

MIKE BEEBE
GOVERNOR

A. HEATH ABSHURE
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300
201 EAST MARKHAM STREET
LITTLE ROCK, ARKANSAS 72201-1692
TELEPHONE: (501) 324-9260
FACSIMILE: (501) 324-9268

ARKANSAS SECURITIES DEPARTMENT

Theodore Holder
Direct Dial: 501/324-8678
Email: ted.holder@mail.state.ar.us

FOR IMMEDIATE RELEASE

Date: 29 April 2008

Contact Person: Theodore Holder, Assistant Commissioner

ARKANSAS SECURITIES COMMISSIONER FILES SUIT AGAINST CHRISTOPHER A. HOGAN, CRUNKLAND RECORDS, LTD. AND ROLFUND.COM

Today, Arkansas Securities Commissioner A. Heath Abshure filed suit in Cleburne County Circuit Court against Christopher A. Hogan, Crunkland Records, Ltd.(Crunkland), and ROLFund.com (ROLFund) alleging securities fraud and registration violations. Abshure seeks to enjoin further violations of law, an accounting of the funds taken in by the defendants, disgorgement of funds back to investors, and fines in an amount equal to the funds taken in by Hogan, Crunkland and ROLFund.

According to Abshure's complaint, Hogan used Internet web sites to sell over \$200,000 worth of investment contracts beginning in 2006. ROLFund was represented to be a "High Yield Loan Program" to be used to purchase a casino in the Dominican Republic. Crunkland was touted on Internet as a record company.

ROLFund was touted on its web site to be a "conglomerate of companies centered in the entertainment industry." The investments were stated to be loans paying from .50% to 2% per day. Hogan stated that the money raised by these loans would be pooled and used to purchase a casino/resort in the Dominican Republic. The complaint recites that the Staff of the Arkansas Securities Department obtained a video from the ROLFund web site featuring the filming of a music video in Heber Springs and a documentary of sorts featuring. Hogan stated in the video that "ROLFund was created solely for the purpose of purchasing a casino in the Dominican Republic" He also said to investors, "You have no fear of losing your money." The worst case scenario was that investors would get their money back, less 2%, and the best case scenario was that ROLFund purchases the casino and "we increase the \$200,000 a week to \$350,000 a week and you guys make a ton of money."

The complaint alleges that in late 2005 Hogan caused a posting to be placed on FastMarket.com, an Internet forum on which solicitations for investments were posted. In this posting Hogan identified Crunkland as a "BRICK and MORTAR Real Business . . . That is Getting Ready to EXPLODE in the next 60 days." Hogan stated that Crunkland's president/CEO (Hogan) was the executive producer of a television program entitled "Dirty South Television" that had 1.3 million viewers per week and major sponsors, including insurance companies Aflac and Geico. Hogan stated Crunkland could be

expected to make from the viewing public as much as \$3 million just on the sale of CDs of the musical artists featured on the television show and an unstated additional amount on other revenues such as concert revenues and merchandise sales. Crunkland was being divided into 1,000 Joint Venture Associate positions (JVA positions), Hogan stated. Of these, Crunkland was keeping 510 and selling 490 to the public for \$1,000 each. Investors in JVA positions could make \$10,000 per JVA position, Hogan stated.

In truth and fact, the complaint states, ROLFund was not a "High Yield Loan Program" set up to buy a Dominican Republic casino and resort or a conglomerate of companies, Crunkland was not a record company about to explode in early 2006 and Hogan was not the executive producer of a television program with 1.3 million viewers generating millions of dollars for Crunkland.

Both the investments in ROLFund and the JVA positions in Crunkland are alleged to be investment contracts, a type of security. Abshire contends further that the defendants sold these securities illegally without registering them with the Arkansas Securities Department, as required by the Arkansas Securities Act, and that the defendants engaged in securities fraud in offering and selling these securities.

"This case illustrates how the Internet can be used by fraudsters to spread false information to sell unregistered securities. Investors should always be careful when anyone tries to sell them securities, and this is doubly true when the approach comes from the Internet. Just as you cannot place any trust in a nice looking brochure, you can place no trust in a nice looking web site, either," Commissioner Abshire says. "The Internet allows fraudsters to communicate with a large audience without spending a lot of time, effort, or money. Anyone can reach tens of thousands of people by building an Internet web site, posting a message on an online bulletin board, entering a discussion in a live 'chat' room, or sending mass e-mails. It's easy for fraudsters to make their messages look real and credible, but it's nearly impossible for investors to tell the difference between fact and fiction."

Anyone with any information concerning this case is urged to call Mr. Theodore Holder or Ms. Shannon Underwood at (501) 324-9260 or via the Arkansas Securities Department toll-free number at 800-981-4429.