

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

In the Matter of
JOHN HUETTE

PETITION FOR ORDER

Respondent.

File No. S-02098(EX)

The staff of the Bureau of Registration & Enforcement, 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. John Huette ("Huette") is an adult individual with a last known address at 133 Terry Dr, Sugar Grove, IL 60554;
2. Huette, on behalf of Phoenix Telecom, LLC ("Phoenix") offered and sold pay telephones and contracts to service them to at least 88 persons in Wisconsin;
3. The payphones and contracts to fully service them are sold as a package, with the investors receiving a share of the profits;
4. This is an investment in a common enterprise with the expectation of profit to be derived through the essential managerial efforts of someone other than the investor;
5. The pay telephone leases that Huette offered and sold were investment contract securities as defined by DFI-Sec. 1.02(6)(a), Wis. Adm. Code and are therefore securities pursuant to sec. 551.02(13), Wis. Stats.;
6. The investment contract securities were never registered for sale in Wisconsin pursuant to Ch. 551, Wis. Stats.,
7. Huette has violated sec. 551.21, Wis. Stats., by selling unregistered securities;
8. At no time material hereto was Huette licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;
9. Huette has violated sec. 551.31, Wis. Stats., by acting as an unlicensed securities agent;
10. On April 7, 2000, the Division of Securities issued a summary Order of Prohibition and Revocation against Phoenix, its officers, and salespersons for the sale of unregistered securities in Wisconsin;

THEREFORE, the staff of the Enforcement Unit petitions the Administrator for the issuance of the attached Order.

DATED this 19th day of June, 2002.



David A. Cohen
Supervising Attorney
Enforcement Unit