

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

In the Matter of
GREENGROVE CORPORATION and
WILLIAM D. MEADE,

PETITION FOR ORDER

Respondents.

File No. S-00048(EX)

The staff of the Enforcement Unit, Registration & Enforcement Section, of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Greengrove Corporation is a business entity with last known business addresses of 8705 N Maplebrook Circle, Minneapolis, Minnesota 55445-0194 and P. O. Box 43337, Minneapolis, Minnesota 55443.
2. William D. Meade (DOB 9/28/37) ("Meade") is an adult male entity with last known business addresses of 8705 N Maplebrook Circle, Minneapolis, Minnesota 55445-0194 and P.O. Box 43337, Minneapolis, Minnesota 55443.
3. During the period of at least June 1988 through January 2000, Meade, on behalf of Greengrove Corporation, offered and sold to at least fifteen individuals in Wisconsin "Promissory Notes" of Greengrove Corporation.
4. Pursuant to offering materials received by persons in Wisconsin, Greengrove Corporation will engage in the business of development of a process to convert a mixture of boiler ash and paper/pulp mill sludge into a marketable construction product.
5. The "Promissory Notes" of Greengrove Corporation are "securities" as defined in sec. 551.02(13)(a), Wis. Stats., and have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
6. Greengrove Corporation and Meade have violated sec. 551.21, Wis. Stats., by offering and selling unregistered securities in Wisconsin.
7. In connection with the offer and sale of the securities described above, Meade stated and the notes provide that "Collateral for this note is: Capital stock in Greengrove Corporation in the amount of [value] the number of shares being determined by the Board of Directors at \$5.00 (five dollars) per share."
8. Upon information and belief, the shares had negative book value and there was no economic basis for a valuation of \$5.00 per share.
9. Meade and Greengrove Corporation have violated sec. 551.41(2), Wis. Stats., by making an untrue statement of a material fact in connection with the offer and sale of securities to persons 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.

Gregory J. Kipfer 12/5/00
Gregory J. Kipfer
Examiner
Enforcement Unit
Date

David A. Cohen 12/16/00
David A. Cohen
Supervising Attorney
Enforcement Unit
Date