

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING
5 whether there has been a violation of the
6 Franchise Investment Protection Act of
7 Washington by:

United Business Solutions, Inc. dba
UBS Group, Inc.; Johnathan Ahlf,

Respondents.

Order Number S-07-244-09-FO02

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER
TO CEASE AND DESIST AS TO UNITED
BUSINESS SOLUTIONS, INC. DBA UBS
GROUP, INC.

8 THE STATE OF WASHINGTON TO:

United Business Solutions, Inc. dba UBS Group, Inc.

9
10 On October 8, 2007, the Securities Administrator of the State of Washington issued a Statement of
11 Charges and Notice of Intent to Issue an Order to Cease and Desist, S-07-244-07-SC01, hereinafter
12 referred to as the "Statement of Charges," against United Business Solutions, Inc. dba UBS Group, Inc.
13 and Johnathan Ahlf. The Statement of Charges, together with a Notice of Opportunity to Defend and
14 Opportunity for Hearing, hereinafter referred to as "Notice of Opportunity for Hearing," and an
15 Application for Adjudicative Hearing, hereinafter referred to as "Application for Hearing," were
16 personally served on United Business Solutions, Inc. dba UBS Group, Inc. on October 20, 2007. The
17 Notice of Opportunity for Hearing advised United Business Solutions, Inc. dba UBS Group, Inc. that a
18 written application for an administrative hearing on the Statement of Charges must be received within
19 twenty days from the date of receipt of the notice. The Statement of Charges advised United Business
20 Solutions, Inc. dba UBS Group, Inc. that if a hearing was not requested by a Respondent, the Securities
21 Administrator intends to adopt the "Tentative Findings of Fact" and "Conclusions of Law," as set forth
22 in the Statement of Charges, as final, and enter a final order against that Respondent to cease and desist
23 from violations of the Securities Act.

1 After the entry of the Statement of Charges, the Securities Administrator received information that
2 required amendment of the prior order. The Securities Administrator learned of an additional
3 Washington resident that purchased an opportunity from Johnathan Ahlf and United Business
4 Solutions, Inc. dba UBS Group, Inc.

5 On March 10, 2008, the Securities Administrator of the State of Washington issued an Amended
6 Statement of Charges and Notice of Intent to Issue an Order to Cease and Desist, S-07-244-08-SC02,
7 hereinafter referred to as the "Amended Statement of Charges," against United Business Solutions, Inc.
8 dba UBS Group, Inc. and Johnathan Ahlf. The Amended Statement of Charges, together with a Notice
9 of Opportunity for Hearing and an Application for Hearing, were personally served on United Business
Solutions, Inc. dba UBS Group, Inc. on May 14, 2008.

10 United Business Solutions, Inc. dba UBS Group, Inc. failed to request an administrative hearing
11 within twenty days of receipt of either the Statement of Charges or the Amended Statement of Charges,
12 either on the Application for Hearing provided or otherwise. The Securities Administrator therefore
13 will adopt as final the findings of fact and conclusions of law as set forth in the Amended Statement of
14 Charges and enter a final order against Respondent United Business Solutions, Inc. dba UBS Group,
Inc. to cease and desist from violations of the Securities Act.

15 FINDINGS OF FACT

16 Respondents

17 1. United Business Solutions, Inc. dba UBS Group, Inc. ("UBS Group") is an Iowa corporation with
18 its principal place of business at 119 Sycamore Street, Third Floor, Muscatine, Iowa. UBS Group was
19 incorporated on June 17, 2004.

20 2. Johnathan Ahlf ("Ahlf") is the founder of UBS Group and is believed to be the CEO and/or
21 President. Ahlf is a resident of Iowa.
22

Nature of the Offering

3. UBS Group is the seller of an opportunity to operate a consulting business to recover overpaid income taxes and provide related business services to business owners.

4. Purchasers of the opportunity meet with potential clients to market and offer tax recovery and related business services. If potential clients agreed to the service, the purchaser would secure copies of income tax filings and/or complete any necessary forms to be delivered to UBS Group. UBS Group employed the professionals that would review clients' documents to determine if overpaid taxes or expenses could be refunded. If no refund was found then no fee would be charged to the client.

5. UBS Group offers three different business models for purchase. Purchasers pay either a \$4,500 or \$5,000 fee to form a Junior Licensed Consultancy, a \$9,500 fee to form an Executive Licensed Consultancy and a \$29,000 fee to form an Independent Sales Organization.

6. Purchasers of the opportunity receive a turnkey business which, depending on the model purchased, may include: personal training, support mentorship, brochures, client presentation packages, a comprehensive training manual, an initial set of business cards, and appointments scheduled by a telemarketing service. Available for an additional price are letterhead and administrative support.

7. According to the UBS Group Service License Agreement, purchasers of the opportunity have the use of the UBS Group name.

8. According to the UBS Group Service License Agreement, purchasers of the opportunity receive a percentage of the fees earned from clients. Purchasers who form a Junior Licensed Consultancy receive 25% of earned fees. Purchasers who form an Executive Licensed Consultancy or an Independent Sales Organization receive 50% of earned fees.

1 9. According to the UBS Group Service License Agreement, a yearly renewal fee of \$495 is
2 required.

3 10. UBS Group offered and/or sold its opportunity to Washington residents via email solicitations
4 and through the offer of an associated franchise. Additionally, UBS Group offered and/or sold its
5 opportunity through the UBS Group website maintained at (www.ubsgrp.com).

6 *Resident A*

7 11. On or about December 2005, a Washington resident, "Resident A," saw an advertisement in a
8 newspaper for a certain franchise opportunity. Resident A contacted this franchise and received
9 materials regarding the opportunity. It was represented to Resident A that as an additional bonus offer
10 of this franchise opportunity he could become a consultant of an associated company, UBS Group, for
11 free. Subsequently, Resident A became interested in purchasing an opportunity solely from UBS
12 Group.

13 12. On or about January 2006, Resident A contacted UBS Group via telephone to indicate his
14 interest in purchasing a franchise opportunity. Resident A spoke with Ahlf, who explained the UBS
15 Group business models to him. Ahlf told Resident A he would include a bonus of three months of
16 appointments scheduled by a telemarketing service.

17 13. According to the Executive Licensed Consultancy Partner Proposal, received by Resident A,
18 Ahlf is represented as the "CEO/ Founder" of "United Business Solutions, Inc." In addition, in several
19 marketing materials received by Resident A, Ahlf is represented as the "President" of the company.

20 14. On or about January 29, 2006, Resident A signed a UBS Group Service License Agreement
21 and forwarded it to UBS Group, forming an Executive Licensed Consultancy for a fee of \$9,500. He
22 never received a signed agreement back from UBS Group.

1 15. On or about February 9, 2006, Resident A traveled to Iowa for two days of training by UBS
2 Group. In Iowa, Resident A received training by Ahlf and other individuals.

3 *Resident B*

4 16. On or about January 2006, a Washington resident, "Resident B," began searching the internet
5 for franchise opportunities. Resident B joined an email list through a franchise website and as a result
6 began receiving emails for franchises and business opportunities, including emails from UBS Group.
7 In July 2006, Resident B contacted UBS Group via telephone to indicate his interest in purchasing a
8 franchise opportunity. Resident B spoke with Ahlf.

9 17. Ahlf told Resident B that purchasers could make two to four transactions a week with clients,
10 earning \$2,000 per transaction. Ahlf represented to Resident B that this opportunity had an income
11 potential of \$200,000 a year.

12 18. Prior to purchasing a franchise from UBS Group, Resident B asked Ahlf if UBS Group was
13 registered to sell franchises in Washington State. Ahlf assured Resident B that UBS Group was
14 registered.

15 19. On or about August 2007, Resident B signed a UBS Group Service License Agreement and
16 forwarded it to UBS Group, forming an Executive Licensed Consultancy for a fee of \$9,500. He never
17 received a signed agreement back from UBS Group.

18 Misrepresentations and Omissions

19 20. The Respondents failed to provide the residents with a Uniform Franchise Offering Circular
20 prior to the purchase.

21 21. Respondent Ahlf failed to provide a reasonable basis upon which the projections of earnings
22 were made to Resident B.

1 22. Respondent Ahlf misrepresented to Resident B that UBS Group was registered to sell franchises
2 in Washington State.

3 Registration Status

4 23. UBS Group is not currently registered to sell franchises in the state of Washington and has not
5 previously been so registered.

6
7 Based upon the above Findings of Fact, the following Conclusions of Law are made:

8 **CONCLUSIONS OF LAW**

9 1. The offer or sale of the opportunities described above constitutes the offer or sale of a franchise
10 as defined in RCW 19.100.010(4) and RCW 19.100.010(16).

11 2. The offer or sale of said franchises was in violation of RCW 19.100.020 because no registration
12 for such offer or sale is on file with the Securities Administrator.

13 3. The offer or sale of said franchises was in violation of RCW 19.100.170, the anti-fraud provision
14 of the Franchise Investment Protection Act, because Respondent Ahlf represented that UBS Group was
15 registered to sell franchises in the State of Washington. Additionally, Respondent Ahlf did not provide
16 a reasonable basis upon which projections for earnings were based.

17 4. The offer or sale of said franchises was made in violation of RCW 19.100.080, the disclosure
18 document requirement provision of the Franchise Investment Protection Act, because Respondents did
19 not provide the Washington residents with a UFOC that contained all material information about the
20 franchise including, but not necessarily limited to, a financial statement for the seller.

21 **FINAL ORDER**

1 Based upon the foregoing and finding it in the public interest:

2
3 It is hereby ORDERED that Respondent United Business Solutions, Inc. dba UBS Group, Inc., and
4 its agents and employees, shall cease and desist from offering or selling franchises in violation of RCW
5 19.100.020, the registration section of the Franchise Investment Protection Act of Washington.

6 It is further ORDERED that Respondent United Business Solutions, Inc. dba UBS Group, Inc., and
7 its agents and employees, shall cease and desist from violation of RCW 19.100.080, the disclosure
8 document section of the Franchise Investment Protection Act of Washington.

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10 This Order is entered pursuant to RCW 19.100.248 and is subject to the provisions of RCW 34.05.

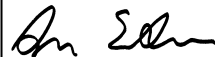
11 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE**

12
13 Dated and Entered this 18th day of June, 2009.

14
15 By: 

16 MICHAEL E. STEVENSON
17 Securities Administrator

18 Approved by:

19 

20 Suzanne Sarason
21 Chief of Enforcement

Presented by:

22 

23 Bridgett Fisher
24 Enforcement Attorney