

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

In the Matter of
CHRISTOPHER L. TEMPLE,

PETITION FOR ORDER

Respondent,

File No. S-01074(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. Phoenix Financial Services, is a business entity with a previous business address of 445 Main Street, Kalispell, Montana 59901, and a current business address of 410 River Street, Spooner, WI 54801.
2. Phoenix-Millennium Partners I, is a business entity with a previous business address of 445 Main Street, Kalispell, Montana 59901, and a current business address of 410 River Street, Spooner, WI 54801.
3. Christopher L. Temple ("Temple") is an individual with a CRD # of 709315, previously registered with the NASD during 1980 to 1986 to sell securities, whose date of birth is August 24, 1961, with a previous business address of 445 Main Street, Kalispell, Montana 59901, and a last known home address of W4265 4th Avenue, Spooner, Wisconsin 54801, and business address at that of 410 River Street, Spooner, WI 54801.
4. At all times material hereto, Temple has been the general partner and controlling person of Phoenix Financial Services and Phoenix-Millennium Partners I.
5. Temple told staff of the Division of Securities that during the period of 1998 and 1999, Temple, on behalf of Phoenix-Millennium Partners I, offered and sold to "a few dozen" persons, including three persons in Wisconsin, what purportedly were interests in a limited partnership, pooled with money of other investors of Phoenix-Millennium Partners I, to be invested by Temple in the investment market.
6. Temple told staff of the Division of Securities that he received a fee of three quarters of one percent of the money pooled for investing the money of investors in Phoenix-Millennium Partners I.
7. Upon information and belief, investors in Phoenix-Millennium Partners I played a passive role in Phoenix-Millennium Partners I, with no duties and responsibilities.
8. Upon information and belief, each investor would not be involved in the day-to-day management of Phoenix-Millennium Partners I, since according to the "Limited Partnership Agreement" Temple was going to make all the investment decisions.
9. Since the investors would be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the limited partnership interests offered by Temple are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.

10. The investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
11. Temple therefore violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.
12. The actions of Temple as described above, constitute effecting transactions in securities for the account of others.
13. At no time has Temple been licensed as a broker-dealer pursuant to Ch. 551, Wis. Stats.
14. The actions of Temple as described above constitute transacting business as an unlicensed broker-dealer in violation of sec. 551.31(1), Wis. Stats.
15. The offering documents describe Phoenix-Millennium Partners I as a Montana Limited Partnership.
16. Staff of the Office of the Montana Secretary of State, where limited partnerships must be filed to be formed, have told staff of the Division of Securities, that there is no record of any filing with that Office for Phoenix Millennium Partners I.
17. By engaging in the conduct as described above, Temple, in connection with the offer and sale of securities to a person in Wisconsin, as set forth above, made a misstatement of a material fact in violation of sec. 551.41(2), Wis. State.
18. During the period of 1999 to date, Temple, doing business as Phoenix Financial Services, performed for a fee, certain investment-related services for at least two persons in Wisconsin, performing what Temple described as "investment advisory" for those persons, by making securities-related transactions for them.
19. The actions of Temple as described above, constitute effecting transactions in securities for the accounts of others as an investment adviser, as that term is defined pursuant to Ch. 551, Wis. Stats.
20. At no time has Temple been licensed as an investment adviser pursuant to Ch. 551, Wis. Stats.
21. The actions of Temple as described above constitute transacting business as an unlicensed investment adviser in violation of sec. 551.31(3), Wis. Stats.
22. Temple told staff of the Division of Securities that Temple obtained loans from four persons for his newsletter, "The National Investor," and provided a copy of a document to the staff of the Division of Securities as evidence of one such loan which shows that the issuer of the loan agreement is Phoenix Financial Services.
23. Temple told staff of the Division of Securities that he defaulted on repayment of the loans to the four persons on October 31, 1999, and that those loans are still in default.
24. Temple told staff of the Division of Securities that Temple did not inform investors in Phoenix-Millennium Partners I, before the offer and sale of the securities to them in Phoenix-Millennium Partners I, that the loans of the four above-referenced investors are in default.
25. Upon information and belief, all three persons in Wisconsin who invested in Phoenix-Millennium Partners I did so after the defaults of the loans on October 31, 1999, referred to in Paragraphs 22 through 24 above.

