

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

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In the Matter of  
GERALD E SONNESON,

PETITION FOR ORDER

Respondent.

File No. S-99296(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. The Somerset Group, Inc. ("Somerset") is a foreign business entity with a last known business address of 7755 Forest Bend Dr., Salt Lake City, UT 84121.
2. Capital Acquisitions, Inc. ("Capital Acquisitions") is a foreign business entity with a last known business address at that of Somerset.
3. Gerald E. Sonneson (CRD #1627884; DOB 9/30/42) ("Sonneson") is an individual with a last known home address of N2873 Cty Tk B, Kewaunee, WI 54216.
4. Sonneson has been an active insurance agent licensed with the Office of the Wisconsin Commissioner of Insurance at all times material hereto.
5. During the period of 1996 and 1997, Sonneson, on behalf of Somerset and Capital Acquisitions, offered and sold the promissory notes of Capital Acquisitions to at least eight persons in Wisconsin.
6. The promissory notes of Capital Acquisitions are securities as defined by sec. 551.02(13), Wis. Stats., and have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
7. Sonneson has violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities in Wisconsin.
8. In connection with the offers and sales of the securities described above, Sonneson transacted business in Wisconsin as an "agent" for Somerset and Capital Acquisitions, as that term is defined by sec. 551.02(2), Wis. Stats.
9. At no time has Sonneson been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.

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

11. On January 13, 1998 the United States District Court for the Southern District of Utah ordered a preliminary injunction and asset freeze against Somerset in SEC v. Capital Acquisitions, Inc., et al., Civil Action No. 2:97-0977 S, D. Utah.

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.

  
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Date

David A. Cohen  
Supervising Attorney  
Enforcement Unit