

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:)
TODD C. SMITH,)
TODD C. SMITH doing business as)
RETIREMENT PLANNING SERVICES,) FILE NO. 1000302
TRAVIS OLIVER,)
BRUCE HONGSERMEIER, and)
ELECTUS ASSET HOLDINGS LLC,)
its managers, officers, affiliates, subsidiaries, representatives,)
successors, and assigns.)

NOTICE OF HEARING

TO RESPONDENTS:

**Todd C. Smith
8239 Tetterhall Lane
Machesney Park, Illinois 61115**

**Retirement Planning Services
Todd C. Smith
6957 Old Creek Road, Suite 2300
Rockford, Illinois 61114**

**Travis Oliver
449 Riley Street
Holland, Michigan 49424**

**Electus Asset Holding LLC
Travis Oliver
449 Riley Street
Holland, Michigan 49424**

**Bruce Hongsermeier
317 East Center Street
Mount Morris, Illinois 61054**

You are hereby notified that pursuant to Section 11.E of the Illinois Securities law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 10th day of January, 2012, at the hour of 10:00 a.m., or as soon as possible thereafter, before,

Soula J. Spyropoulos, Esq., or such duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether a permanent Order of Prohibition should be entered against Respondents Todd C. Smith, Travis Oliver, Bruce Hongsermeier, and Electus Asset Holdings, LLC, its managers, officers, affiliates, subsidiaries, representatives, successors, and assigns, prohibiting Respondents from offering investment advice and offering and/or selling securities in or from the State of Illinois and granting relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount of \$10,000 per violation pursuant to Section 11.E(4) of the Act, for each and every violation, payable within ten (ten) business days of the entry of the Order.

The grounds for such proposed action are as follows:

NATURE OF THE CASE

Respondent Todd C. Smith, through Retirement Planning Services, lured retirees and senior citizens to estate planning seminars only later to coax these individuals into the purchase of promissory notes for a purported investment in Respondent Electus Asset Holding, LLC with guaranteed returns of 12% annually. The President of Electus Asset Holding LLC, Respondent Travis M. Oliver, along with Respondents Todd C. Smith and Bruce Hongsermerier raised at least 1 million from more than five Illinois investors, and rather than investing the money as promised, converted the funds for their own personal use, paid off previous investors of a separate legal entity, Diversified Liquid Asset Holding, LLC, and invested the rest of the funds in a separate legal entity, Cash Flow Financial Club.

INTRODUCTION

1. Respondent Todd C. Smith ("Smith") is a natural person and a registered Insurance Agent in the state of Illinois with a last known address of 8239 Tetterhall Lane, Machesney Park, Illinois 61115.
2. Respondent Smith also does business as Retirement Planning Services, ("Retirement Planning") which is an unregistered entity controlled by Smith and maintains a mailing address at 2612 Oak Street, Highland Park, Illinois 60035.
3. Respondent Electus Asset Holding, LLC ("Electus Asset") is a purported business entity with a last known address of 449 Riley Street, Holland, Michigan 49424.

4. Respondent Travis Oliver (“Oliver”) is the President of Electus Asset with a last known address of 449 Riley Street, Holland, Michigan 49424.
5. Respondent Bruce Hongsermeier (“Hongsermeier”) is a natural person with a last known address of 317 East Center Street, Mount Morris, Illinois 61054

COUNT I

FRAUD IN THE OFFER AND SALE OF A SECURITY

6. Respondent Smith, through Retirement Planning, used targeted mailings to invite retirees or those planning to retire soon to attend an exclusive free dinner event promising to discuss financial and retirement planning.
7. At the Retirement Planning seminar, Respondent Smith solicited multiple Illinois Investors to invest in Electus Asset which Smith purported to be a safe investment in a guaranteed fixed annuity.
8. In or around 2009 to 2010, Respondent Smith offered and sold to multiple Illinois Investors (“Investors”) promissory notes in Electus Asset in which the Investors were guaranteed a 12% annual interest rate on the principal amount invested. The Investors, retired senior citizens, invested a combined total of approximately one million dollars in Electus Asset.
9. Respondent Smith is not licensed to offer and/or sell securities in the state of Illinois nor is he allowed to give financial advice for a direct or indirect commission.
10. Respondents’ activities described above involve the offer and sale of a promissory notes and/or investment contracts as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS] (the “Act”).
11. Respondent Smith primarily dealt with raising money from Investors and directing the Investors to make the checks out to Respondent Electus Asset.
12. The checks were sent to the President of Respondent Electus Asset, Respondent Oliver, who oversaw and managed all of the Investor’s funds.
13. Respondent Oliver indorsed and deposited the Investor’s checks in Respondent Electus Asset’s Bank of America checking account. The Investor’s funds were converted in the following manner:
 - a. Respondent Oliver kept a portion of the funds and converted it for his own personal use;

- b. Respondent Oliver wired a portion of the funds to Respondent Smith which totaled approximately \$50,000 to \$60,000.00 who converted it for his own personal use;
 - c. Respondent Oliver used a portion of the funds to pay off previous investors who invested in Diversified Liquid Asset Holdings, LLC, ("Diversified Liquid") a separate and distinct legal entity from Respondent Electus Asset. In October 2010, the Illinois Department of Securities entered a permanent Order of Prohibition against Respondent Oliver and Diversified Liquid for fraud in the offer and sale of a security; and
 - d. Respondent Oliver wired a portion of the funds to Respondent Hongsermeir who kept a portion for his own personal use and invested the rest of the funds in a separate legal entity, Cash Flow Financial Club ("CFF Club"). In March 2011, the United States Commodity Futures Trades Commission filed a complaint against the CFF Club alleging that from at least November 2007 through the present, Defendants fraudulently solicited and accepted at least \$45 million from more than 600 individuals and entities to participate in a commodity pool to trade commodity futures contracts and securities.
14. At all relevant times, the Investors were not informed that their investment funds in Respondent Electus Asset would be converted in the manner identified above.
 15. Respondent Smith did not conduct any meaningful due diligence in evaluating the financial strength and competency of Respondent Electus Asset before recommending Investors to invest in Electus Asset.
 16. Respondent Smith, Respondent Oliver, and Respondent Hongsermeir did not conduct any meaningful due diligence in evaluating the financial strength and competency of the CFF Club before investing a portion of the Illinois Investor's funds.
 17. To date, the Investors have not received the principal invested in Respondent Electus Asset nor any return on said investment plan.
 18. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
 19. By virtue of the foregoing, Respondent violated Section 12.F of the Act.

20. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
21. By virtue of the foregoing, Respondent violated Section 12.G of the Act.

COUNT II

FAILURE TO REGISTER AS AN INVESTMENT ADVISER REPRESENTATIVE

22. Counts 1-21 are re-alleged and incorporated by reference.
23. The activities of Respondent Smith, described above, constitute the activity of an investment adviser representative.
24. Section 8 of the Act provides, *inter alia*, that all investment advisers and investment adviser representatives, except as otherwise provided, shall be registered with the Secretary of State.
25. At all relevant times, Respondent Smith failed to file an application for registration as an investment adviser representative with the Illinois Secretary of State.
26. Section 12.C of the Act provides, *inter alia*, that it shall be a violation for any person to act as an investment adviser or investment adviser representative, unless registered as such.
27. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
28. By virtue of the foregoing, Respondent Smith violated Sections 8, 12.C and 12.D of the Act.

COUNT III**FAILURE TO REGISTER SECURITIES**

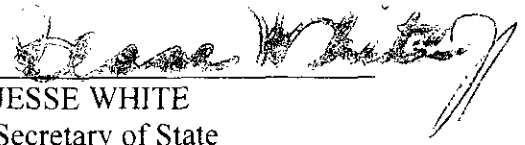
29. Section 5 of the Act provides, *inter alia*, that “all securities except those set forth under Section 2a of this Act...or those exempt...shall be registered...prior to their offer or sale in this State.
30. Respondent Oliver, both personally and as the President of Respondent Electus Asset, failed to file an application with the Secretary of State to register the promissory notes as required by the Act, and as a result the promissory notes were not registered as such prior to their sale in the State of Illinois.
31. In addition, Respondent Oliver, both personally and as the President of Respondent Electus Asset, failed to file notice filings with the Secretary of State claiming that the securities being offered were exempt from registration.
32. Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act to offer or sell any security except in accordance with the provisions of the Act.
33. Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to the Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
34. By virtue of the foregoing, Respondents Oliver and Electus violated Sections 12.A and 12.D of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 111. Adm. Code 130) (“the rules”), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. The answer and all other pleadings and motions must be filed with the Illinois Securities Department by addressing them to:

Maria Pavone
Enforcement Attorney
Illinois Department of Securities
69 West Washington, Suite 1220
Chicago, Illinois 60602

A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing. Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default. Unless the Respondent has upon due notice moved for and obtained a continuance. The Rules promulgated under the Act and pertaining to Hearings held by the office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/lawrules.html>. Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 14th day of October 2011.



JESSE WHITE
Secretary of State
State of Illinois

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Hearing Officer:
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