

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

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In the Matter of  
AGC CAPITAL CORPORATION,  
ROBERT S. ADAMS and  
JOSEPH E. GARDNER,

PETITION FOR ORDER

File No. S-99260 (EX)

Respondents.

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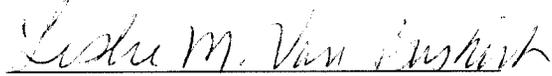
The staff of the Bureau of Registration & Enforcement of the Division of Securities, Department of Financial Institutions, State of Wisconsin, has conducted an investigation into this matter pursuant to §551.56, Wisconsin Statutes, and as a result thereof alleges as follows:

1. The respondent AGC Capital Corporation (“AGC”) is a California corporation which has never been licensed as a broker/dealer in Wisconsin. Its last known principal place of business is located at 20501 Ventura Boulevard, Suite 262, Woodland Hills, California 91364.
2. The respondent Robert S. Adams (“Adams”) is an individual who, upon information and belief, was the owner, chief operations officer and controlling person of AGC at all times material hereto. He has never been registered to sell securities with the State of Wisconsin. His last known business address was 20501 Ventura Boulevard, Suite 262, Woodland Hills, California 91364.
3. The respondent Joseph E. Gardner (“Gardner”) (CRD # 2608774) is an individual who, at all times material hereto, was employed as an investor relations representative for AGC. He has never been registered to sell securities with the State of Wisconsin. His last known address is 2020 North Calle Yucca, Thousand Oaks, California 91360.
4. AGC, through Adams, contracted to provide public relations and financial consulting services to Materials Technologies, Inc. (“Matech”). One component of the compensation to be paid to AGC consisted of Matech stock options.
5. AGC, through Adams and its agents and employees such as Gardner, sold shares of Matech to investors, including at least two investors residing in Wisconsin, neither of whom qualify as persons described in Wis. Stats. §551.23(8)(a)-(f).
6. One Wisconsin investor solicited by Gardner purchased 1562 shares of Matech for \$1000, and another purchased 5000 shares of Matech for \$2250.

7. While the investors received letters from Adams confirming their purchases, neither received the stock certificates promised.
8. AGC and Adams violated Wis. Stats. §551.21(1) when, on at least two occasions, they offered and sold a security in Wisconsin which was not registered and not exempt.
9. AGC and Adams violated Wis. Stats. §551.31(1) and (2), and Gardner violated Wis. Stat. §551.31(1) when, on at least two occasions, AGC, Adams and Gardner transacted business in Wisconsin without a license to do so.

Therefore, the staff of the Bureau of Registration & Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Orders of Censure pursuant to Chapter 551 of the Wisconsin Statutes.

Dated this 6<sup>th</sup> day of August, 2002.



Leslie M. Van Buskirk  
Staff Attorney  
Bureau of Registration & Enforcement