

BEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of
NATIONAL COMMUNICATIONS MARKETING,
INC., THOMAS E. MURRAY, STEPHEN D. WOLFE,
and JERRY KLEMP,

PETITION FOR ORDER

Respondents.

File No. S-98082(EX)

The staff of the Enforcement Unit of the Registration & Enforcement Section of the Division of Securities alleges that:

1. National Communications Marketing, Inc. ("NCMI") is a foreign business entity with a last known business address of 20423 State Rd 7, Ste. 109, Boca Raton, FL 33498.
2. Thomas E. Murray (DOB 7/7/44; CRD #1372659) ("Murray") is an individual who at all times material hereto has been a Director of NCMI, with a last known business address at those of NCMI and 621 N 53 St., #355, One Park Place, Boca Raton, FL 33487; and a last known residence address of 10631 Maple Chase Dr., Boca Raton, FL 33498.
3. Stephen D. Wolfe ("Wolfe") is an individual who at all times material hereto has been Marketing Director of NCMI, with a last known business address at that of NCMI.
4. Jerry Klemp ("Klemp") is an individual who at all times material hereto has been a licensed Wisconsin insurance agent, with a last known business address at that of Catholic Fraternal Services, PO Box 86, Rothschild, WI 54474.
5. During the period of April 1998, Klemp, on behalf of NCMI, Murray, and Wolfe, offered to at least one person in Wisconsin the opportunity to purchase a pay telephone from NCMI to be leased from the purchaser by and managed and operated by another company, ETS Payphones, Inc. ("ETS").
6. According to the offering documents, ETS will "profession[ally] manage your phones" so that the purchaser will not "be involved in the day to day operations."
7. The offering documents also state, "You purchase your [phone] from NCMI and let ETS do the rest."
8. Upon information and belief, investors can play a passive role in the investment with no duties and responsibilities.

- 9. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the "opportunity" offered by the Respondents is an investment contract as defined by DFI-Sec 1.02(6)(b), Wis. Adm. Code, and is therefore a security as defined by sec. 551.02(13), Wis. Stats.
- 10. The NCMI investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
- 11. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.
- 12. In connection with the offers of the securities described above, Klemp transacted business in Wisconsin as an "agent" for NCMI, as that term is defined by sec. 551.02(2), Wis. Stats.
- 13. At no time has Klemp been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.
- 14. Klemp has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.
- 15. NCMI, Murray, and Wolfe have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin.

Therefore, the staff of the Enforcement Unit petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

Mark E. Dorman 1-5-99
 Mark E. Dorman Date
 Examiner
 Enforcement Unit

David A. Cohen 1/4/99
 David A. Cohen Date
 Supervising Attorney
 Enforcement Unit