

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: William Robert Della Penna, Jr.
4801 Holm Road
Placerville, CA 95667

and

928 Nuuanu Avenue # 210
Honolulu, HI 96813

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, William Robert Della Penna, Jr. was also known as Chip Della Penna (hereinafter, "Della Penna").
2. Beginning in or about June 2001, Della Penna offered or sold investments, in the State of California in the form of investment contracts for units in Branson City Limits, Inc. (hereinafter "Branson City") investments.
3. The purported purpose of the Branson City securities offerings was to sell interests in specified resort or timeshare hotel rooms with a promise of a specified annual rate of return for a certain number of years. The investors were given the option to use the rooms themselves, rent the rooms out themselves, or use a local leasing company, Ozark Ticket and Travel, Inc. (hereinafter "Ozark"), to rent the rooms out with a promised return of 9% - 11% annually.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

4. The investors who purchased the Branson City investments were predominately elderly, unsophisticated, and non-accredited investors.

5. Della Penna offered or sold securities in the form of investment contracts in Branson City to at least six California investors.

6. These securities were offered or sold in this state in issuer transactions. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer or sell these securities in this state.

7. In connection with these offers and sales, Della Penna represented to investors that:

a. The investment was guaranteed safe and not risky. In fact, the investment was very risky and investors suffered significant losses on their investment.

b. Investors would receive a specified return on their investment for a specified number of years. In fact, only some of the investors received a few of the promised interest payments. Others received no payment at all. None of the investors received the full amount as promised.

8. In connection with these offers and sales, Della Penna failed to disclose to investors that:

a. In September of 1999, the Tennessee Commissioner of Commerce and Insurance issued a Cease-and-Desist Order (No: 99-013) enjoining Dennis R. Weaver (hereinafter “Weaver”), a co-owner, founder, and managing member of Branson City and Resort Hotels, from selling unregistered securities and acting as an agent of an unregistered broker-dealer and enjoining an entity controlled by Weaver from acting as an unregistered broker-dealer.

b. In October 1999, the Franklin Kentucky Circuit Court issued an Order of Permanent Injunction (Civil Action No. 99-CI-717) enjoining Weaver, and an entity he controlled, from violating an anti-fraud provision of the Kentucky securities laws and from offering and selling unregistered securities.

1 c. In February 1995, Lee E. Larscheid, the owner and President of Ozark who
2 participated in the fraudulent scheme, by providing leasing services for investors – investors were
3 encouraged to use Ozark to lease the hotel rooms thereby generating the promised 9% - 11% return,
4 was convicted of bank fraud in violation of 18 U.S.C. § 1344, a felony, for his part in an unrelated
5 fraudulent scheme.

6
7 Based upon the foregoing findings, the California Corporations Commissioner is of the
8 opinion that the investment contracts representing units in Branson City coupled with the leasing
9 contracts with Ozark are securities subject to qualification under the California Corporate Securities
10 Law of 1968 and are being or have been offered or sold without being qualified in violation of
11 Corporations Code section 25110. Pursuant to section 25532 of the Corporate Securities Law of
12 1968, William Robert Della Penna, Jr. is hereby ordered to desist and refrain from the further offer or
13 sale of securities in the State of California, including but not limited to investment contracts, unless
14 and until qualification has been made under the law.

15
16 Further, the California Corporations Commissioner is of the opinion that the securities in the
17 form of investment contracts in Branson City were offered or sold in this state by means of written or
18 oral communications which included an untrue statement of a material fact or omitted to state a
19 material fact necessary in order to make the statements made, in the light of the circumstances under
20 which they were made, not misleading, in violation of section 25401 of the Corporate Securities Law.
21 Pursuant to section 25532 of the Corporate Securities Law, William Robert Della Penna, Jr. is hereby
22 ordered to desist and refrain from offering or selling or buying or offering to buy any security in the
23 State of California, including but not limited to investment contracts, by means of any written or oral
24 communication which includes an untrue statement of a material fact or omits to state a material fact
25 necessary in order to make the statements made, in the light of the circumstances under which they
26 were made, not misleading.

27
28 This Order is necessary, in the public interest, for the protection of investors and consistent

1 with the purposes, policies, and provisions of the Corporate Securities Law of 1968. This order shall
2 remain in full force and effect until further order of the California Corporations Commissioner.

3
4 Dated: November 2, 2005
5 Sacramento, California

6 WAYNE STRUMPFER
7 Acting California Corporations Commissioner

8
9 By: _____
10 ALAN S. WEINGER
11 Acting Deputy Commissioner
12 Enforcement Division
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: William Robert DellaPenna, Jr.
A.K.A. Chip DellaPenna
2020 Hurley Way, Suite 390
Sacramento, California 95825

And

4801 Holm Road
Placerville, California 95667

DESIST AND REFRAIN ORDER
(For violations of section 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, William Robert DellaPenna, Jr. (William DellaPenna) also known as Chip DellaPenna is a licensed insurance agent and a resident of Sacramento, California, doing business at 2020 Hurley Way, Suite 390, Sacramento, California 95825.
2. Beginning in or about February 2003, William DellaPenna offered or sold investments, in the State of California in the form of investment contracts in Capital Holdings, LLC.
3. William DellaPenna claims to offer financial planning, estate planning and insurance services to elderly and retired Californians. Due to the representations made by William DellaPenna, an elderly California investor invested \$50,000 in Capital Holdings, LLC.

1 4. The purported purpose of the Capital Holdings, LLC. securities offering was to sell interests
2 in medium term notes that would be turned over to a trader to facilitate the trading of prime bank
3 instruments. The investors were told that their principal was safe and secure in an FDIC insured
4 bank.

5 5. These securities were offered or sold in this state in issuer transactions. The Department of
6 Corporations has not issued a permit or other form of qualification authorizing any person to offer or
7 sell these securities in this state.

8
9 6. In connection with these offers and sales, William DellaPenna represented to investors that
10 their initial principal would never be touched and was totally safe. The investors never received their
11 principal nor any returns on their investments.

12
13 Based upon the foregoing findings, the California Corporations Commissioner is of the
14 opinion that the investment contracts in Capital Holdings, LLC are securities subject to qualification
15 under the California Corporate Securities Law of 1968 and are being or have been offered or sold
16 without being qualified in violation of Corporations Code section 25110. Pursuant to section 25532
17 of the Corporate Securities Law of 1968, William Robert DellaPenna, Jr. is hereby ordered to desist
18 and refrain from the further offer or sale of securities in the State of California, including but not
19 limited to investment contracts, unless and until qualification has been made under the law or unless
20 exempt.

21 Further, the California Corporations Commissioner is of the opinion that the securities in the
22 form of investment contracts in Capital Holdings, LLC were offered or sold in this state by means of
23 written or oral communications which included an untrue statement of a material fact or omitted to
24 state a material fact necessary in order to make the statements made, in the light of the circumstances
25 under which they were made, not misleading, in violation of section 25401 of the Corporate
26 Securities Law of 1968. Pursuant to section 25532 of the Corporate Securities Law of 1968, William
27 Robert DellaPenna, Jr. is hereby ordered to desist and refrain from offering or selling or buying or
28 offering to buy any security in the State of California, including but not limited to investment

1 contracts, by means of any written or oral communication which includes an untrue statement of a
2 material fact or omits to state a material fact necessary in order to make the statements made, in the
3 light of the circumstances under which they were made, not misleading.

4 This Order is necessary, in the public interest, for the protection of investors and consistent
5 with the purposes, policies, and provisions of the Corporate Securities Law of 1968. This order shall
6 remain in full force and effect until further order of the California Corporations Commissioner.

7
8 Dated: March 24, 2006
9 Sacramento, California

10 WAYNE STRUMPFER
11 Acting California Corporations Commissioner

12 By: _____
13 ALAN S. WEINGER
14 Acting Deputy Commissioner
15 Enforcement Division

16
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: William Robert Della Penna, Jr.
4801 Holm Road
Placerville, CA 95667

and

928 Nuuanu Avenue # 210
Honolulu, HI 96813

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, William Robert Della Penna, Jr. was also known as Chip Della Penna (hereinafter, "Della Penna").
2. Beginning in or about June 2001, Della Penna offered or sold investments, in the State of California in the form of investment contracts for units in Branson City Limits, Inc. (hereinafter "Branson City") investments.
3. The purported purpose of the Branson City securities offerings was to sell interests in specified resort or timeshare hotel rooms with a promise of a specified annual rate of return for a certain number of years. The investors were given the option to use the rooms themselves, rent the rooms out themselves, or use a local leasing company, Ozark Ticket and Travel, Inc. (hereinafter "Ozark"), to rent the rooms out with a promised return of 9% - 11% annually.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

4. The investors who purchased the Branson City investments were predominately elderly, unsophisticated, and non-accredited investors.

5. Della Penna offered or sold securities in the form of investment contracts in Branson City to at least six California investors.

6. These securities were offered or sold in this state in issuer transactions. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer or sell these securities in this state.

7. In connection with these offers and sales, Della Penna represented to investors that:

a. The investment was guaranteed safe and not risky. In fact, the investment was very risky and investors suffered significant losses on their investment.

b. Investors would receive a specified return on their investment for a specified number of years. In fact, only some of the investors received a few of the promised interest payments. Others received no payment at all. None of the investors received the full amount as promised.

8. In connection with these offers and sales, Della Penna failed to disclose to investors that:

a. In September of 1999, the Tennessee Commissioner of Commerce and Insurance issued a Cease-and-Desist Order (No: 99-013) enjoining Dennis R. Weaver (hereinafter “Weaver”), a co-owner, founder, and managing member of Branson City and Resort Hotels, from selling unregistered securities and acting as an agent of an unregistered broker-dealer and enjoining an entity controlled by Weaver from acting as an unregistered broker-dealer.

b. In October 1999, the Franklin Kentucky Circuit Court issued an Order of Permanent Injunction (Civil Action No. 99-CI-717) enjoining Weaver, and an entity he controlled, from violating an anti-fraud provision of the Kentucky securities laws and from offering and selling unregistered securities.

1 c. In February 1995, Lee E. Larscheid, the owner and President of Ozark who
2 participated in the fraudulent scheme, by providing leasing services for investors – investors were
3 encouraged to use Ozark to lease the hotel rooms thereby generating the promised 9% - 11% return,
4 was convicted of bank fraud in violation of 18 U.S.C. § 1344, a felony, for his part in an unrelated
5 fraudulent scheme.

6
7 Based upon the foregoing findings, the California Corporations Commissioner is of the
8 opinion that the investment contracts representing units in Branson City coupled with the leasing
9 contracts with Ozark are securities subject to qualification under the California Corporate Securities
10 Law of 1968 and are being or have been offered or sold without being qualified in violation of
11 Corporations Code section 25110. Pursuant to section 25532 of the Corporate Securities Law of
12 1968, William Robert Della Penna, Jr. is hereby ordered to desist and refrain from the further offer or
13 sale of securities in the State of California, including but not limited to investment contracts, unless
14 and until qualification has been made under the law.

15
16 Further, the California Corporations Commissioner is of the opinion that the securities in the
17 form of investment contracts in Branson City were offered or sold in this state by means of written or
18 oral communications which included an untrue statement of a material fact or omitted to state a
19 material fact necessary in order to make the statements made, in the light of the circumstances under
20 which they were made, not misleading, in violation of section 25401 of the Corporate Securities Law.
21 Pursuant to section 25532 of the Corporate Securities Law, William Robert Della Penna, Jr. is hereby
22 ordered to desist and refrain from offering or selling or buying or offering to buy any security in the
23 State of California, including but not limited to investment contracts, by means of any written or oral
24 communication which includes an untrue statement of a material fact or omits to state a material fact
25 necessary in order to make the statements made, in the light of the circumstances under which they
26 were made, not misleading.

27
28 This Order is necessary, in the public interest, for the protection of investors and consistent

1 with the purposes, policies, and provisions of the Corporate Securities Law of 1968. This order shall
2 remain in full force and effect until further order of the California Corporations Commissioner.

3
4 Dated: November 2, 2005
5 Sacramento, California

6 WAYNE STRUMPFER
7 Acting California Corporations Commissioner

8
9 By: _____
10 ALAN S. WEINGER
11 Acting Deputy Commissioner
12 Enforcement Division
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28