

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

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In the Matter of  
FRANCIS P. HAVEY and  
HAVEY FUND RAISING MANAGEMENT, INC.

PETITION FOR ORDER

Respondent.

File No. S-98104(EX)

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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 in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Francis P. Havey ("Havey") is an adult individual with a last known business address at 8777 West Forest Home Ave., Milwaukee WI 53228;
2. Havey Fund Raising Management, Inc. ("HFRMI") is a corporation with a last known address at 8777 West Forest Home Ave., Milwaukee WI 53228;
3. JMJ Corporation N.V. ("JMJ") is a foreign business entity with a last known address at that of Havey and HFRMI;
4. Since at least 1993, Havey, through HFRMI, has been in the business of fundraising for charitable organizations offering what he calls a "creative fund raising program" (the "Program");
5. The Program requires a charity to deposit a large sum of money in a bank account over which Havey, through JMJ, has joint control;
6. These funds were to be used to rent a line of credit for what Havey has variously described as a buy/sell or arbitrage program whereby a bank sells notes on a secondary market and effects an arbitrage, the charity then receives a fee for the use of its money or from the profits from the transaction;
7. The Program is what is commonly called High Yield Trading or Prime Bank Trading program;
8. Since at least 1993 Havey has offered and sold his "creative fund raising program" from this state to numerous charities;
9. Since the purchaser of the Program expects to make a profit through the essential managerial efforts of someone other than the investor the Program is an investment

contract security as defined by DFI-Sec 1.02(6)(a), Wis. Adm. Code and is a security pursuant to sec. 551.02(13), Wis. Stats.,

10. Havey has violated sec. 551.21(1), Wis. Stats. by selling unregistered securities in Wisconsin;
11. At no time has HFRMI been licensed as a broker-dealer or Havey been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;
12. By transacting business as an unlicensed broker-dealer, HFRMI has violated sec. 551.31(1), Wis. Stats.;
13. By transacting business as an unlicensed securities agent, Havey has violated sec. 551.31(1), Wis. Stats.;
14. By employing an unlicensed agent to represent it, HFRMI has violated sec. 551.31(2), Wis. Stats.;
15. On February 27, 1995 one of the parties that Havey was using for these Programs, Donald Dickerson, was permanently enjoined by the U.S. District Court for the District of Columbia from violating the anti-fraud provisions of the federal securities laws in connection with his offer and sale of High Yield Trading or Prime Bank Trading programs;
16. Since 1993 numerous national and international organizations have issued warnings to the public that these High Yield or Prime Bank Trading Programs were frauds, e.g. Federal Reserve, 1993 & 1996; International Monetary Fund 1994 & 1996; Federal Reserve Bank of New York 1996; International Chamber of Commerce 1998; Better Business Bureau, September 1997;
17. Havey's failure to inform investors that numerous agencies had deemed these programs to be frauds was the omission of a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in violation of sec. 551.41(2), Wis. Stats.;
18. On October 7, 1999, Havey met with members of the Division staff and told them that he had never assisted or participated in any way in a bank roll Program;
19. At that meeting and later by letter dated October 19, 1999, the Division told Havey that the bank roll programs were securities and that they were fraudulent;
20. Upon information and belief, Havey continued to offer his Program involving the use of Prime Bank Trading programs after that date;

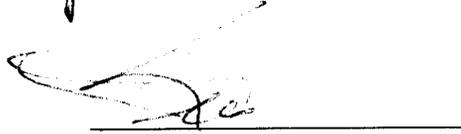
21. Upon information and belief, no charitable organizations have made any money through this Program;

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

DATED this 27<sup>th</sup> day of January, 2007.



David A. Cohen  
Supervising Attorney  
Bureau of Registration & Enforcement



Fred Reed  
Examiner  
Bureau of Registration & Enforcement