

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

In the Matter of
WILLIAM J. KING,

PETITION FOR ORDER

Respondent.

File No. S-00008(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. Pacific Air Transport, Inc. ("Pacific Air") is a foreign business entity with last known business addresses of 12304 Santa Monica Blvd., Ste 116, Los Angeles, CA.
2. Sebastian International Enterprises, Inc. ("Sebastian") is a foreign business entity with a last known business address of 105 Markham Court, Longwood, FL 32779.
3. World Vision Entertainment, Inc. ("World Vision") is a foreign business entity with a last known business address of 285 National Pl., #127, Longwood, FL.
4. Techno Century, Inc. ("Techno Century") is a Wisconsin corporation with a last known business address of 901 Superior Ave., Sheboygan, WI 53081.
5. William J. King (DOB 11/5/48) ("King") is an individual who at all times material hereto has been President of Techno Century, with a last known home address at that of 357 Huntington Rd., Delafield, WI 53018.
6. King has been an insurance agent licensed with the Office of the Wisconsin Commissioner of Insurance at all times material hereto.
7. During the period of 1999, King, on behalf of Pacific Air, offered and sold promissory notes of Pacific Air to at least one person in Wisconsin.
8. During the period of 1998, King, on behalf of Sebastian, offered and sold promissory notes of Sebastian to at least two persons in Wisconsin.
9. During the period of 1998, King, on behalf of World Vision, offered and sold promissory notes of World Vision to at least five persons in Wisconsin.
10. The promissory notes of Pacific Air, Sebastian and World Vision are securities as defined by sec. 551.02(13), Wis. Stats.
11. The promissory notes have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
12. King has violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities in Wisconsin.

13. In connection with the offer and sale of the securities described above, King transacted business in Wisconsin as an "agent" for Pacific, Sebastian and World Vision, as that term is defined by sec. 551.02(2), Wis. Stats.
14. At no time has King been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.
15. King has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.
16. On December 22, 1999, the Wisconsin Department of Financial Institutions, Division of Securities, issued Summary Orders of Prohibition and Revocation against Pacific, et al.
17. On August 4, 1999, the Wisconsin Department of Financial Institutions, Division of Securities, issued Summary Orders of Prohibition and Revocation against Sebastian, et al.
18. On June 16, 1999, the Wisconsin Department of Financial Institutions, Division of Securities, issued Summary Orders of Prohibition and Revocation against World Vision, et al.
19. Upon information and belief, during the time period of 1998 and 1999, King was the President of Techno Century, Inc. (hereinafter "Techno Century"), which is a business incorporated in Wisconsin and in which he and Russell C. Freeman (hereinafter "Freeman") were equal partners.
20. Based upon statements of King to personnel of the Division of Securities (hereinafter "the Division"), King and Freeman formed Techno Century in Wisconsin to create a check cashing business.
21. Based upon statements of King to personnel of the Division, the original intent of King and Freeman in selling the investments in the promissory notes of Techno Century was to raise money for the check cashing business.
22. Based upon statements of Freeman to personnel of the Division, Techno Century is a company owned by Freeman and King, and is to develop contacts and place computer programmers in Wisconsin.
23. Based upon statements of King to personnel of the Division, King and Freeman needed money to establish and operate the business of Techno Century, agreed to go to their insurance clients and sell them promissory notes of Techno Century, for which King and Freeman would pay interest at the annual rate of 12 percent to investors and the repayment of principal.
24. Based upon statements of King to personnel of the Division, King and Freeman decided that they would use the money raised through the sale of the promissory notes of Techno Century to loan the money to Capital Savings & Management (hereinafter "Capital Savings"), a business "dba" of Freeman. Capital Savings would then invest the money in the Americas Fidelity investment scheme. King and Freeman did then loan \$135,000 to Capital Savings for investment in Americas Fidelity investment scheme through 5 Star Global, LLC.
25. Based upon statements of King to personnel of the Division, during 1998 and 1999, Freeman hired at least one agent to sell promissory notes of Techno Century, and that agent did sell promissory notes of Techno Century.

26. Based upon statements of that agent of Techno Century to personnel of the Division, in or about September or October 1998, after the agent had been selling the promissory notes of various companies as an agent of Freeman for a time, Freeman told the agent about a company named Techno Century. Freeman told the agent that Techno Century was waiting to get approval from state agencies in Wisconsin and Pennsylvania before sales agents could sell notes of Techno Century. Freeman told the agent that Techno Century was headquartered in northern California and that it makes a type of specialty computer tax software.
27. Based upon statements of that agent of Techno Century to personnel of the Division, Freeman told the agent that promissory notes of Techno Century are guaranteed for repayment to investors by a second party, in the same manner as were the other promissory notes of other companies that the agent had been selling. Freeman gave sales application forms to the agent, for the sale of the promissory notes of Techno Century, but did not provide any brochures. Freeman told the agent that promissory notes were available for sale and the agent did then sell investments in promissory notes of Techno Century to persons in Wisconsin.
28. Based upon statements of King to personnel of the Division, Freeman showed to King that Freeman had a trust certificate in the amount of \$1 million from the firm of America's Fidelity Capital Management, Ltd. (hereinafter "America's Fidelity") for Freeman's investment of \$100,000 in that investment scheme – which was to have a guaranteed return on investment in one year of 1,000 percent.
29. The promissory notes of Techno Century as described above are securities as that term is defined by sec. 551.02(13)(a), Wis. Stats., and have never been registered under Ch. 551, Wis. Stats., for their offer and sale in Wisconsin.
30. King, Freeman and Techno Century have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities to persons in Wisconsin.
31. In connection with the offers and sales of the securities to persons in Wisconsin, as described above, King and Freeman, on behalf of Techno Century, employed an agent as that term is defined by sec. 551.02(2), Wis. Stats., to offer and sell the securities of Techno Century.
32. At no time has the agent been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.
33. At no time have King, Freeman or Techno Century been licensed as securities broker-dealers pursuant to Ch. 551, Wis. Stats.
34. King, Freeman, and Techno Century have violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as broker-dealers without a license.
35. King, Freeman, and Techno Century have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin.
36. Upon information and belief, in connection with the offers and sales to persons in Wisconsin of the Techno Century securities, the agent, on behalf of King, Freeman, and Techno Century, failed to inform the investors that King and Freeman were using their investment money to invest in the investment scheme of Americas Fidelity, and that Techno Century was a business started by Freeman and King only weeks or months before their investment(s).

