

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

In the Matter of
FRIENDSHIP FINANCIAL SERVICES, LTD., and
YING YANG,

PETITION FOR ORDER

Respondents.

File No. S-03093(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. Friendship Financial Services, Ltd. is a business entity incorporated in the State of Wisconsin, in delinquent status since January 1, 1999, with a last known business address of 80 Chateau Terrace, Oshkosh, Wisconsin 54901;
2. Ying Yang ("Yang") is a male individual, with a date of birth of December 12, 1968, who at all times material hereto has been the owner, officer and controlling person of Friendship Financial Services, Ltd., with a last known home address of 455 W. Smith Avenue #114, Oshkosh, Wisconsin 54901-1897 and business address at that of Friendship Financial Services, Ltd.;
3. According to statements of a person in Wisconsin made to staff of the Division of Securities, during the period of at least 1996, Yang, on behalf of Friendship Financial Services, Ltd., offered and sold to that person in Wisconsin interests in a promissory note as evidence of a loan of \$8,000, to be repaid in five years with interest of \$3,400;
4. According to statements of Yang made to staff of the Division of Securities, during the period of 1992 through 1997, Yang, on behalf of Friendship Financial Services, Ltd., borrowed money from about 100 persons in Wisconsin and promised to repay the money with interest or return on investment by a certain date, and provided written promissory notes to each of those persons with the terms of the loan stated on the promissory notes;
5. According to statements of Yang made to staff of the Division of Securities, Yang owed between \$450,000 to \$500,000 to the persons in Wisconsin, referred to in Paragraph 4 above, at the time that he stopped the business of Friendship Financial Services, Ltd in the Spring of 1998, due to a fire in the business office, and that some of that money owed to those persons has not been repaid;
6. The promissory notes of Friendship Financial Services, Ltd. are securities as defined by sec. 551.02(13), Wis. Stats.;
5. The promissory notes of Friendship Financial Services, Ltd. have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;
6. Friendship Financial Services, Ltd. and Yang have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities to persons in Wisconsin;

