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

In the Matter of
MICHAL K. NICKEL,

Respondent.

PETITION FOR ORDER

File No. S-00007(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. Sebastian International Enterprises, Inc. ("Sebastian") is a foreign business entity with a last known business address of 105 Markham Court, Longwood, FL 32779.

2. World Vision Entertainment, Inc. ("World Vision") is a foreign business entity with a last known business address of 285 National Pl., #127, Longwood, FL.

3. Michal K. Nickel (CRD#3099334; DOB 7/15/58) ("Nickel") is an individual with a last known home address at that of 281 Grand Avenue, Schofield, WI 54476.

4. Nickel has been an insurance agent licensed with the Wisconsin Office of the Commissioner of Insurance at all times material hereto.

5. Nickel was licensed by the Department of Financial Institutions as a securities agent from November 20, 1998 to September 13, 1999.

6. During the period of 1998 and 1999, Nickel, on behalf of Sebastian, offered and sold promissory notes of Sebastian to at least three persons in Wisconsin.

7. During the period of 1998, Nickel, on behalf of World Vision, offered and sold promissory notes of World Vision to at least fifteen persons in Wisconsin.

8. The promissory notes of Sebastian and World Vision are securities as defined by sec. 551.02(13), Wis. Stats.

9. The promissory notes have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

10. Nickel has violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities in Wisconsin.

11. In connection with the offer and sale of the securities described above, Nickel transacted business in Wisconsin as an "agent" for Sebastian and World Vision, as that term is defined by sec. 551.02(2), Wis. Stats.

12. At no time prior to November 28, 1998 has Nickel been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.

13. Nickel has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.

14. Subsequent to Nickel's licensing as a securities agent pursuant to Ch. 551, Wis. Stats., on November 28, 1998, Nickel's employing broker-dealer did not approve of the offer and/or sale of the promissory notes by Nickel.

15. Pursuant to DFI-Sec 4.06(2), Wis. Adm. Code, effecting any securities transaction not recorded on the regular books or records of the broker-dealer which the agent represents, unless the transaction is disclosed to, and authorized in writing by, the broker-dealer prior to the execution of the transaction, is deemed a "dishonest or unethical business practice" or "taking unfair advantage of a customer" by an agent, which provides a basis, pursuant to sec. 551.34(1)(g), Wis. Stats., for the censure of a licensee.

16. On August 4, 1999, the Wisconsin Department of Financial Institutions, Division of Securities, issued Summary Orders of Prohibition and Revocation against Sebastian, et al.

17. 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.

18. Personnel of the Division contacted Nickel by telephone on August 27, 1998, and also by mail with a letter dated August 27, 1998, to inquire of Nickel's securities-related activities with persons in Wisconsin – specifically about World Vision.

19. When asked during the August 27, 1998 telephone contact, Nickel told personnel of the Division that he had made no sales of the promissory notes of World Vision.

20. Nickel, and his business associate, Jerry Klemp ("Klemp"), responded to the August 27, 1998 letter referred to in paragraph 19 above with an undated letter received by the Division on September 8, 1998, in which they stated, among other things, that –concerning the promotion of investments of World Vision - "After discussing this with Mr. Dorman (of the Division) we realized this is something we should not be promoting in any fashion."

21. Nickel did not provide (nor did Klemp) the names of persons whom he solicited, as requested in the Division's August 27, 1998 letter.

22. In May 1999, in response to an inquiry from the Office of the Wisconsin Commissioner of Insurance, Nickel disclosed through his attorney that, prior to August 1998, he had sold promissory notes of World Vision to 15 persons in Wisconsin totaling $343,000.

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 3-22-00

Mark E. Dorman
Examiner
Enforcement Unit

Date

John C. Lloyd for David A. Cohen

David A. Cohen
Supervising Attorney
Enforcement Unit

Date 3/22/00