

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

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In the Matter of  
DANIEL J. KRUEGER and  
FINANCIAL DIMENSIONS, INC.,

PETITION FOR ORDER

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Respondents.

File S-98182(EX)

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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. Krueger ("Krueger") is an individual, with a last known residence address of 25 Algoma Street, Fond du Lac, Wisconsin 54935.
2. Financial Dimensions, Inc. ("Financial") is a Wisconsin corporation, with a last known business address of 25 Algoma Street, Fond du Lac, Wisconsin 54935.
3. Krueger is an individual who at all times material hereto has been the principal of Financial, with a last known business address as that of Financial.
4. During the period April 15, 1995 to present, Krueger, on behalf of Financial, offered to at least one person in Wisconsin the opportunity to invest by way of a Promissory Note in Biophilia ("Biophilia Note").
5. The Note would pay interest at ten (10) percent per annum, with interest payable semiannually on the 15<sup>th</sup> of April and October of each year.
6. During the period August 14, 1998 to present, Krueger, on behalf of Financial, offered to at least one person in Wisconsin the opportunity to invest in Aqua Pro Corporation through Financial by way of a Promissory Note ("Aqua Pro Note").
7. The Aqua Pro Note states it will bear interest at a rate of 12 (twelve) percent annually, paid monthly at a rate of 1 (one) percent beginning September 15, 1998, until the principal is paid in full.
8. Upon information and belief, Krueger kept two (2) percent of the monies received from the investor in the Aqua Pro Note as commission.
9. During the period June 10, 1998 to present, Krueger, on behalf of Financial, offered to at least one person in Wisconsin the opportunity to invest by way of a Promissory Note and Guarantee in the Equity Fund ("Equity").
10. Equity is composed of investments in The Surf Company and Aztec World.
11. The Promissory Note states it will bear interest at a rate of 10 (ten) percent annually paid quarterly (2.5% a quarter). The note and accrued interest became due on October 15, 1999.

12. The Promissory Notes described in paragraphs 4-11 above constitute securities as that term is defined in sec. 551.02(13)(a), Wis. Stats.

13. The securities described in paragraphs 4-11 above have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

14. In connection with the offers of the securities described above, Respondents transacted business in Wisconsin as a "broker-dealer", as that term is defined by sec. 551.02(3), Wis. Stats.

15. At no time material hereto were Respondents licensed as a securities broker-dealer in Wisconsin pursuant to Ch. 551, Wis. Stats.

16. Upon information and belief during the period of February 24, 1998 to present, Krueger, on behalf of Financial, offered to at least one person in Wisconsin the opportunity to contribute in Hisway International Ministry ("Hisway").

17. Upon information and belief, Krueger told a Wisconsin investor the money would be pooled to invest in United Way Ministry, which would then pool the monies and invest in the World Bank for the purpose of lending money to poor countries.

18. Upon information and belief, Krueger told the investor she would receive \$25,000 back on an initial investment of \$5,000. These payments would be made quarterly with the final payment being made in July of 1999.

19. Upon information and belief, Krueger provided at least one Wisconsin investor with an Acknowledgement of Contribution for a specified amount of funds received for investment in Hisway and did not invest the funds in Hisway, but invested the funds in the Equity Fund.

20. Krueger did not notify the investor of this fact at the time of the investment.

21. Since the investor will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the investment offered by Krueger is an investment contract as defined by DFI-Sec 1.02(6)(a), Wis. Adm. Code, and is therefore a security as defined by sec. 551.02(13), Wis. Stats.

22. The "Contributions" described in paragraphs 16-20 above constitute securities as that term is defined in Sec. 551.13(a), Wis. Stats.

23. The securities described above in paragraphs 16-20 above have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

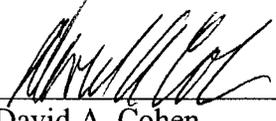
24. Respondents have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.

25. Respondents have violated sec 551.31(1), Wis. Stats., by transacting business in Wisconsin as a broker-dealer without a license.

26. 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 paragraphs 16-20 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.

 2/21/00  
Kathryn L. Denton Date  
Examiner  
Enforcement Unit

 2/21/00  
David A. Cohen Date  
Supervising Attorney  
Enforcement Unit