effort, from March to November 2011, the Control Person directed the filing of a Form S-1 registration statement (the "Form S-1") for the secondary offering of Mainstream shares that he had put in the name of friends and family.

12. The Control Person directed Aalders to fabricate a licensing agreement dated November 2011 as Mainstream's only purported revenue in the Form S-1, by which a business acquaintance of the Control Person purportedly licensed a song from Mainstream for \$1,000.

Aalders knew that the acquaintance never licensed any music from Mainstream or the Control Person. Rather, on November 4, 2011, Aalders gave the acquaintance a receipt for \$1,000 with the memo “4,000 shares of Mainstream Ent. stock.”

13. The Form S-1, and Mainstream’s later periodic reports, misrepresented that Mainstream and the acquaintance had entered into a licensing agreement. Also, on March 4, 2012, Aalders (at the Control Person’s direction) told the auditor working on Mainstream’s periodic reports that the Control Person’s acquaintance had paid Mainstream \$1,000 in November 2011 “for licensing rights to a copyrighted song in our library,” despite Aalders having prepared the receipt for that money in return for Mainstream shares.

14. Aalders electronically signed the Form S-1 in her name and another straw officer, despite the fact that that officer had not given her (or anyone else) the consent or authority to apply that electronic signature.

15. Mainstream’s Form 10-K filed on January 30, 2012 (for the year ended September 30, 2011), Form 10-Q filed on February 13, 2012 (for the quarter ended December 31, 2011), Form 10-Q/A filed February 29, 2012 (for the quarter ended December 31, 2011), Form 10-Q filed May 15, 2012 (for the quarter ended March 31, 2012), Form 10-Q filed on August 8, 2012 (for the quarter ended June 30, 2012), and Form 10-K filed on January 9, 2013 (for the year ended September 30, 2012) each was false and misleading because it contained false statements and omissions regarding Mainstream’s business operations (including the sham licensing agreement) and purpose as a music production company (versus its true purpose as a public vehicle).

16. Aalders applied her and another straw officer’s electronic signatures to these periodic reports and the certifications attached as exhibits thereto. The certifications required a number of statements from each of Aalders and the other officer, including (i) they had reviewed the periodic reports; (ii) that to their knowledge the reports did not contain any material misstatements or omissions; (iii) they had designed and evaluated disclosure controls and procedures and internal controls over financial reporting; and (iv) they had disclosed any fraud involving persons having a significant role in the internal controls over financial reporting.

17. Aalders knew that these certifications were false, including the fact that Aalders was aware of material misstatements and omissions, the other officer had not reviewed the report, and neither Aalders nor the other officer had designed or evaluated disclosure controls and procedures and internal controls over financial reporting. Aalders and the other officer were required to personally sign these certifications – they could not delegate their authority to sign to anyone else by power of attorney, agreement, or otherwise. Aalders knew that the other officer had never signed any such documents.

18. In January and February 2013, the Control Person directed Aalders to forge a series of Board resolutions for the issuance of millions of new Mainstream shares. These resolutions stated that the directors had conducted meetings in late January 2013 and voted unanimously to approve the issuances. However, Aalders knew that the directors had not attended any such meeting, had not made any vote, and the officers other than Aalders had no knowledge of the

resolutions. Moreover, the officers other than Aalders did not consent for images of their signatures to be placed on these resolutions.

19. These resolutions included one dated January 24, 2013, for the issuance of 1,908,130 shares upon the purported conversion of approximately \$190,813 in debt “over one year old” owed to the Control Person and his entities in promissory notes. However, Aalders knew that only a fraction of that amount had a convertible feature.

20. Aalders, at the direction of the Control Person, forged a separate Board resolution dated January 23, 2013, for the issuance 240,000 shares to Mainstream’s accountant for “the total amount of debt owed to [an accounting firm] as of this date by [Mainstream]” for professional services “over one year old.” Aalders knew that the accounting services ran to the present and never had a convertible feature.

21. From August 2012 to January 2013, Aalders assisted the Control Person in amassing many of the purportedly unrestricted shares in the Form S-1 secondary offering through false stock purchase agreements. For example, the Control Person purportedly entered into stock purchase agreements with Aalders, Aalders’ children, and Aalders’ grandchildren in whose names the Control Person had previously put shares and registered in the Form S-1. Those stock purchase agreements misrepresented that the Control Person or his entities paid consideration for the shares. For example, the Control Person directed Aalders to sign a stock purchase agreement dated January 14, 2013, stating that she was paid \$91,500 for her shares. The Control Person directed Aalders to fill out a check in that amount, but not to deposit it. Rather, Aalders later received \$46,500 in payments for the stock between February 2013 and April 2015.

22. On February 22, 2012, Aalders filed a Schedule 13D with the Commission reporting her sole voting power over 183,000 shares of Mainstream stock. Per the stock purchase agreement dated January 14, 2013, Aalders sold all of those 183,000 shares to an entity controlled by the Control Person. Aalders failed to file any amendments to her Schedule 13D or any other document with the Commission to report the change in her beneficial ownership of Mainstream stock.

23. The Control Person and Aalders also made misrepresentations to a transfer agent to remove the restrictive legends on shares in the name of the Control Person or his controlled entities. For example, in January and February 2013, Aalders (at the Control Person’s direction) made numerous requests to the transfer agent for the issuance of stock certificates without restrictive legends for the shares issued in the Board resolutions dated January 2013 and the transfers to the Control Person from friends and family from August 2012 to January 2013. Aalders backdated and forged multiple versions of the same purported Board resolution, and sent them to the transfer agent for the division of shares per the demands of the Control Person. The transfer agent issued unlegended certificates for those shares per Aalders’ instructions.

24. In February 2013, Aalders also prepared and sent the transfer agent letters misstating that another nominee officer (the Control Person’s son) and an entity controlled by the Control Person were not “affiliates” of Mainstream. Aalders knew these statements were false

because she was aware of the Control Person and his son's roles in Mainstream. Also, Aalders used the straw officer's signature stamp on the letter without his knowledge or consent.

25. Based on Aalders' false misrepresentations, the transfer agent issued stock certificates to or for the Control Person, his controlled entities, and his transferees that bore no restrictive legend, thereby enabling them to sell the stock to the public while avoiding applicable registration requirements and trading restrictions.

26. Aalders also assisted the Control Person in using a stock promoter to create trading volume in Mainstream stock. For example, Aalders effectuated the wire transfers by which the Control Person paid the promoter in early 2013. For example, in February 2013, Aalders wired approximately \$243,000 to the stock promoter at the Control Person's direction. Aalders knew that the wires were related to sales of Mainstream stock by an entity controlled by the Control Person.

27. As a result of the conduct described above, Respondent willfully violated Section 5(a) and 5(c) of the Securities Act, which prohibit the direct or indirect sale of securities through the mail or interstate commerce unless a registration statement is in effect and the direct or indirect offer to sell securities through the mail or interstate commerce unless a registration statement has been filed.

28. As a result of the conduct described above, Respondent willfully violated, and willfully aided and abetted and caused the Control Person's violations of, Section 17(a) of the Securities Act, which prohibits fraudulent conduct in the offer or sale of securities.

29. As a result of the conduct described above, Respondent willfully violated, and willfully aided and abetted and caused the Control Person's violations of, Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

30. As a result of the conduct described above, Respondent willfully violated Section 13(b)(5) of the Exchange Act, which prohibits a person from knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record or account described in Section 13(b)(2) of the Exchange Act.

31. As a result of the conduct described above, Respondent willfully violated Section 16(a) of the Exchange Act and Rule 16a-3 thereunder, which require an officer or director of any issuer of any class of security registered pursuant to Section 12 of the Exchange Act to file initial statements of holdings and to keep such information current by reporting subsequent transactions with the Commission.

32. As a result of the conduct described above, Respondent willfully violated Rule 13a-14 under the Exchange Act, which requires that the principal executive and principal financial officers of an issuer that files a report pursuant to Section 13(a) of the Exchange Act sign a certification that, among other things and based on their knowledge, the periodic report filed with

the Commission does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

33. As a result of the conduct described above, Respondent willfully violated, and willfully aided and abetted and caused the Control Person's violations of, Rule 13b2-1 under the Exchange Act, which prohibits a person from directly or indirectly falsifying or causing to be falsified any book, record, or account subject to Section 13(b)(2)(A) of the Exchange Act.

34. As a result of the conduct described above, Respondent willfully violated Rule 13b2-2 under the Exchange Act, which prohibits an officer or director of an issuer to make or cause to be made, or omit or cause another person to omit to state, a materially false or misleading statement to an accountant in connection with the preparation or filing of any document or report required to be filed with the Commission.

35. As a result of the conduct described above, Respondent willfully violated Rule 15d-14 under the Exchange Act, which requires that the principal executive and principal financial officers of an issuer that files a report pursuant to Section 15(d) of the Exchange Act sign a certification that, among other things and based on their knowledge, the periodic report filed with the Commission does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

36. As a result of the conduct described above, Respondent willfully aided and abetted and caused Mainstream's violations of Section 13(b)(2)(A) of the Exchange Act, which requires that an issuer which is required to file reports pursuant to Section 15(d) of the Exchange Act make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

37. As a result of the conduct described above, Respondent willfully aided and abetted and caused Mainstream's violations of Section 13(a) of the Exchange Act, Rules 12b-11, 12b-20, 13a-1, 13a-13, and 13a-14 thereunder and Rule 302 of Regulation S-T, which require that an issuer of securities registered under Section 12 of the Exchange Act to file periodic information, documents, and reports as required pursuant to Section 13 of the Exchange Act, including annual reports on Form 10-K and quarterly reports on Form 10-Q, and that such reports be signed, contain such material information as may be necessary to make the required statements in light of the circumstances under which they are made not misleading, and include certifications signed by the issuer's principal executive and principal financial officers.

38. As a result of the conduct described above, Respondent willfully aided and abetted and caused Mainstream's violations of Section 15(d) of the Exchange Act, Rules 12b-11, 12b-20, 15d-1, 15d-13, and 15d-14 thereunder and Rule 302 of Regulation S-T, which require that an issuer which has filed a registration statement which has become effective pursuant to the Securities Act file periodic information, documents, and reports as required pursuant to Section 13 of the Exchange Act, including annual reports on Form 10-K and quarterly reports on Form 10-Q,

and that such reports be signed, contain such material information as may be necessary to make the required statements in light of the circumstances under which they are made not misleading, and include certifications signed by the issuer's principal executive and principal financial officers.

### **Civil Penalties**

39. Respondent has submitted a sworn Statement of Financial Condition dated October 31, 2016, and other evidence and has asserted her inability to pay a civil penalty.

### **IV.**

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Aalders' Offer.

Accordingly, pursuant to Section 8A of the Securities Act and Sections 15(b)(6) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent Aalders cease and desist from committing or causing any violations and any future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act and Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(5), 15(d) and 16(a) of the Exchange Act and Rules 10b-5, 12b-11, 12b-20, 13a-1, 13a-13, 13a-14, 13b2-1, 13b2-2, 15d-1, 15d-13, 15d-14 and 16a-3 thereunder and Rule 302 of Regulation S-T.

B. Respondent Aalders be, and hereby is:

prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act; and

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

C. Respondent shall pay disgorgement of \$46,500.00 and prejudgment interest of \$5,104.93 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments: \$7,000.00 within 10 days of the date of this Order, \$3,717.08 within 95 days of the date of this Order, \$3,717.08 within 185 days of the date of this Order, \$3,717.08 within 275 days of the date of this Order, \$3,717.08 within 365 days of the date of this Order, \$3,717.08 within 455 days of the date of this Order, \$3,717.08 within 545 days of the date of this Order, \$3,717.08 within 635 days of the date of this Order, \$3,717.08 within 725 days of the date of this Order, \$3,717.08 within 815 days of the date of this Order, \$3,717.07 within 905 days of the date of this Order, \$3,717.07 within 995 days of the date of this Order, and 3,717.07 within 1085

days of the date of this Order. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of disgorgement and prejudgment interest, plus any additional interest accrued pursuant to SEC Rule of Practice 600, shall be due and payable immediately, without further application.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Karen F. Aalders as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Glenn S. Gordon, Division of Enforcement, Securities and Exchange Commission, Miami Regional Office, 801 Brickell Avenue, Suite 1800, Miami, Florida 33131.

D. Based upon Respondent's sworn representations in her Statement of Financial Condition dated October 31, 2016, and other documents submitted to the Commission, the Commission is not imposing a penalty against Respondent.

E. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of the maximum civil penalty allowable under the law. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondent was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondent may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of a penalty should not be ordered; (3) contest the imposition of the maximum penalty allowable under the law; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields  
Secretary