

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

In the Matter of:

ULTIMATE HOLDINGS CORPORATION,  
a Nevada Corporation, and

WILLIAM R. RIESER,

Respondents.

Docket No. 2018-7-01

**AGREEMENT AND ORDER**

The Director of the Department of Finance (“Director”) has conducted an investigation into the conduct of Ultimate Holdings Corporation (“UHC”) and William Rieser (“Rieser”) (collectively “Respondents”). Pursuant to the investigation, it appears to the Director that violations of the Idaho Uniform Securities Act (2004), (the “Act”) I.C. § 30-14-101 et. seq. have occurred. The Director and Respondents have agreed to resolve this matter without a public hearing or other adjudication of this matter. Therefore, the Director deems it appropriate and in the public interest to enter this Agreement and Order (“Order”). Respondents voluntarily consent to the entry of the Order.

**RESPONDENTS**

1. UHC is a Nevada Corporation with its principal place of business located at 4663 South Enterprise Street, Boise, Idaho 83705.
2. Rieser is an Idaho resident and is the Chief Executive Officer, Director and controlling shareholder of UHC. Rieser controls 98.9% of all issued and outstanding UHC shares.

**BACKGROUND**

3. Kathryn Volin (“Volin”) is an Idaho resident and is the Chief Financial Officer and Director of UHC. Volin is married to Rieser.

4. Ultimate Holdings Corp. (“UHC-I”) was an Idaho corporation. UHC-I was incorporated by Rieser on December 1, 2016 and dissolved on April 23, 2018.

5. Gregory Cardenalli (“Cardenalli”) is an Idaho resident. Respondents identified Cardenalli as the President of UHC in the UHC private placement memorandum referenced below. Respondents did not identify Cardenalli as an officer or shareholder of UHC in a Securities and Exchange Commission (“SEC”) filing made on March 7, 2018.

6. Ultimate Logistics LLC (“UL”) is an Idaho limited liability company located at 4663 South Enterprise Street in Boise, Idaho, 83705, organized by Rieser and Cardenalli on June 18, 2012. UL is an operating trucking services company. Cardenalli has been the sole member of UL since September 6, 2016.

7. In or about December of 2016, Rieser purchased Next10, Inc., a Nevada shell company with no operating business or assets. At the time of purchase, Next10, Inc. had approximately 330 public shareholders and its shares were quoted on the Pink Open Market, an online quotation platform operated by OTC Markets Group Inc.

8. Rieser purchased control of Next10, Inc. to facilitate raising capital to finance the creation of a trucking services company, including the purchase of trucks and other assets owned or controlled by UL and Cardenalli. Rieser asserts that he has the right purchase these assets at any time from UL and Cardenalli under the terms of a buy-out agreement.

9. To prepare Next10, Inc. to utilize as a vehicle to raise capital, Rieser undertook a series of legal maneuvers, in part, to eliminate any unknown, potential liabilities associated with Next10, Inc. These maneuvers involved creating several new companies in Nevada and Oklahoma, transferring shares and shareholders, merging companies, and changing company names.

10. On July 21, 2017, Rieser finalized the last merger and name change that completed the transformation of Next10, Inc. into UHC.

11. On August 3, 2017, prior to the offer or sale of any new shares of UHC common stock, Rieser filed a Form D for UHC-I with the SEC asserting a registration safe harbor under Rule 506(b) of Regulation D. Rule 506(b) is a private placement safe harbor and prohibits any general solicitation or advertising of the offering.

12. Respondents began selling shares of UHC common stock in Idaho on October 31, 2017. Respondents offered and sold a total of 16,000 shares of UHC common stock for \$1 per share to seven individuals. Five of the individuals are either UL truck drivers or employees of UL. The other two investors are family and friends of one of the other investors.

13. On November 9, 2017, Respondents filed a copy of the August 3, 2017 UHC-I Form D with the Idaho Department of Finance (“Department”). Respondents modified the Idaho filed Form D to indicate that UHC – not UHC-I – was selling securities in Idaho.

14. Upon the Department’s request, Respondents provided a copy of a confidential private placement memorandum (“PPM”) dated July 31, 2017, and represented that they had provided the PPM to investors.

15. UHC has a public website at [ultimateholdingscorp.com](http://ultimateholdingscorp.com). At the time of the offers and sales of UHC common stock referenced above, content on the website included the statements in paragraphs a. – e. below.

- a. “Ultimate Holdings Corporation is raising funds through its public offering, the sale of company stock, to purchase new semi-tractors and refrigerated trailers.”
- b. “The funds raised through the sale of Ultimate's stock will be used to expand operations and allow for the addition of more carriers and more equipment, which will positively impact Ultimate's financial bottom line.”
- c. “Through the sale of company stock, Ultimate is raising funds to purchase new semi-tractors and refrigerated trailers for the carriers. Ultimate's goal is to be

debt free, make a profit, and provide a positive return to shareholders, while making a driver's dream come true.”

- d. “Ultimate is seeking investors who will help the company grow through the purchase of new semi-tractors and refrigerated trailers.”
- e. “What Your Investment Provides... Ultimate Holding Corporation's main goal as a public company is to be debt free and make a profit. Ultimate will not waste dollars on developing a program or concept, but utilizes the proven program, method, and system that has been successful.”

16. These statements posted on Respondents’ public website constitute a general solicitation or advertisement for the offer and sale of UHC’s common stock.

#### **FINDINGS OF VIOLATIONS**

17. Idaho Code § 30-14-301 provides:

*It is unlawful for a person to offer or sell a security in this state unless:*

- (a) The security is a federal covered security;*
- (b) The security, transaction or offer is exempted from registration under sections 30-14-201 through 30-14-203, Idaho Code; or*
- (c) The security is registered under this chapter.*

18. Respondents violated I.C. § 30-14-301 by not registering the offering of the 16,000 shares of common stock referenced above and by failing to qualify the offering as a federal covered security under Rule 506(b) of federal Regulation D. Respondents could not qualify the offering under Rule 506(b) because they used general solicitation or advertising in the offering as outlined above.

#### **ACKNOWLEDGMENT AND REMEDIES**

The Department and Respondents agree as follows:

- 19. Respondents admit the Findings of Violations.
- 20. Respondents agree to refund all money received from the seven investors referenced above and cancel the shares of UHC stock sold in the offering.

21. Within forty-five (45) days of the date of this Order, Respondents will provide the Department with documentation that UHC has refunded investors' funds in exchange for their shares of UHC stocks received in this offering.

22. Respondents agree to pay an administrative penalty of one thousand dollars (\$1,000). Payment of the penalty is due not later than thirty (30) days from the date of the Order. Respondents are jointly and severally liable for the penalty.

23. Respondents agree to register with the Department any securities offered or sold by Respondents (or any affiliated person, spouse or entity under common control) in Idaho for 24 months from the date of the Order.

24. Respondents agree to permanently cease and desist from violating the Act and agree to comply with all the provisions of the Act and the Rules promulgated thereunder in the future.

25. Respondents acknowledge that if they fail to comply with the Order, the Department may institute further proceedings against them.

26. Respondents represent that all information provided to the Department in connection with the investigation relating to the Order is accurate and complete.

AGREED TO and ACKNOWLEDGED this 1 day of MAY, 2019

  
ULTIMATE HOLDINGS CORPORATION

By: WILLIAM R. RIESER

  
WILLIAM R. RIESER

IT IS SO ORDERED

DATED this 3rd Day of May, 2019



STATE OF IDAHO  
DEPARTMENT OF FINANCE

Mary E. Hughes  
MARY HUGHES, Acting Director of Finance