

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:

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

11 Respondents.

Order Number S-07-244-07-SC01

STATEMENT OF CHARGES AND NOTICE
OF INTENT TO ISSUE AN ORDER TO
CEASE AND DESIST

12 THE STATE OF WASHINGTON TO:

13 United Business Solutions, Inc. dba
14 UBS Group, Inc.
15 Johnathan Ahlf

16 **STATEMENT OF CHARGES**

17 Please take notice that the Securities Administrator of the State of Washington has reason to believe
18 that Respondents, United Business Solutions, Inc. dba UBS Group, Inc. and Johnathan Ahlf have each
19 violated the Franchise Investment Protection Act of Washington, RCW 19.100, and that their violations
20 justify the entry of an order of the Securities Administrator under RCW 19.100.248 to cease and desist from
21 such violations. The Securities Administrator finds as follows:

22 **TENTATIVE FINDINGS OF FACT**

23 Respondents

24 1. United Business Solutions, Inc. dba UBS Group, Inc. ("UBS Group") is an Iowa corporation with
its principal place of business at 119 Sycamore Street, Third Floor, Muscatine, Iowa 52761. UBS Group
was incorporated on June 17, 2004.

2. Johnathan Ahlf ("Ahlf") is the President and founder of UBS Group. Ahlf is a resident of
Iowa.

1 Nature of Offering

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

4 4. UBS Group offers three different business models for purchase. Purchasers pay a \$5,000 fee to
5 form a Junior Licensed Consultancy, a \$9,500 fee to form an Executive Licensed Consultancy and a
6 \$29,000 fee to form an Independent Sales Organization.

7 5. Purchasers of the opportunity receive a turnkey business which, depending on the model
8 purchased, may include: personal training, support mentorship, brochures, client presentation packages
9 and a comprehensive training manual. Available for an additional price are letterhead, business cards,
10 and administrative support.

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

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

17 8. According to the UBS Group Service License Agreement, a yearly renewal fee of \$495 is
18 required.

19 9. UBS Group offered and/or sold its opportunity to Washington residents via advertisements on
20 the internet and by email. Additionally, UBS Group offered and/or sold its opportunity through the
21 UBS Group website (www.ubsgrp.com).

1 10. On or about January 2006, a Washington resident (“Resident”) began searching the internet for
2 franchise opportunities. The Resident joined an email list through a franchise website and as a result
3 began receiving emails for franchises and business opportunities, including emails from UBS Group.
4 In July 2006, the Resident contacted UBS Group about purchasing a franchise opportunity.

5 11. Ahlf told the Resident that purchasers meet with potential clients to market and offer tax
6 recovery and related services. A telemarketing service would schedule all the appointments with
7 potential clients. If potential clients agreed to the service, the purchaser would secure copies of
8 income tax filings and/or complete any necessary forms to be delivered to UBS Group. UBS Group
9 employed the professionals that would review clients’ previous three years of tax returns to determine
10 if overpaid taxes or expenses could be refunded. If no refund was found then no fee would be charged
11 to the client.

12 12. Ahlf told the Resident that purchasers could make two to four transactions a week with clients,
13 earning \$2,000 per transaction. Ahlf represented to Resident that this opportunity had an income
14 potential of \$200,000 a year.

15 13. Prior to purchasing a franchise from UBS Group, the Resident asked Ahlf if UBS Group was
16 registered to sell franchises in Washington State. Ahlf assured the Resident that UBS Group was
17 registered.

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

21 Misrepresentations and Omissions

1 15. The Respondents failed to provide the Resident with a Uniform Franchise Offering Circular prior
2 to the purchase.

3 16. Respondent Ahlf failed to provide a reasonable basis upon which the projections of earnings
4 were made.

5 17. Respondent Ahlf misrepresented to Resident that UBS Group was registered to sell franchises in
6 Washington State.

7 Registration Status

8 18. UBS Group is not currently registered to sell franchises in the state of Washington and has not
9 previously been so registered.

10
11 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

12 **CONCLUSIONS OF LAW**

13 19. The offer or sale of the opportunity described above constitutes the offer or sale of a franchise
14 as defined in RCW 19.100.010(4) and RCW 19.100.010(16).

15 20. The offer or sale of said franchise was in violation of RCW 19.100.020 because no registration
16 for such offer or sale is on file with the Securities Administrator.

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

21 22. The offer or sale of said franchise was made in violation of RCW 19.100.080, the disclosure
22 document requirement provision of the Franchise Investment Protection Act, because Respondents did

1 not provide the Washington resident with a UFOC that contained all material information about the
2 franchise including, but not necessarily limited to, a financial statement for the seller.

3 **NOTICE OF INTENT TO ISSUE AN ORDER TO CEASE AND DESIST**

4 Based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities
5 Administrator intends to order that Respondents, UBS Group, Inc. and Johnathan Ahlf, and their agents and
6 employees, shall each cease and desist from violations of RCW 19.100.020, RCW 19.100.170 and
7 19.100.080.

8 **AUTHORITY AND PROCEDURE**

9 This Statement of Charges is entered pursuant to the provisions of RCW 19.100.248 and RCW
10 19.100.130 and is subject to the provisions of RCW 34.05. Respondents, UBS Group, Inc. and Johnathan
11 Ahlf may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO
12 DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.

13 If a Respondent does not request a hearing, the Securities Administrator intends to adopt the above
14 Tentative Findings of Fact and Conclusions of Law as final and enter a permanent order to cease and desist
15 as to that Respondent.

16 Dated and Entered this 8th day of October, 2007.

17
18 By: *Michael E. Stevenson*

19 MICHAEL E. STEVENSON
20 Securities Administrator

21 Approved by:

22 *Ann Edm*

Presented by:

23 *Bridgett Fisher*

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Suzanne Sarason
Chief of Compliance and Examinations

Bridgett Fisher
Enforcement Attorney