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

In the Matter of
NEW MILLENNIUM MANAGEMENT, INC.
WENDELL S. GATES, JR., PETER J. ZACCAGNINO III,
and BERNARD PETERSON,

Respondent.

PETITION FOR ORDER

File No. S-02084(EX)

The staff of the Enforcement Unit, 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. New Millennium Management, Inc. ("NMMI") is a foreign business entity with a last known business address of c/o Gordon P. Jones, Trustee, P.O. Box 600459, Jacksonville, FL 32260-0459 and a former business address of 1372 Bennett Dr., #164, Longwood, FL 32750.

2. Wendell S. Gates, Jr. ("Gates") is an individual who at all times material hereto has been President of NMMI, with a last known business address of c/o Gordon P. Jones, Trustee, P.O. Box 600459, Jacksonville, FL 32260-0459 and a former business address of 1372 Bennett Dr., #164, Longwood, FL 32750.

3. Peter J. Zaccagnino III (DOB 11/14/60) ("Zaccagnino") is an individual who at all times material hereto has been an agent of NMMI and Gates, with last known mailing addresses of 72033 Clancy Lane, Rancho Mirage, CA 92270-4504; 2850 Pleasant Hill Rd, Kissimmee FL 34746; 335 S. Ocean Blvd., Ft. Pierce, FL 34949; and 1213 Roya Ridge La, Corona, Ca 91719.

4. Bernard Peterson ("Peterson") is an individual who at all times material hereto has been an agent of NMMI and Gates, with a last known mailing address of 201 S. Main St., Garnavillo, IA 52049.

5. Upon information and belief, during an unknown period beginning in 1999, Peterson and Zaccagnino, on behalf of NMMI and Gates, offered and sold to at least three persons in Wisconsin the purported offshore bank investments of NMMI.

6. Upon information and belief, investors can play a passive role in the company with no duties and responsibilities.

7. Upon information and belief, each investor will not be involved in the day-to-day management of NMMI, since there are too many investors for them to each have any meaningful input, and they do not have the expertise or experience necessary to perform its duties.

8. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the offshore bank investments offered and sold by the respondents 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.

9. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.

10. In connection with the offers of the securities described above, Peterson and Zaccagnino transacted business in Wisconsin as "agents" for NMMI and Gates, as that term is defined by sec. 551.02(2), Wis. Stats.

11. At no time have Peterson and Zaccagnino been licensed as securities agents pursuant to Ch. 551, Wis. Stats.

12. Peterson and Zaccagnino have violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.

13. NMMI and Gates have violated sec. 551.31(2), Wis. Stats., by employing unlicensed agents to represent them in Wisconsin.

14. On December 1, 1998, an emergency restraining order was issued against Zaccagnino in the matter of S.E.C. v. Two-Thirds, et al., in the United States District Court for the Middle District of Florida, Orlando Division, in Case No. 98-1324-Civ, relating to sales of fraudulently valued historical bonds allegedly backed by gold and placed in a prime bank-type trading program.

15. In connection with the offer of the securities described in Paragraph 5, the Respondents omitted to disclose the issuance of the orders referred to in Paragraphs 14.

16. All Respondents have violated sec. 551.41(2), Wis. Stats., by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to persons in Wisconsin.

17. On September 29, 2000, the State of Illinois issued an Order of Prohibition against NMMI, based on allegations of securities law violations.

18. On April 9, 2002, NMMI voluntarily filed a Petition for Chapter 7 bankruptcy protection in the U.S. District Court for the Middle District of Florida, Jacksonville, Case No. 02-03235.

19. On April 19, 2002, the State of Iowa, issued a Cease & Desist Order against Peterson, based on allegations of securities law violations, including fraud.

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.

Susan A. Kittel Moore 6/26/02

Susan A. Kittel Moore — Date
Legal Assistant
Enforcement Unit

6/26/02

David A. Cohen — Date
Supervising Attorney
Enforcement Unit