

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

In the Matter of
DONALD W. HAWKINS,

PETITION FOR ORDER

Respondent.

File No. S-02201(EX)

The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities, Bureau of Registration & Enforcement, has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats., and as a result thereof alleges as follows:

1. Donald W. Hawkins ("Hawkins") is an individual with a date of birth of September 12, 1947, who has a last known home address at 3004 Aspen Court, Eau Claire, WI 54703;
2. According to statements of two persons in Wisconsin to the staff of the Bureau of Registration & Enforcement ("the staff"), Hawkins offered and sold to at least two persons in Wisconsin shares in the London Square Mall in Eau Claire, Wisconsin during the period of 1999;
3. Based on statements of two persons in Wisconsin to the staff, referred to in Paragraph 2 above, Hawkins told the persons during the offer and sale of the shares in the London Square Mall that Hawkins owned one-third of the London Square Mall, that each share sold for \$35,000, and that investors would earn a return on investment from either revenues of the stores operating in the London Square Mall or from the sale of the London Square Mall at a profit to a buyer;
4. Public records indicate the property constituting the London Square Mall, at all times material hereto, was owned by D&D Development of Eau Claire, LLC;
5. In sworn testimony given under oath during a deposition taken in the course of a proceeding in the United States Bankruptcy Court for the Western District of Wisconsin on September 1, 2000, David J. Yeazel ("Yeazel") testified that Yeazel is the sole member of D&D Development of Eau Claire, LLC ("D&D Development"), and that the asset owned by D&D Development is the London Square Mall and its related leases;
6. Yeazel further testified, in the deposition referred to in Paragraph 5 above, that Hawkins is the uncle of Yeazel's wife, and had no involvement in the London Square Mall other than to comment as a long-term resident of Eau Claire;
7. Based upon this testimony in the deposition referred to in Paragraph 5 above, the London Square Mall was owned only by Yeazel as the sole member of D&D Development at the time of the offer and sale of the investment contract securities by Hawkins, as referred to in Paragraphs 2 and 3 above, and that Hawkins had no ownership interest in the property;
8. Since Hawkins did not own an interest in the London Square Mall at the time of his offer and sale of the investment contract securities to the two persons in Wisconsin referred to in Paragraphs 2 and 3 above, Hawkins violated sec. 551.41(3), Wis. Stats., by engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon a person; and

9. The staff requested of Hawkins in writing and by subpoena that he provide information about the investment-related transactions of persons in Wisconsin who invested in the investment contracts through Hawkins in the London Square Mall, to which Hawkins has refused to comply by invoking his Fifth Amendment rights against self-incrimination under the U.S. Constitution.

Therefore, the staff of the Bureau of Registration & Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

Mark E. Dorman 1-3-03
Mark E. Dorman Date
Examiner

Leslie Van Buskirk 1/3/03
Leslie Van Buskirk Date
Staff Attorney