

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

In the Matter of
RODI POWER SYSTEMS, INC.,
BYRON R. SPAIN,
GWENDOLYN S. SPAIN,
MANUFACTURERS ASSET GROUP, LLC
RAYMOND L. LEONARD, JR.,
GLENDA S. BRANNON,
LAWRENCE ANDERSON a/k/a RON LAWRENCE, and
JAMES "JIM" BRADFORD,

PETITION FOR ORDER

Respondents.

File No. S-02019(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. RODI Power Systems Inc., ("RODI") is a foreign business entity with a last known business address at all times material hereto of 1000 North Airport Road, Abbeville, Louisiana 70510;
2. Byron R. Spain ("B. Spain") is an individual who at all times material hereto has been Chief Executive Officer and Chairman of the Board of RODI, with a last known business address at that of RODI;
3. Upon information and belief, Gwendolyn S. Spain, ("G. Spain") is an individual who at all times material hereto has been the "VP Investor Relations" of RODI, with a last known business address at that of RODI;
4. Manufacturers Asset Group, LLC, ("MAG") is a foreign business entity with a last known business address of 27001 La Paz Road, Suite 366A, Mission Viejo, California 92691;
5. Upon information and belief, Raymond L. Leonard, Jr. ("Leonard") is an individual, with a date of birth of December 19, 1959 and CRD number of 2579082, who at all times material hereto has been CEO of MAG, with a last known business address at that of MAG;
6. Upon information and belief, Glenda S. Brannon ("Brannon") is an individual who at all times material hereto was an agent of MAG, with a last known business address at that of MAG;
7. Lawrence Anderson, a/k/a Ron Lawrence ("Lawrence"), is an individual who at all times material hereto was an agent of MAG, with a last known home address at 4929 Southridge Avenue, Los Angeles, California 90043;
8. James "Jim" Bradford ("Bradford"), with a CRD number of 2329867, is an individual who at all times material hereto was an agent of MAG, with a last known home address at 28082 Palmada, Mission Viejo, California 92692;
9. During the period of 2001, Brannon, Lawrence, and Bradford, on behalf of MAG, Leonard, RODI, B. Spain and G. Spain, offered and sold to at least 30 persons in Wisconsin interests in stock of RODI;

10. The stock interests of RODI are securities as defined by sec. 551.02(13), Wis. Stats.;
11. The stock interests of RODI have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;
12. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities to persons in Wisconsin;
13. In connection with the offer and sale of the securities described above, MAG transacted business in Wisconsin as a "broker-dealer," as that term is defined by sec. 551.02(3), Wis. Stats.;
14. At no time has MAG been licensed as a securities broker-dealer pursuant to Ch. 551, Wis. Stats.;
15. MAG has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a broker-dealer without a license;
16. In connection with the offers and sales of the securities described above, Brannon, Lawrence and Bradford transacted business in Wisconsin as "agents" for RODI, B. Spain, G. Spain, MAG and Leonard, as that term is defined by sec. 551.02(2), Wis. Stats.;
17. At no time have either Brannon, Lawrence, and Bradford been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;
18. Brannon, Lawrence, and Bradford have violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as securities agents without a license;
19. RODI, B. Spain, G. Spain, MAG and Leonard have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin;
20. Upon information and belief, during the offers and sales described above, Brannon, Lawrence and Bradford of MAG on behalf of RODI, B. Spain, G. Spain, MAG and Leonard used the sales technique of claiming that the common stock of RODI was about to go public at a substantially higher price than the price at which the stock was then being offered to the persons in Wisconsin, claiming variously that the stock was being registered for an initial public offering and that it was about to be listed for public trading;
21. On August 20, 1997, RODI applied to the Wisconsin Division of Securities for an initial public offering of its common stock;
22. The prospectus of RODI filed with the Wisconsin Division of Securities as part of the filing, referred to in Paragraph 21 above, stated, among other things, that "The Company (RODI) has sold common stock to investors without registering the securities for sale with the appropriate federal and state regulatory agencies and was in violation of federal and state security (sic) laws. To limit the potential liability from the sale of these unregistered securities, the Company issued a Recission offer to Certain Stockholders, ...";
23. Upon information and belief, RODI rescinded its initial public offering filing, referred to in Paragraph 21 above;
24. In connection with the offer of the securities described in Paragraph 9 above, the Respondents omitted to disclose the previous offer and sale of the stock of RODI in violation of federal and state securities laws, as referred to in Paragraph 22 above;

