

1 STATE OF ALASKA  
2 DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
3 DIVISION OF BANKING AND SECURITIES

4 IN THE MATTER OF: )  
5 )  
6 LINDA DENNY and JOHN DENNY )  
7 Respondents. )  
8 )  
9 \_\_\_\_\_ )

**ORDER NO. 17-120-S**  
**TEMPORARY CEASE AND DESIST**  
**ORDER EFFECTIVE IMMEDIATELY,**  
**ASSESSING CIVIL PENALTIES, WITH**  
**NOTICE OF HEARING RIGHTS AND**  
**NOTICE OF FINAL CEASE AND DESIST**  
**ORDER**

10 The Director of the Department of Commerce, Community, and Economic  
11 Development, Division of Banking and Securities (“Administrator”), has conducted an  
12 investigation into the business activities of Linda Denny, and John Denny (collectively, the  
13 “Respondents”), and has determined that Respondents violated certain provisions of the  
14 Alaska Securities Act, Alaska Statute (“AS”) 45.55 *et seq.*

15 **I. FINDINGS OF FACT**

16 1. Denny Investments, LLC (“Denny Investments”) organized as an Alaska  
17 limited liability company on November 25, 2015 (entity No. 10033688), and had an address  
18 of 5340 E. McDowell Road in Wasilla, Alaska.

19 2. Linda Denny is a resident of Wasilla, Alaska. At the time of Denny  
20 Investments’ organization, Linda Denny was the registered agent and sole member and  
21 owner of Denny Investments LLC. Linda Denny purchased Spurs Bar and Grill on  
22 December 23, 2015 and was the sole owner of Spurs Bar and Grill.

23 3. John Denny is a resident of Wasilla, Alaska. John Denny assisted Linda  
24 Denny in organizing Denny Investments.

1           4. On December 23, 2015, Denny Investments, LLC purchased the real property  
2 located at 8000 E Palmer-Wasilla Highway, Wasilla, AK 99645 (“the Property”). At all  
3 times relevant to this order, the Spurs Bar and Grill (“Spurs Bar and Grill”), doing business  
4 as Four Corners Lounge, was located on the Property.

5           5. John Denny was the General Manager of Spurs Bar and Grill at the time of  
6 Denny Investments’ organization.

7           6. In 2015, John Denny offered H.P. an opportunity to invest in Denny  
8 Investments. John Denny told H.P. that Linda Denny created Denny Investments in order to  
9 purchase, own, and maintain the Property and the Spurs Bar and Grill. John Denny told H.P.  
10 that a local company was planning to develop the parcel of land adjacent to the Property,  
11 which would cause the price of the Property to rise in the future and that H.P. would receive  
12 a profit due to H.P.’s owning membership units in Denny Investments.

13           7. On January 1, 2016, Linda Denny sold 13% of her 100% membership interest  
14 in Denny Investments to investor H.P. H.P. paid Linda Denny \$118,000 in exchange for 13  
15 membership units in Denny Investments.

16           8. In April 2017, C.K. spoke with John Denny regarding investing in Spurs Bar  
17 and Grill. John Denny offered C.K. an opportunity to invest in Denny Investments. John  
18 Denny told C.K. that John Denny planned to expand the business of Spurs Bar and Grill.  
19 John Denny also told C.K. that a local company was planning to develop the parcel of land  
20 adjacent to the Property, which would cause the price of the Property to rise in the future and  
21 that C.K. would receive a profit due to C.K.’s owning membership units in Denny  
22 Investments.

23           9. On April 13, 2017, based on what John Denny proposed, C.K. signed a  
24 document entitled, “Stock Purchase Agreement” for “5 shares of common stock [sic]” in

1 Denny Investments, and gave \$46,000 in cash to John Denny and Linda Denny.

2 10. On or about April 14, 2017, C.K. contacted John Denny and requested for her  
3 \$46,000 to be returned. As of the date of this order, C.K. has not received any of C.K.'s  
4 money back.

## 5 II. CONCLUSIONS OF LAW

6 1. The membership units in Denny Investments that Linda Denny sold to H.P.  
7 and C.K. were "securities" as that term is defined in AS 45.55.990(32).

8 2. Respondent Linda Denny was an "issuer" of Denny Investments as that term is  
9 defined in 45.55.990(20) at the time of each sale.

10 3. Respondent John Denny acted as a "promoter" as that term is defined in 3  
11 AAC 08.950(16) on behalf of Linda Denny at the time of sale of membership units in Denny  
12 Investments to H.P. and C.K.

13 4. Respondents Linda Denny and John Denny violated AS 45.55.070 by offering  
14 and selling securities to H.P. and C.K. that were not registered with the Administrator,  
15 federally covered in compliance with Alaska law, or exempt from registration.

16 5. Respondents are subject to a civil penalty under AS 45.55.920(b) for violating  
17 AS 45.55.070.

## 18 III. ORDER

19 Pursuant to AS 45.55.920, and on the basis of the Findings of Fact and Conclusions of  
20 Law, the Administrator ORDERS Respondents to:

- 21 1. CEASE AND DESIST from violating the Alaska Securities Act;  
22 2. Comply with all provisions of the Alaska Securities Act and associated  
23 regulations; and  
24

