

STATE OF NEBRASKA
Department of Banking & Finance

In the Matter of)	
)	FINDINGS OF FACT
Kevin Hooker)	CONCLUSIONS OF LAW
2410 South 140 th Circle)	AND
Omaha, Nebraska)	CONSENT ORDER
)	

THIS MATTER comes before the Nebraska Department of Banking and Finance (“Department”), by and through its Acting Director, pursuant to its authority under the Securities Act of Nebraska, Neb. Rev. Stat. §§ 8-1101 to 8-1123 (Reissue 2012; Supp. 2013) (“Act”). Pursuant to Neb. Rev. Stat. § 8-1115 (Reissue 2012), the Department has investigated the acts of Kevin Hooker, 2410 South 140th Circle, Omaha, Nebraska. As a result of such investigation, and being fully advised and informed in the matter, the Acting Director and Kevin Hooker (“Hooker”) enter into the following Findings of Fact, Conclusions of Law and Consent Order (“Order”).

FINDINGS OF FACT

1. Validus Group, LLC (“Validus”) is a limited liability company organized under the laws of the State of Nebraska. Hooker is one of two principals in Validus.

2. Elite Cheer, Inc. (“Elite”), a corporation organized under the laws of the State of Nebraska, is a gym that provides tumbling and martial arts instruction. Hooker is also one of two principals in Elite.

3. Hooker located a property that would allow Elite to expand its business operations. Hooker and his partner decided that Validus would purchase and renovate the property and then lease the building to Elite.

4. Validus needed to raise additional capital to purchase and renovate the property. In January and March 2014, Hooker sent emails to clients of Elite soliciting investors. Hooker estimated that approximately 2000 individuals, most of whom are residents of Nebraska, received such email solicitations.

5. Hooker's emails made several claims concerning the investment in Validus ("Validus investment opportunity"). Such statements included the following:

For every dollar that you would invest – potential WORST case scenario you (sic) would be to get \$1.30 back. I don't know how many people can turn \$1.00 into \$1.30 OVERNIGHT.

This project is showing a generation of a 25% return each year for at least the first three years. That means that you double your money in less than 4 years. Income stream is indefinite if you want it to be. I whole-heartedly believe and see that there is no risk of losing money.

Some of our investors are exchanging their IRA money to fund this investment.

We have raised just over \$1M dollars from investors. We want to raise another \$500K – this limits the rest of our investors. It could be one person rolling over their IRA or 10 people. This safe haven is a no brainer.

In the next few weeks we have one last opportunity that could bring several families an incredible return for a short term investment.

What I am looking for – several people investing as equity position investors with a guarantee of 8-10% return until permanent financing in 12-24 months. The amount needed is a minimum of \$2,500.00. This is different than an ownership position as the risk, as well as the time frame for complete recapture is much less.

6. These statements either were false, misleading, or substantially understated the risk of the Validus investment opportunity.

7. Four residents of Nebraska invested a total of seventy thousand dollars (\$70,000.00) in Validus after receiving Hooker's emails. The investors all issued checks to Validus, signed a "Letter of Intent & Investment Agreement" and received a copy of a document titled "Memorandum of Terms."

8. Upon learning of the emails soliciting investors, the Department sent a letter to Hooker on March 28, 2014, seeking additional information concerning the Validus investment opportunity.

9. Counsel for Hooker responded on April 11, 2014, and additional information was provided on May 1, 2014. Based upon the information provided by Hooker's counsel, it appears that all funds were returned to the investors on April 15, 2014.

10. At all times relevant to this order, the Validus investment opportunity was not registered for sale in Nebraska pursuant to the Act. Validus and Hooker have not filed a claim of exemption for the investment opportunity.

11. At all times relevant to this Order, Hooker was not registered with the Department as a broker-dealer or an agent of a broker-dealer.

CONCLUSIONS OF LAW

1. The Validus investment opportunity constitutes securities as defined by Neb. Rev. Stat. § 8-1101(15) (Supp. 2013), required to be registered or exempt from registration pursuant to Neb. Rev. Stat. § 8-1104 (Supp. 2013).

2. By offering the Validus investment opportunity, Hooker engaged in the business of effecting transactions in securities. Such activity constitutes acting as a broker-dealer as defined in Neb. Rev. Stat. § 8-1101(2) (Supp. 2013), or as an agent of a broker-dealer as defined in Neb. Rev. Stat. § 8-1101(1) (Supp. 2013).

3. Neb. Rev. Stat. § 8-1102(1)(b) (Reissue 2012) provides that it shall be unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in

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

4. As set forth in Findings of Fact Nos. 5 and 6 above, Hooker made a number of false statements in connection with the sale of the Validus investment opportunity. Such false statements constitute a violation of Neb. Rev. Stat. § 8-1102(1)(b) (Reissue 2012).

5. Neb. Rev. Stat. § 8-1108.01(4) (Reissue 2012) provides that the Director may, after giving reasonable notice and an opportunity for a hearing under this section, impose a fine not to exceed twenty-five thousand dollars per violation, in addition to costs of the investigation, upon a person found to have engaged in any act or practice which would constitute a violation of the act or any rule, regulation, or order issued under the act.

6. Under the Act's statutory framework, the Director has legal and equitable authority to fashion significant remedies.

7. It is in the best interest of Hooker and in the best interest of the public for Hooker and the Department to resolve the issues included herein.

STIPULATIONS

In connection with this Consent Order Hooker and the Acting Director stipulate to the following:

1. The Department has jurisdiction as to all matters herein.
2. This Consent Order shall resolve all matters between the Department and Hooker in connection with the Findings of Fact listed above. Should future circumstances warrant, the facts from this matter may be considered in a future administrative action by the Department.

Hooker further represents as follows:

1. Hooker is aware of his right to a hearing on these matters at which he may be represented by counsel, present evidence, and cross-examine witnesses. The right to such a hearing, and any related appeal, is irrevocably waived.

2. Hooker is acting free from any duress or coercion of any kind or nature.

3. This Consent Order is executed to avoid further proceedings and constitutes an admission of violations of the Act solely for the purpose of this Consent Order and for no other purpose.

CONSENT ORDER

IT IS THEREFORE ORDERED as follows:

1. Within ten days after the effective date of this Consent Order, Hooker shall pay a fine of one thousand five hundred dollars (\$1,500.00) for his violations of the Act.

2. Within ten days after the effective date of this Consent Order, Hooker shall pay the investigation costs of the Department in the amount of five hundred dollars (\$500.00).

3. The total amount of the fine and investigation costs, two thousand dollars (\$2,000.00), shall be payable in one check or money order to the Department.

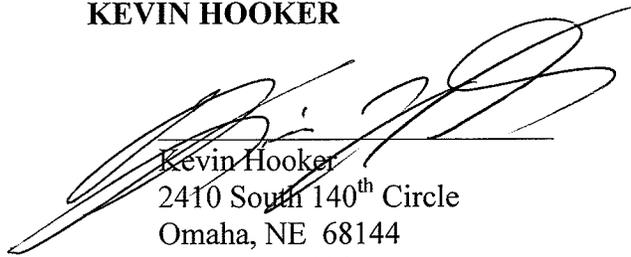
4. This Order shall be considered a material fact that Hooker must disclose to potential investors in connection with any further securities offerings.

5. In the event Hooker fails to comply with any of the provisions of this Consent Order, the Department may commence such action regarding Hooker as it deems necessary and appropriate in the public interest.

6. The effective date of this Consent Order shall be the date of the Acting Director's signature.

DATED this 17th day of October, 2014.

KEVIN HOOKER



Kevin Hooker
2410 South 140th Circle
Omaha, NE 68144
(402) 212-2820

DATED this 20th day of October, 2014.

**STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE**



By: 

Ray A. Pont, Acting Director

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