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**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, DEPARTMENT OF)
FINANCE, SECURITIES BUREAU,)

Complainant,)

vs.)

STRONG FUNDS, INC., purportedly a)
money transmitter business based in)
Meridian, Idaho,)

Respondent.)
_____)

Docket No. 2006-12-02

ORDER TO CEASE AND DESIST

Gavin M. Gee, Director of the Idaho Department of Finance (Director), being authorized and directed to administer and enforce the Idaho Financial Fraud Prevention Act, Idaho Code § 67-2750 *et seq.* (the Act), hereby alleges the following facts that constitute a basis for the issuance of an order pursuant to Idaho Code § 67-2755(1) requiring STRONG FUNDS, INC. (the Respondent) to cease and desist from violating the Act by falsely representing that it is a financial institution for the purpose of obtaining money, goods, or services from any person.

RESPONDENT

1. Beginning on a date uncertain and continuing through at least the month of August 2006, the Respondent operated a website accessible to Idaho residents. On such website, the Respondent's broadcast represented that it was an Idaho corporation, and listed an Idaho street address and Idaho telephone number for its "customer service." Representations on the Respondent's website included that it was "a fast-growing financial services company in the USA who provides International money transfer services and operates money transfers between USA, European countries and Australia." Additionally, the Respondent's website solicited new employees to work for its business.

FINDINGS OF FACT

2. The Respondent has no connection to the mutual fund group affiliated with Strong Financial Corporation, nor with the Strong Funds acquired by Wells Fargo, N.A. from Strong Financial Corporation in December of 2004.

3. At all times relevant hereto, the Respondent maintained a website at www.s-funds.com/index.php. The Respondent's website represented that "[t]he company was incorporated in Idaho ... on 5/27/2002." Additionally, such website listed the Respondent's "customer service" address as 1982 W. Silver Falls Ct., Meridian, Idaho 83642, and the Idaho telephone number 208-286-1731 as its "customer service" telephone number.

4. The State of Idaho, Secretary of State, has no record of any corporate filing or any other filing in the name of Strong Funds, Inc. Investigation conducted by the Department showed that the Idaho address listed for "customer service" on the Respondent's website is a private residence, whose occupants profess to have no knowledge of or association with the

Respondent. The telephone number listed by the Respondent for its “customer service” has been disconnected.

5. The Respondent’s website, as referenced above, represented that the Respondent is/was engaged in the following business services:

- financial services, and “private financial services;”
- “bank transfers cashing;”
- the business of check cashing, wire transfers, money orders;
- delivering financial services to business and consumers across the nation;
- banking operations and financial services;
- connecting different countries’ financial markets;
- international money transfer services;
- serving “distant consumers, many of whom are looking for alternatives to the traditional banking relations in order to gain an immediate access to their funds for financial and franchising services;”
- “outsourcing services;”
- insurance services; and
- “e-currency supports.”

6. The Respondent’s website represented that it was a “licensed financial services provider since 2002.”

7. The Respondent maintains no license or registration with the Department as a bank, money transmitter, securities broker-dealer, or any other type of authorized financial institution. Further, the Respondent maintains no license with the State of Idaho, Department of Insurance to engage in the business of insurance, either as an insurance company or an insurance producer.

8. The Respondent’s website included a section entitled “vacancy announcement,” which solicited individuals to apply for employment with the Respondent. Such website also included an “application for employment.”

9. In or around August of 2006, the Respondent also solicited employees for its business on a student job website located at www.jobsforstudents.cc. A section of that website

was labeled “Jobs by State” and included a link for “Idaho.” Clicking on that link showed that the Respondent, “Strong Funds, Inc.,” was offering a position as a “customer service agent” located in Meridian, Idaho.

10. On or about August 29, 2006, a Department investigator submitted an on-line employment application to the Respondent via the Respondent’s website, expressing an interest in “wire transfer,” one of the three options included on the Respondent’s employment application.

11. On or about August 30, 2006, the Department investigator received a response to his August 29, 2006 e-mail to the Respondent, via an e-mail from “Linda Thiel.” Ms. Thiel represented in her e-mail response that she served as “Regional Instructor, Strong Funds Team,” and that she would assist the applicant and provide job tasks. Ms. Thiel’s e-mail response included attachments providing information about a “Part-time Job as a Regional Company Representative,” an attachment setting forth anticipated job duties and remuneration provided by the Respondent, and a contract of employment. Ms. Thiel’s e-mail also stated that the Respondent was offering the Department investigator a part-time job, and that the Respondent required no additional licenses.

12. On or about August 31, 2006, the Department investigator accessed the Respondent’s website and obtained information concerning the Respondent’s “customer service agent” position. Such information showed that the Respondent had posted the position on July 12, 2006.

13. On or about August 31, 2006, the Department investigator also found that the Respondent was soliciting a “customer service agent” on several other websites, including “TexasOnlineJobs,” “JobBank USA,” and “Boise Craigslist.” The “Boise Craigslist” site stated

that the Respondent's job location was in "Meridian." Meridian, Idaho was the city listed on the Respondent's website as its "customer service" location.

CONCLUSIONS OF LAW AND VIOLATION

Violation of Idaho Code § 26-2752(3)

14. Idaho Code § 67-2752(3) provides that it is unlawful for any person, directly or indirectly, to falsely represent that a person is a financial institution or a representative of a financial institution, for the purposes of obtaining money, goods, or services from any person.

15. Idaho Code § 67-2751(4) defines "financial institution" as follows:

"Financial institution" means any state or federally chartered bank, savings bank, savings and loan association, thrift institution, holding company, credit union, credit union service organization, "regulated lender" as defined in section 28-41-301(37), Idaho Code, collection agency licensed under the Idaho collection agency act, mortgage lender, mortgage broker, or loan originator licensed under the Idaho residential mortgage practices act, licensee under the Idaho money transmitters act, escrow agency, or broker-dealer or investment advisor licensed under the Idaho securities act or federal law, or such an institution licensed under the laws of another state, and doing business in Idaho.

16. Section 26-2902(11) of the Idaho Money Transmitters Act, Idaho Code § 26-2901 *et seq.*, defines "money transmission" as follows:

"Money transmission" means the sale or issuance of payment instruments or engaging in the business of receiving money for transmission or the business of transmitting money within the United States or to locations outside the United States by any and all means including, but not limited to, payment instrument, wire, facsimile or electronic transfer.

17. The representations on the Respondent's website, as referenced in paragraph 5 above, show that during the time period pertinent hereto, the Respondent falsely held itself out as a financial institution for the purposes of obtaining money, goods, or services from any person, to include offering money transmission services, in that it failed to hold a license under the Idaho

Money Transmitters Act. Such representation constitutes a violation of Idaho Code § 67-2752(3).

REQUESTED RELIEF

18. Idaho Code § 67-2755(1) provides that whenever it appears to the Director that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Idaho Financial Fraud Prevention Act, Idaho Code § 67-2750 *et seq.*, or rule thereunder, he may, in his discretion, order the person to cease and desist from the violation or attempted violation, if, in the determination of the Director, it is necessary to protect any financial institution or the public, or a person is violating or is about to violate that Act, or other good cause justifies the same, without prior notice to the person or opportunity for a hearing.

ORDER

The Director, having reviewed the foregoing, and good cause being shown therefor,

THE DIRECTOR HEREBY FINDS that the Respondent has violated or attempted to violate the Idaho Financial Fraud Prevention Act, to include falsely representing that the Respondent is a financial institution for the purposes of obtaining money, goods, or services from any person.

THE DIRECTOR FURTHER FINDS that such action by the Respondent poses an immediate danger to the public, and the issuance of this ORDER is necessary for the protection of the public.

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

The Respondent shall immediately CEASE AND DESIST from violations of the Idaho Financial Fraud Prevention Act, to include falsely representing on its website or in any other

medium that the Respondent is a financial institution, for the purpose of obtaining money, goods, or services from any person.

This ORDER TO CEASE AND DESIST is effective immediately upon its issuance.

NOTICE

THE RESPONDENT IS HEREBY NOTIFIED that the foregoing ORDER TO CEASE AND DESIST is a final order that has been issued by the Director. Any right to contest this ORDER is governed by the contested case provisions of the Idaho Administrative Procedure Act, Idaho Code § 67-5240 *et seq.*, and the Idaho Rules of Administrative Procedure of the Attorney General, located at IDAPA 04.11.01. Pursuant to Idaho Code §§ 67-5246 and 67-5247, the Respondent may file a motion for reconsideration of this Order within fourteen (14) days of its issuance. A motion for reconsideration shall be served upon the Director by serving a copy on the following:

Marilyn Chastain
Securities Bureau Chief
Idaho Department of Finance
800 Park Boulevard, Suite 200
P.O. Box 83720
Boise, ID 83720-0031

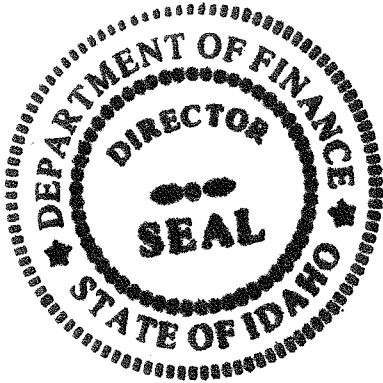
A copy of such motion for reconsideration shall also be served upon the Department's counsel,

A. René Martin, Deputy Attorney General, at the same address.

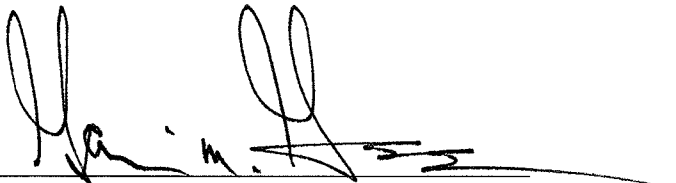
Judicial review of such ORDER is governed by Idaho Code § 67-2760 and the Idaho Administrative Procedure Act, located at Idaho Code § 67-5240 *et seq.*

IT IS SO ORDERED.

DATED this 11th day of December, 2006.



STATE OF IDAHO
DEPARTMENT OF FINANCE


GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I hereby certify that on this 13 day of December, 2006, I served a true and correct copy of the foregoing ORDER TO CEASE AND DESIST upon the following by the designated means:

Strong Funds, Inc.
c/o Linda Thiel
Regional Instructor
linda_thiel@s-funds.com

☒ via e-mail

Strong Funds, Inc.
1982 W. Silver Falls Ct.
Meridian, ID 83642

☒ U.S. mail, postage prepaid

Strong Funds, Inc.
Human Resources Department
hr@s-funds.com

☒ via e-mail

Strong Funds, Inc.
20240 Tide Winds Way
Germantown, MD 20874

☒ U.S. mail, postage prepaid

Strong Funds, Inc.
support@s-funds.com

☒ via e-mail

Strong Funds, Inc.
strongfunds@hotmail.com

☒ via e-mail

