

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

In the Matter of
THOMAS L. ANDERSON,
BARBARA E. ANDERSON,
ANTHONY HEPPNER and
SKYWARD GROUP,

PETITION FOR ORDER
(SUMMARY)

Respondents.

File No. S-01059(EX)

The staff of the Bureau of Registration and 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. Thomas L. Anderson ("TAnderson") is an individual, with a last known address of 4505 Cameron Street, Eau Claire, Wisconsin 54703.
2. Barbara E. Anderson ("BAnderson") is an individual, with a last known address of 4505 Cameron Street, Eau Claire, Wisconsin 54703.
3. Anthony Heppner ("Heppner") is an individual, with a last known address of 221 Cty Road 86, Theilman, Minnesota 55945.
4. Skyward Group is a business entity, with a last know business address of 3789 Gateway Drive, PMB #160, Eau Claire, Wisconsin 54701.
5. TAnderson at all times material hereto has been Treasurer of Skyward.
6. BAnderson at all times material hereto has been Secretary of Skyward.
7. Heppner at all times material hereto has been an Administrator of Skyward.
8. During at least February and March 1999, TAnderson, through agents, sold to at least one person in Wisconsin the opportunity to become a member of an investment club.
9. The Skyward Group Membership Application ("Application") required each member to pay an \$80 (eighty) annual membership fee.
10. As a member of Skyward, each member is allowed to "loan" money to Skyward.
11. The Skyward Group Loan Agreement (the "Agreement") required the investment of a minimum of \$1,000, payable to Skyward Group by money order or cashier's check.

12. The Agreement stated “the lender, a member of the SKYWARD GROUP, understand this to be a no interest, unsecured, unsolicited loan of (\$____) Federal Reserve Notes (FRN’s) with no guarantee of earnings, and that any anticipated return is purely on a ‘best efforts’ basis. This loan is for a minimum of 3 months and a maximum of 12 months from the date shown below.”

13. Upon information and belief, updates received by investors after signing loan agreements stated the money was being used for offshore banking and debit cards.

14. Upon information and belief, agents known as “mentors” did the solicitation of the Agreement. Mentors would receive a certain percentage of the value of loans they solicit that would be added to the value of the mentor’s account.

15. Upon information and belief, information received by a person in Wisconsin stated his investment could yield 0-40% per month return.

16. Upon information and belief, a mentor told a person in Wisconsin his \$1,000 loan would rollover into \$20,000.

17. Pursuant to the Agreement received by the person in Wisconsin, investors will play a passive role in the Program, with all duties and responsibilities being performed by persons other than the investor.

18. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the investment offered by the Respondents is an investment contract as defined by DFI-Sec 1.02(6)(a), Wis. Adm. Code, and is therefore a security as defined by sec. 551.02(13), Wis. Stats.

19. The investment, described above, constitutes a security as that term is defined in sec. 551.02(13)(a), Wis. Stats.

20. The security described above has never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

21. Respondents have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.

22. Upon information and belief, funds received from the person in Wisconsin were used for purposes other than for business expenses.

23. Respondents failed to disclose to the person in Wisconsin that the funds were to be used for purposes other than business expenses.

24. Respondents have violated sec. 551.41(2), Wis. Stats., by making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

Therefore, the staff of the Enforcement Unit petitions the Administrator of the Division of Securities for the issuance of the attached order pursuant to Ch. 551, Wis. Stats.

Kathryn L. Denton 4/22/03
Kathryn L. Denton Date
Examiner
Enforcement Unit

David A. Cohen 4/23/03
David A. Cohen Date
Supervising Attorney
Enforcement Unit