

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2789 / September 29, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-13244

In the Matter of

DAVID D. KLASNA ,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and they hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against David D. Klasna (“Klasna” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (“Offer”), which the Commission has determined to accept. Solely for the purpose of this proceeding and any other proceeding brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and over the subject matter of these proceedings and the findings contained in Section III. B. below, which are admitted, Respondent consents to the issuance of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings and Imposing Remedial Sanctions, as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

A. Klasna is a resident of Omaha, Nebraska. Between August 1, 2003 and September 26, 2003, Klasna was the president of Presidents Trust Company LLC ("Presidents Trust"), a South Dakota-chartered trust company headquartered in Omaha.

B. On September 8, 2008, in Securities and Exchange Commission v. Presidents Trust LLC, et al, No. 8:03CV545 (D. Neb.) the United States District Court for the District of Nebraska entered a final judgment permanently enjoining Klasna from violating Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

C. The injunction was based on the Commission's allegations that between August 1, 2003 and September 26, 2003, Klasna participated in the offer and sale of an unregistered financial instrument issued by Presidents Trust called a "Fixed Income Trust-Secured" ("the Trusts"). The Commission's complaint alleged that the Trusts, although depicted in sales literature as a "secured" and conservative trust instrument offering higher rates of return than conventional bank CDs, were in economic reality unsecured promissory notes issued by Presidents Trust. The complaint alleged that, contrary to representations in the offering documents that investors' funds would be placed into a diversified portfolio of investments which would guarantee not only annual income but the return of 100% of their invested principal, Klasna and other defendants diverted a significant portion of the offering proceeds into two high-risk ventures: Presidents Trust itself, which was operating at a loss, and a speculative debt collection business. The complaint further alleged that the Trusts program constituted an unregistered investment company. During all relevant periods, more than forty percent of its assets were invested in the securities of other issuers.

D. During the period at issue in the injunctive action, Klasna acted as an unregistered investment adviser in connection with his activities at Presidents Trust.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions specified in Respondent Klasna's Offer.

Accordingly, it is hereby ORDERED:

A. Pursuant to Section 203(f) of the Advisers Act, that Respondent Klasna be, and hereby is, barred from association with any investment adviser.

B. Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned

upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Florence E. Harmon
Acting Secretary