

BEFORE THE  
STATE OF WISCONSIN  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF SECURITIES

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In the Matter of

CRAIG T. JOLLY,

Respondents.

PETITION FOR ORDER

File No. S-08133(EX)

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The staff of Bureau of Enforcement of the State of Wisconsin, Department of Financial Institutions, Division of Securities (the "Division"), has conducted an investigation in this matter pursuant to § 551.56, Wis. Stats., and as a result thereof alleges as follows:

1. Craig T. Jolly (hereinafter "Jolly")(CRD # 2302764) is an individual born in 1963, who at all times material hereto has been an owner, officer and/or controlling person of Quest Holdings, Inc. ("Quest"), a Nevada corporation organized on February 9, 2006 and dissolved on March 28, 2008. Jolly has a last known home address of 8 E. 34<sup>th</sup>, Spokane, Washington 99203, and a last known business address at Quest Holdings, Inc., 8323 West Mission, Spokane, Washington 99224 and a mailing address of PO Box 239, Airway Heights, Washington 99001.
2. During 2008, via the Internet, Jolly offered and sold to at least five persons in Wisconsin an investment contract of Quest entitled "LENDERS AGREEMENT," in the amount of \$7,500, whereby Quest promised to repay the Wisconsin investors their principal plus interest at higher-than-market interest rates.
3. According to one Wisconsin investor, Quest provided information on the Internet comparing its risk to that of high yield investment programs by stating: "With Quest Holdings Inc., we offer the written contract guaranteeing that the money you loan to our company is legally owed to you upon a certain date. The contract lists the amount, duration and percent of interest it earns daily through the maturity of the loan. It is signed by both the Lender and the company owner personally. By having a contract for the loan, each lender has a recourse of judicial action affirmed them by the rights of the United States judicial system and it's [sic] court appointed authorities. We do not offer any outrageous return rates for our loan program. Considering what we offer, our program is very low risk."
4. According to the Wisconsin investor, Quest provided information via the Internet that Quest generates investment returns by being "active in the investment community and financial markets."
5. Upon information and belief, Jolly misappropriated investor funds to pay personal expenses.
6. According to one Wisconsin investor, after investing with Jolly, Jolly refused to repay the investor, or pay the interest as agreed in the investment contract.

7. Upon information and belief, the investors play a passive role in the company, and have no expectation of any duties or responsibilities in the management of Quest, nor do they have the expertise or experience needed to do so.

8. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the "contracts" offered and sold by Jolly are investment contracts as defined by § DFI-Sec. 1.02(6)(a), Wis. Admin. Code, and are therefore securities as defined by § 551.02(13), Wis. Stats.

9. The investment contracts of Quest have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

10. Jolly has violated § 551.21(1), Wis. Stats., by offering and selling unregistered securities to a person in Wisconsin.

11. On February 9, 2009, the U.S. Securities and Exchange Commission filed a civil complaint against Jolly based upon conduct essentially identical to that alleged above in federal district court for the Eastern District of Washington.

12. On December 11, 2009, Jolly consented to the district court's entry of a Judgment of Permanent Injunction and other relief against Jolly, which enjoins him from future violations of the federal securities laws and orders disgorgement, pre-judgment interest and civil penalties.

13. By his actions alleged in ¶¶ 2-6 above, Jolly has violated § 551.41(2), Wis. Stats., by making misrepresentations of fact to investors and by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in connection with the offer and sale of securities to a person in Wisconsin.

Therefore, the staff of the Bureau of Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

Dated this 16<sup>th</sup> day of April, 2010.



Mark E. Dorman  
Examiner



Leslie M. Van Buskirk  
Attorney Supervisor