

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

In the Matter of
INVESTORS CHOICE, INCORPORATED
and DANIEL J. JEFFERS,

PETITION FOR ORDER
(SUMMARY)

Respondents.

File S-96073(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. Daniel J. Jeffers ("Jeffers") is an individual, with a last known residence address of 16284 Shadow Pine Road, North Fort Meyers, FL 33917.
2. Investors Choice, Incorporated ("Investors") is a Wisconsin corporation, with a last known business address of One Parker Place, P.O. Box 550, Janesville, Wisconsin 53545.
3. Jeffers is an individual who at all times material hereto has been the President of Investors, with a last known business address as that of Investors.
4. On March 1, 1999, Jeffers, on behalf of Investors, offered to at last one person in Wisconsin the opportunity to invest by way of a Promissory Note in Investors ("Note").
5. The Note would pay interest at eight (8) percent per annum, with interest in the amount of \$46.67 paid monthly. The note was for a six-month term with a maturity date of September 1, 1999.
6. At the time of the execution of the Note, Jeffers failed to advise the investor that he was named as a defendant in a Civil Case 98CV001247 filed in Rock County on December 21, 1998.
7. The amount of the judgment in the case referred to in Item 6 above was \$95,114.15 and at the time was a potential liability. A judgment was subsequently imposed against Investors on October 8, 1999 in the amount of \$95,114.15.
8. At the time of the execution of the Note, Jeffers failed to advise the investor that he had defaulted on payment of Certificates of Debenture issued by Investors to at least six other persons in Wisconsin and was in default of interest payments related to the Certificates of Debenture to numerous persons in Wisconsin.
9. At the time of the offer of the note to the person in Wisconsin, Investors was delinquent in its annual report filings with the Department of Financial Institutions Division of Corporations.
10. The Promissory Note described in paragraphs 4 and 5 above constitutes a security as that term is defined in sec. 551.02(13)(a), Wis. Stats.
11. The security described in paragraphs 4 and 5 above has never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

12. Respondents have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.

13. All Respondents have violated sec. 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in connection with the offer and sale of securities to persons Wisconsin described in paragraph 4 above.

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.


Kathryn L. Denton Date
Examiner
Enforcement Unit


David A. Cohen Date
Supervising Attorney
Enforcement Unit