

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

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In the Matter of  
LASANTHA WEERI FERNANDO,  
a/k/a FERNANDO LASANTHA,

PETITION FOR ORDER

Respondent.

File No. S-03040(EX)

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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. Lasantha Weeri Fernando, a/k/a Fernando Lasantha ("Fernando") is an individual, with a last known address of 3523 Briar Crest Drive, Janesville, Wisconsin, 53546.
2. Upon information and belief, on November 3, 1997, Fernando met with a person at their home in Green County, Wisconsin, for the purpose of investing money with Fernando.
3. Upon information and belief, two investment agreements indicate the loan was for \$50,000 for five years and that the person would receive a return of \$1,000 per month on the 25<sup>th</sup> day of each month.
4. Upon information and belief, again on June 14, 1999, Fernando met with the person in paragraph 2 above at their home in Green County for the purpose of investing money with Fernando.
5. Upon information and belief, the investor gave Fernando \$75,000. Fernando told the investor that the interest on this money would be used by Fernando to pay on the investor's credit card accounts.
6. Upon information and belief, one investment agreement dated June 14, 1999 in the amount of \$25,000 was to pay 7.5% per annum for four years with the interest being paid monthly added to the capital. The annual amount was to be not less than \$8,000 and the amount was to be paid monthly in equal installments in order to pay the full balances of the credit cards.
7. Upon information and belief, one investment agreement dated June 14, 1999 in the amount of \$50,000 stated Fernando would invest the money for a period of five years with interest of 24% per year and paid every six months.
8. Upon information and belief, on February 27, 2000, Fernando met with another person in Wisconsin at Fernando's home at 3523 Briar Crest Drive, Janesville, Wisconsin, 53546 for the purpose of signing an investment agreement.

9. The investment agreement was for \$30,000 for an investment with Fernando.
10. The investment agreement stated the period of investment was for three years irrevocable, with interest and capital to be paid in full at 12% per annum in three years, and an option to extend for a further period on negotiated interest. The Wisconsin investor was not told what the investment would be used for.
11. Upon information and belief, again on July 26, 2000, Fernando met with this same person in Paragraph 8 above at Fernando's home at 3523 Briar Crest Drive, Janesville, Wisconsin, 53546 for the purpose of investing money.
12. The investment agreement stated the amount was for \$10,000 at a rate of investment of 18.2% per annum, accordingly monthly interest was \$155 and the expected date of return was the end of October 20, 2000 or after. The Wisconsin investor was not told what the investment would be used for.
13. Upon information and belief, again on August 14, 2000, Fernando met with this same person in Paragraph 8 above at Fernando's home at 3523 Briar Crest Drive, Janesville, Wisconsin, 53546, for the purpose of investing money.
14. The investment agreement signed by the Wisconsin investor on August 14, 2000 stated the investment was for \$10,000 at a rate of 20% per annum with interest to be paid monthly at the rate of \$200 per month on the 15<sup>th</sup> of every month for six months and principal and any interest due at the time to be paid in full at that time. The Wisconsin investor was not told what the investment would be used for.
15. Upon information and belief, again in February 2001, Fernando met with this same person in Paragraph 8 above at Fernando's home at 3523 Briar Crest Drive, Janesville, Wisconsin, 53546, for the purpose of signing a loan agreement.
16. Upon information and belief, the loan agreement signed by Fernando stated he received \$6,000 at 12% per annum interest, payable with capital within three weeks from 2/21/2001.
17. Upon information and belief, the person in Paragraph 8 also loaned Fernando \$1,000 to be repaid on March 10, 2001.
18. To date, the Wisconsin investors have not received the stated return of their interest or principal on any of these investments or notes and are unable to locate Fernando.
19. Pursuant to sec. 551.02(13)(a), Wis. Stats., the definition of "security" includes stocks and notes.
20. The stock certificate and notes have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.

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

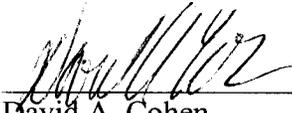
22. Upon information and belief on February 16, 2002, the State of Wisconsin Office of the Commissioner of Insurance issued a Summary Suspension Order and Cease and Desist Order against Respondent Fernando for violations of s. 628(10)(2)(b) and 628.34(1), Wis. Stats., and Wis. Adm. Code s. INS 2.16(6).

23. Upon information and belief on February 17, 2003, a warrant for the arrest of Fernando on three counts of violations of sec. 943.20(1)(b), Wis. Stat. was filed by the Rock County Circuit Court, Case Number 2003CF000420

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

  
Kathryn L. Denton  
Examiner  
Enforcement Unit

2/4/04  
Date

  
David A. Cohen  
Supervising Attorney  
Enforcement Unit

2/4/04  
Date