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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of Washington by:

Universal Online, Inc.; J. William
Oldenburg; Nancy L. Whitney; Gregory J.
Caputo,

Respondents.

Order Number S-08-037-10-SC01

**STATEMENT OF CHARGES AND NOTICE
OF INTENT TO ISSUE AN ORDER TO
CEASE AND DESIST, IMPOSE FINES,
AND CHARGE COSTS**

THE STATE OF WASHINGTON TO:

Universal Online, Inc.
J. William Oldenburg
Nancy L. Whitney
Gregory J. Caputo

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that the Respondents Universal Online, Inc., J. William Oldenburg, Nancy L. Whitney, and Gregory J. Caputo have each violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 against each to cease and desist from such violations, and to impose fines and recover costs. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondents

1. Universal Online, Inc., also known as “Universal Online Corporation” (“Universal Online”), is purportedly a corporation engaged in the finance business. Universal Online maintains

1 offices at 245 Park Avenue, 39th Floor, New York, New York and 1426 Fifth Avenue, Suite 2200,
2 Seattle, Washington.

3 2. J. William Oldenburg (“Oldenburg”) is the founder and Chairman of Universal Online.
4 Oldenburg is believed to reside in or about Seattle, Washington.

5 3. Nancy L. Whitney (“Whitney”) is a former Washington resident. Whitney currently
6 resides in Arizona.

7 4. Gregory J. Caputo (“Caputo”) is a former Washington resident. Caputo currently resides
8 in Arizona.

9 Nature of the Offering

10 5. Universal Online is purportedly a finance company specializing in the marketing and sale
11 of the “OPC business system,” a system designed to facilitate the financing of large scale commercial
12 real estate. It is believed that Respondent Oldenburg was trying to raise funds for the development
13 and/or marketing of the OPC business system. The Respondents offered for sale an investment with
14 Universal Online in the form of a promissory note. It is believed that this investment was sold to at
15 least two Washington residents. At least one of the residents was not experienced in promissory note
16 investments.

17 6. In 2002, a Washington resident came into an inheritance of approximately one million
18 dollars. At the time, she was also experiencing neurological problems, including confusion,
19 disorientation, and loss of memory. The resident’s co-worker and fellow Washington resident,
20 Whitney, knew of her inheritance and neurological problems. Whitney told the resident that she and
21 her boyfriend, Caputo, also a Washington resident at the time, would look after her investments for
22 her.

1 7. Whitney told the resident that she knew of an investment that would be good for someone
2 with her neurological problems; Whitney was referring to an investment in Universal Online. It is
3 believed that Whitney and/or Caputo were investors in Universal Online. The resident told Whitney
4 that she was not interested in any risky investments. Whitney assured the resident that this was a safe
5 investment.

6 8. Whitney and/or Caputo introduced the resident to Oldenburg. Whitney, Caputo, and the
7 resident met Oldenburg at his Seattle residence. At the meeting, Oldenburg, Whitney, and Caputo
8 solicited the resident to invest in Universal Online. The company's OPC business system venture was
9 explained to the resident, and she was shown a PowerPoint presentation. The resident was told an
10 investment with the company would have a good rate of return.

11 9. The resident received limited disclosure documents from the Respondents, including a
12 one page document titled "Universal Online Inc Marketing Plan." According to the marketing plan, if
13 the Respondents sold the OPC business system to only 10% of the defined market, "gross revenues
14 would exceed \$750,000,000."

15 10. In approximately October 2003, the resident invested \$100,000 with Universal Online.
16 The resident received a promissory note, signed by Oldenburg. The note had an interest rate of 18%
17 per annum and a maturity date of 2 years.

18 11. In or about January 2005, Oldenburg told the resident that he needed additional funds in
19 order to complete the venture so that he could repay her initial investment with the company. He
20 solicited her to make a second investment in the form of a promissory note. The resident told
21 Oldenburg that she would only agree to invest if he gave her a post dated check for the amount of the
22 principal he would owe her. Oldenburg agreed to do so.

1 against Oldenburg and his co-defendants, jointly and severally. This judgment was renewed in April
2 1999 for approximately \$58 million dollars, and again in April 2007 for approximately \$81 million
3 dollars. As of April 2007, Oldenburg had not made any payments toward the judgment.

4
5 Registration Status

6 17. Universal Online, Inc. is not currently registered to sell its securities in the State of
7 Washington and has not previously been so registered.

8 18. J. William Oldenburg is not currently registered as a securities salesperson or broker-
9 dealer in the State of Washington and has not previously been so registered.

10
11 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

12 **CONCLUSIONS OF LAW**

13 1. The offer and/or sale of the promissory notes described above constitutes the offer and/or
14 sale of a security as defined in RCW 21.20.005(10) and (12).

15 2. The offer and/or sale of said securities were in violation of RCW 21.20.140 because no
16 registration for such offer and sale is on file with the Securities Administrator.

17 3. The offer and/or sale of said securities were in violation of RCW 21.20.040 because J.
18 William Oldenburg offered and/or sold said securities while not registered as a securities salesperson
19 or broker-dealer in the State of Washington.

20 4. The offer and/or sale of said securities were in violation of RCW 21.20.010 because, as
21 set forth in the Tentative Findings of Fact, Respondents J. William Oldenburg, Nancy L. Whitney, and
22 Gregory J. Caputo made misstatements of material fact and/or omitted to state material facts necessary

1 in order to make the statements made, in light of the circumstances under which they were made, not
2 misleading.

3
4 **NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST**

5 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities
6 Administrator intends to order that Respondent Universal Online, Inc. shall cease and desist from
7 violations of RCW 21.20.140; Respondent J. William Oldenburg shall cease and desist from violations
8 of RCW 21.20.040 and RCW 21.20.010; and Respondents Nancy L. Whitney and Gregory J. Caputo
9 shall cease and desist from violations of RCW 21.20.010.

10
11 **NOTICE OF INTENT TO IMPOSE FINES**

12 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions
13 of Law, the Securities Administrator intends to order that:

- 14 1. Respondent Universal Online, Inc. shall be liable for and pay a fine of \$20,000;
15 2. Respondent J. William Oldenburg shall be liable for and pay a fine of \$20,000;
16 3. Respondent Nancy L. Whitney shall be liable for and pay a fine of \$5,000; and
17 4. Respondent Gregory J. Caputo shall be liable for and pay a fine of \$5,000.

18
19 **NOTICE OF INTENT TO CHARGE COSTS**

20 Pursuant to RCW 21.20.390(5), and based upon the above Tentative Findings of Fact and
21 Conclusions of Law, the Securities Administrator intends to order that the Respondents Universal Online,
22 Inc., J. William Oldenburg, Nancy L. Whitney, and Gregory J. Caputo shall be liable for and pay the

1 Securities Division the costs, fees and other expenses incurred in the conduct of the investigation of this
2 matter in an amount not less than \$1,000.

3
4 **AUTHORITY AND PROCEDURE**

5 This Statement of Charges is entered pursuant to the provisions of RCW 21.20.390 and RCW
6 21.20.395, and is subject to the provisions of RCW 34.05. The Respondents may each make a written
7 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
8 OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

9 If a Respondent does not request a hearing, the Securities Administrator intends to adopt the above
10 Tentative Findings of Fact and Conclusions of Law as final, enter a permanent cease and desist order as to
11 that Respondent, and impose the fines and costs sought.

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15 DATED AND ENTERED this 30th day of August, 2010.

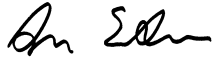
16 By:

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19 _____
20 William M. Beatty
21 Securities Administrator

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Approved by:



Suzanne Sarason
Chief of Enforcement

Presented by:



Bridgett Fisher
Enforcement Attorney