

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

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In the Matter of  
DOUGLAS M. BRAY,  
RICHARD D. HANZLIK  
CHARLES L. OUIMETTE, and  
KEITH J. VANDELL

PETITION FOR ORDER

Respondents.

File No. S-03022-LX

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The staff of the Bureau of Licensing & Compliance, 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 allege as follows.

1. Douglas M. Bray ("Bray") is a licensed investment advisor representative with a last known business address at Marathon Advisors Inc. ("Marathon"), 2701 University Ave., SE, Minneapolis, MN 55414.
2. Richard D. Hanzlik ("Hanzlik"), is a licensed investment advisor representative with a last known business address at that of Marathon.
3. Charles L. Ouimette ("Ouimette") is a licensed investment advisor representative with a last known business address at that of Marathon.
4. Keith J. Vandell ("Vandell") is a licensed investment advisor representative with a last known business address at that of Marathon.
5. At all times material hereto, Marathon was licensed as a investment adviser in Wisconsin;
6. On March 19, 2002, the Central Registration Depository ("CRD") commenced accepting licensing applications for investment adviser representatives.
7. Section DFI-Sec 5.01(1)(b), Wis. Adm. Code, provides that all filings related to the license of an investment adviser representative shall be filed with the CRD.
8. On June 24, 2002, an Order Setting Mandatory Investment Adviser Representative Transition and Form U-4 Electronic Filing Dates and Imposing Delinquent Filing Fees was signed by the Administrator requiring all investment adviser representatives to make a transition filing on CRD no later than September 16, 2002, and to subsequently file a copy of their Form U-4 no later than October 30, 2002, (the "June Order").
9. Initial notice of the filing requirements was sent to all investment advisers, including Marathon on June 26, 2002.

10. Bray, Hanzlik, Ouimette, and Vandell were all licensed as investment adviser representatives for Marathon at the time the June Order and the notice were issued.
11. On October 14, 2002, a letter was sent to Marathon warning that 15 investment adviser representatives of the firm were not transitioned by the September 16<sup>th</sup> deadline. The letter also warned of the upcoming U-4 filing deadline and the penalties for late filing.
12. No transition filings could be made on CRD between November 5, 2002, and January 1, 2003, because of the renewal process and CRD shut down at year end.
13. On November 6, 2002, another letter regarding both the late transition and late U-4 filing was sent to Marathon and included the same 15 investment adviser representatives as the previous letter. This letter advised the firm that it needed to file a renewal of these licenses directly with the Division and to immediately take steps to transition and file a Form U-4 for each of the investment adviser representatives when the CRD system began accepting filings on January 2, 2003, after the renewal shutdown period.
14. On November 29, 2002, Marathon filed manual renewals for each of the 15 investment adviser representatives including payment of the late fees due.
15. On January 14, 2003, Kenneth L. Hojnacki, Director of the Licensing & Compliance Bureau for the Division advised the firm by telephone that it still had not made the required transition filings and that if the filings were not made by January 17, 2003, the Bureau would seek a suspension of the investment adviser representatives' licenses in Wisconsin until such time as the transition and U-4 filings were completed.
16. As of January 27, 2003, no transition filings had been made for Bray, Hanzlik, Ouimette and Vandell in violation of the June Order.

THEREFORE, the staff of the Licensing & Compliance Bureau petitions the Administrator for the issuance of the attached Order.

DATED this 28<sup>th</sup> day of JANUARY, 2003

  
Kenneth L. Hojnacki  
Director  
Bureau of Licensing & Compliance