

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

In the Matter of
STEVEN D. ANDERSON,

PETITION FOR ORDER

Respondent.

File No. S-00266(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. Anderson, Draves, Polaski, and Smith Insurance Services, Inc. ("ADPS") is a Wisconsin corporation with a last known business address of 2428 N. Grandview Boulevard, Waukesha, WI 53188-6906.
2. Steven D. Anderson ("Anderson") is an individual who at all times material hereto has been an owner, officer and director of ADPS, with a last known business address at that of 2725 W. Calhoun Road, New Berlin, WI 53186.
3. During the period of January to June, 2000, Anderson, on behalf of ADPS, offered and sold to at least 15 persons in Wisconsin the stock of ADPS.
4. The stock interests of ADPS offered and sold by Anderson are securities 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.
5. The stock interests of ADPS have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
6. In connection with the offer and sale of the securities described in Paragraph 4. above, Anderson provided to persons at meetings before the offer and sale of the stock of ADPS, a document that stated, "The reason we are providing this stock offering is to allow the employees and the family members of the employees to share in the growth and the profitability of the agency."
7. According to statements made by Anderson to staff of the Division of Securities, while Anderson offered prospective investors in the stock of ADPS access to certain financial information, he did not specifically disclose to investors that:
 - a. Anderson made loans to ADPS in late 1999 because ADPS needed money to pay its expenses.
 - b. That ADPS was making payments to Wade Draves pursuant to the "Merger Agreement and Stock Restriction and Purchase Agreement" (Merger Agreement") signed by Anderson, Polaski and Wade Draves on June 8, 1999.
 - c. That the short-term liabilities of ADPS included money owed to General Casualty, one of ADPS' carriers, who subsequently terminated its agreement with ADPS on May 10, 2000.

