



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
News Release

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**STATE ORDERS OAHU MAN TO CEASE AND DESIST
FRAUDULENT SALE OF UNREGISTERED SECURITIES**

HONOLULU – Hawaii Commissioner of Securities Tung Chan issued a Preliminary Order to Cease and Desist and Notice of Right to Hearing against Oahu pig farmer Patrick J. O'Sullivan.

The order alleges that, beginning in 2004, O'Sullivan collected money from an investor for a scheme he called an "industrial loan program." O'Sullivan allegedly induced the investor to invest by telling him that the money would be used to make loans to renowned and successful business people, including Walter Dods, former First Hawaiian Bank chairman, at high interest rates. Mr. Dods, who had no knowledge of O'Sullivan or the industrial loan program, was not involved in the scheme and never borrowed money from him.

The order further alleges that O'Sullivan spent the investor's money on personal expenses, including trips to casinos on the U.S. Mainland.

Commissioner Chan asserts that O'Sullivan sold unregistered securities in the form of investment contracts to the investor and violated the state's anti-fraud provisions. The order seeks a civil penalty of \$100,000 in addition to a permanent injunction against transacting securities in the state, and rescission and restitution for investors.

State securities laws provide anti-fraud provisions and also require securities such as investment contracts, as well as individuals or entities soliciting or transacting securities, to be registered with the state.

Anyone who has been solicited by or transacted securities-related business with Patrick J. O'Sullivan, or who may have information regarding this matter, is urged to contact the state Securities Enforcement Branch.

Securities Enforcement Branch

Oahu: (808) 586-2740
Kauai: (808) 274-3141, followed by 62740 and the # sign
Maui: (808) 984-2400, followed by 62740 and the # sign
Hawaii: (808) 974-4000, followed by 62740 and the # sign
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